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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ____

Commission File Number: 000-26966

ADVANCED ENERGY INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**84-0846841**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1595 Wynkoop Street, Suite 800, Denver, Colorado	**80202**
(Address of principal executive offices)	(Zip Code)

(970) 407-6626
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	**AEIS**	**Nasdaq Global Select Market**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of October 28, 2026, there were 40,481,991 shares of the registrant's common stock, par value $0.001 per share, outstanding.

ADVANCED ENERGY INDUSTRIES, INC.
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PART I FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

ADVANCED ENERGY INDUSTRIES, INC.
Unaudited Consolidated Balance Sheets
(In millions, except per share amounts)

	September 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,424.6	$ 791.2
Accounts receivable, net	474.8	325.2
Inventories	645.7	411.2
Other current assets	68.1	46.3
Total current assets	2,613.2	1,573.9
Property and equipment, net	347.3	272.8
Operating lease right-of-use assets	114.5	98.1
Other assets	173.3	182.5
Intangible assets, net	102.3	117.7
Goodwill	299.1	300.8
TOTAL ASSETS	$ 3,649.7	$ 2,545.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 363.2	$ 224.1
Accrued payroll and employee benefits	89.1	93.0
Other accrued expenses	99.8	78.1
Customer deposits and other	14.9	12.7
Current portion of long-term debt	136.4	567.5
Current portion of operating lease liabilities	18.5	15.8
Total current liabilities	721.9	991.2
Long-term debt, net	1,129.5	—
Operating lease liabilities	107.6	95.7
Defined employee benefit pension plan	47.9	49.4
Other long-term liabilities	36.1	38.9
Total liabilities	2,043.0	1,175.2
Deferred compensation	16.0	7.8
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, $0.001 par value, 1.0 shares authorized, none issued and outstanding	—	—
Common stock, $0.001 par value, 140.0 and 70.0 shares authorized at September 30, 2026 and December 31, 2025, respectively; 40.0 and 37.8 issued and outstanding at September 30, 2026 and December 31, 2025, respectively	—	—
Common stock associated with deferred compensation plan	(14.2)	(2.6)
Additional paid-in capital	257.3	230.6
Accumulated other comprehensive income	5.2	6.2
Retained earnings	1,342.4	1,128.6
Total stockholders' equity	1,590.7	1,362.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,649.7	$ 2,545.8

The accompanying notes are an integral part of these unaudited consolidated financial statements.

ADVANCED ENERGY INDUSTRIES, INC.
Unaudited Consolidated Statements of Operations
(In millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue, net	$ 696.4	$ 463.3	$ 1,781.5	$ 1,309.4
Cost of revenue	407.3	288.9	1,055.4	821.1
Gross profit	289.1	174.4	726.1	488.3
Operating expenses:				
Research and development	67.1	59.1	194.5	172.3
Selling, general, and administrative	73.8	59.8	205.5	179.0
Amortization of intangible assets	5.0	5.6	15.5	16.7
Restructuring, asset impairments, and other charges	—	0.7	4.0	8.9
Total operating expenses	145.9	125.2	419.5	376.9
Operating income	143.2	49.2	306.6	111.4
Interest income	11.6	6.6	25.6	20.1
Interest expense	(3.0)	(4.2)	(10.4)	(12.6)
Loss on induced conversion of debt	—	—	(31.8)	—
Other income (expense), net	0.1	0.7	(1.5)	(7.4)
Income from continuing operations, before income tax	151.9	52.3	288.5	111.5
Income tax provision	36.1	5.9	50.9	14.7
Income from continuing operations	115.8	46.4	237.6	96.8
Loss from discontinued operations, net of income tax	(0.2)	(0.2)	(1.1)	(0.7)
Net income	$ 115.6	$ 46.2	$ 236.5	$ 96.1
Basic weighted-average common shares outstanding	40.0	37.6	38.8	37.6
Diluted weighted-average common shares outstanding	41.4	38.5	41.9	38.1
Earnings (loss) per share:				
Continuing operations:				
Basic earnings per share	$ 2.90	$ 1.23	$ 6.12	$ 2.57
Diluted earnings per share	$ 2.80	$ 1.21	$ 5.67	$ 2.54
Discontinued operations:				
Basic loss per share	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.02)
Diluted loss per share	$ —	$ (0.01)	$ (0.03)	$ (0.02)
Net income:				
Basic earnings per share	$ 2.89	$ 1.23	$ 6.10	$ 2.56
Diluted earnings per share	$ 2.79	$ 1.20	$ 5.64	$ 2.52

The accompanying notes are an integral part of these unaudited consolidated financial statements.

ADVANCED ENERGY INDUSTRIES, INC.
Unaudited Consolidated Statements of Comprehensive Income (Loss)
(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 115.6	$ 46.2	$ 236.5	$ 96.1
Other comprehensive income (loss), net of income tax				
Foreign currency translation	4.6	(3.4)	(0.6)	17.4
Defined employee benefit plan	(0.1)	(0.1)	(0.4)	(0.3)
Comprehensive income	$ 120.1	$ 42.7	$ 235.5	$ 113.2

The accompanying notes are an integral part of these unaudited consolidated financial statements.

ADVANCED ENERGY INDUSTRIES, INC.
Unaudited Consolidated Statements of Stockholders' Equity
(In millions, except per share amounts)

	Common Stock		Common Stock Associated with Deferred Compensation Plan	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balances, December 31, 2024	37.7	$ —	$ (0.9)	$ 189.1	$ (11.8)	$ 1,026.7	$ 1,203.1
Stock issued from equity plans	0.2	—	—	(9.1)	—	—	(9.1)
Stock-based compensation	—	—	—	11.6	—	—	11.6
Share repurchases	—	—	—	—	—	(0.9)	(0.9)
Dividends declared ($0.10 per share)	—	—	—	—	—	(3.8)	(3.8)
Other comprehensive income	—	—	—	—	4.5	—	4.5
Deferred compensation	—	—	—	—	—	0.2	0.2
Common shares issued to deferred compensation plan	—	—	(1.7)	1.7	—	—	—
Net income	—	—	—	—	—	24.7	24.7
Balances, March 31, 2025	37.9	—	(2.6)	193.3	(7.3)	1,046.9	1,230.3
Stock issued from equity plans	0.1	—	—	1.1	—	—	1.1
Stock-based compensation	—	—	—	12.2	—	—	12.2
Share repurchases	(0.3)	—	—	(1.4)	—	(21.4)	(22.8)
Dividends declared ($0.10 per share)	—	—	—	—	—	(3.9)	(3.9)
Other comprehensive income	—	—	—	—	16.1	—	16.1
Deferred compensation	—	—	—	—	—	(0.9)	(0.9)
Net income	—	—	—	—	—	25.2	25.2
Balances, June 30, 2025	37.7	—	(2.6)	205.2	8.8	1,045.9	1,257.3
Stock issued from equity plans	—	—	—	(0.3)	—	—	(0.3)
Stock-based compensation	—	—	—	12.3	—	—	12.3
Dividends declared ($0.10 per share)	—	—	—	—	—	(3.9)	(3.9)
Other comprehensive loss	—	—	—	—	(3.5)	—	(3.5)
Deferred compensation	—	—	—	—	—	(0.9)	(0.9)
Net income	—	—	—	—	—	46.2	46.2
Balances, September 30, 2025	37.7	$ —	$ (2.6)	217.2	$ 5.3	$ 1,087.3	$ 1,307.2

ADVANCED ENERGY INDUSTRIES, INC.
Unaudited Consolidated Statements of Stockholders' Equity (Continued)
(In millions, except per share amounts)

	Common Stock		Common Stock Associated with Deferred Compensation Plan	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount					
Balances, December 31, 2025	37.8	$ —	$ (2.6)	$ 230.6	$ 6.2	$ 1,128.6	$ 1,362.8
Stock issued from equity plans	0.2	—	—	(40.6)	—	—	(40.6)
Stock-based compensation	—	—	—	13.0	—	—	13.0
Share repurchases	—	—	—	—	—	(0.3)	(0.3)
Dividends declared ($0.10 per share)	—	—	—	—	—	(3.8)	(3.8)
Other comprehensive loss	—	—	—	—	(3.3)	—	(3.3)
Deferred compensation	—	—	—	—	—	(12.6)	(12.6)
Common shares issued to deferred compensation plan, net	—	—	(12.2)	14.6	—	—	2.4
Net income	—	—	—	—	—	66.8	66.8
Balances, March 31, 2026	38.0	—	(14.8)	217.6	2.9	1,178.7	1,384.4
Stock issued from equity plans	—	—	—	1.5	—	—	1.5
Stock-based compensation	—	—	—	18.1	—	—	18.1
Dividends declared ($0.10 per share)	—	—	—	—	—	(4.1)	(4.1)
Other comprehensive loss	—	—	—	—	(2.2)	—	(2.2)
Deferred compensation	—	—	—	—	—	(2.7)	(2.7)
Common shares issued to deferred compensation plan, net	—	—	0.4	0.8	—	—	1.2
Induced conversion of 2028 Notes	2.0	—	—	14.5	—	—	14.5
Partial unwind of Note Hedges and Warrants – 2028 Notes	—	—	—	44.6	—	—	44.6
Premiums paid for Capped Call – 2031 Notes	—	—	—	(69.0)	—	—	(69.0)
Tax impact of 2031 Notes	—	—	—	15.7	—	—	15.7
Net income	—	—	—	—	—	54.1	54.1
Balances, June 30, 2026	40.0	—	(14.4)	243.8	0.7	1,226.0	1,456.1
Stock issued from equity plans	—	—	—	(1.5)	—	—	(1.5)
Stock-based compensation	—	—	—	17.3	—	—	17.3
Dividends declared ($0.10 per share)	—	—	—	—	—	(4.1)	(4.1)
Other comprehensive income	—	—	—	—	4.5	—	4.5
Deferred compensation	—	—	—	—	—	4.9	4.9
Common shares issued to deferred compensation plan, net	—	—	0.2	0.4	—	—	0.6
Tax impact from unwind of Note Hedges and Warrants – 2028 Notes	—	—	—	(2.7)	—	—	(2.7)
Net income	—	—	—	—	—	115.6	115.6
Balances, September 30, 2026	40.0	$ —	$ (14.2)	$ 257.3	$ 5.2	$ 1,342.4	$ 1,590.7

The accompanying notes are an integral part of these unaudited consolidated financial statements.

ADVANCED ENERGY INDUSTRIES, INC.
Unaudited Consolidated Statements of Cash Flows
(In millions)

	Nine Months Ended September 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 236.5	$ 96.1
Less: loss from discontinued operations, net of income tax	(1.1)	(0.7)
Income from continuing operations, net of income tax	237.6	96.8
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	49.5	46.8
Stock-based compensation	58.1	41.2
Amortization of debt issuance costs and debt discount	4.3	2.4
Loss on induced conversion of debt	31.8	—
Deferred income taxes	13.3	—
Impairment charge on long-lived assets	0.5	1.8
Other	(0.1)	(3.7)
Changes in operating assets and liabilities, net of assets acquired		
Accounts receivable, net	(149.1)	(31.2)
Inventories	(234.0)	(35.4)
Other assets	(17.5)	(5.7)
Accounts payable	136.4	50.5
Operating lease right-of-use assets and operating lease liabilities, net	(1.7)	2.5
Other liabilities and accrued expenses	16.6	(11.4)
Net cash from operating activities from continuing operations	145.7	154.6
Net cash from operating activities from discontinued operations	(1.6)	(1.8)
Net cash from operating activities	144.1	152.8
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of long-term investments	(1.4)	(2.0)
Purchases of property and equipment	(117.2)	(69.9)
Net cash from investing activities	(118.6)	(71.9)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of debt issuance costs	(0.7)	(1.9)
Dividend payments	(12.0)	(11.6)
Payment of acquisition holdback	—	(1.5)
Purchase and retirement of common stock	(0.5)	(23.7)
Net payments related to stock-based awards	(40.6)	(8.3)
Proceeds from issuance of 2031 Notes, net	1,129.3	—
Premiums paid for Capped Call – 2031 Notes	(69.0)	—
Payments to settle 2028 Notes	(440.9)	—
Proceeds from Note Hedges and Warrants unwind – 2028 Notes	44.6	—
Net cash from financing activities	610.2	(47.0)
Effect of currency translation on cash, cash equivalents and restricted cash	(0.3)	2.6
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	635.4	36.5
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	791.2	722.1
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	$ 1,426.6	$ 758.6

The accompanying notes are an integral part of these unaudited consolidated financial statements.

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Advanced Energy Industries, Inc., a Delaware corporation, and its consolidated subsidiaries ("we," "us," "our," or "Advanced Energy") provides highly engineered, critical, precision power conversion, measurement, and control solutions to our global customers. We design, manufacture, sell, and service precision power products that transform, refine, and modify the raw electrical power coming from either the utility or the building facility and convert it into various types of highly controllable, usable power that is predictable, repeatable, and customizable to meet the necessary requirements for powering a wide range of complex equipment. Many of our products enable customers to reduce or optimize their energy consumption through increased power conversion efficiency, power density, power coupling, and process control across a wide range of applications.

In management's opinion, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of normal, recurring adjustments, necessary to present fairly Advanced Energy's financial position as of September 30, 2026, and the results of our operations and cash flows for the three and nine months ended September 30, 2026 and 2025.

The unaudited consolidated financial statements included herein have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been omitted pursuant to such rules and regulations. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2025 and other financial information filed with the SEC.

Use of Estimates in the Preparation of the Consolidated Financial Statements

The preparation of our consolidated financial statements in conformity with U.S. GAAP requires us to make estimates, assumptions, and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The significant estimates, assumptions, and judgments include, but are not limited to, excess and obsolete inventory, income taxes and other provisions, and acquisitions and asset valuations.

Significant Accounting Policies

Our accounting policies are described in *Note 1. Summary of Operations and Significant Accounting Policies and Estimates* to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2025.

New Accounting Standards

From time to time, the Financial Accounting Standards Board ("FASB") or other standards-setting bodies issue new accounting pronouncements. Updates to the FASB Accounting Standards Codification ("ASC") are communicated through issuance of an Accounting Standards Update ("ASU"). Unless otherwise discussed, we believe that the impact of recently issued guidance, whether adopted or to be adopted in the future, will not have a material impact on the consolidated financial statements upon adoption.

New Accounting Standards Adopted

In November 2024, the FASB issued ASU 2024-04, *"Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments,"* which improves the relevance and consistency in the application of the induced conversion guidance in Subtopic 470-20. ASU 2024-04 clarifies whether entities should apply extinguishment accounting or induced conversion accounting when recording the settlement of convertible debt instruments due to an induced conversion. The amendments are effective for fiscal years beginning after December 15,

2025, including interim periods within those fiscal years. We adopted this guidance on January 1, 2026 and, as a result, we accounted for the exchange of the 2028 Notes as an induced conversion. See *Note 6. Long-Term Debt* for additional details of this transaction.

In July 2025, the FASB issued ASU 2025-05 *"Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets."* ASU 2025-05 permits the use of certain estimates and assumptions in developing forecasts used for determining expected credit losses on accounts receivable. We adopted this guidance on January 1, 2026, and it was not material to our consolidated financial statements.

New Accounting Standards Issued But Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03 *"Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses."* ASU 2024-03 requires disaggregated disclosure of income statement expenses for public business entities. The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. This guidance will be effective for us on January 1, 2027. We do not expect the above guidance to materially impact our consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06 *"Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software."* ASU 2025-06 eliminates the consideration of project development stages in determining whether a cost is eligible for capitalization. Instead, cost capitalization will be based on a "probable to complete" threshold. This guidance will be effective for us on January 1, 2028. We are evaluating the impact, if any, that the adoption of ASU 2025-06 may have on our consolidated financial statements.

NOTE 2. REVENUE

Disaggregation of revenue

The following tables present additional information regarding our revenue:

Revenue by Market

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Semiconductor Equipment	$ 322.2	$ 196.6	$ 819.9	$ 628.3
Data Center Computing	256.2	171.6	641.9	409.4
Industrial and Medical	90.5	71.2	242.5	204.1
Telecom and Networking	27.5	23.9	77.2	67.6
Total	$ 696.4	$ 463.3	$ 1,781.5	$ 1,309.4

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Revenue by Significant Countries

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026		2025		2026		2025	
	(in millions)							
United States	$ 176.9	25.4 %	$ 113.9	24.6 %	$ 451.7	25.4 %	$ 399.8	30.5 %
Mexico	179.2	25.7	72.4	15.6	436.3	24.5	155.2	11.9
Malaysia	82.2	11.8	44.4	9.6	194.5	10.9	117.4	9.0
Japan	47.9	6.9	71.1	15.3	138.1	7.8	167.0	12.8
All others	210.2	30.2	161.5	34.9	560.9	31.4	470.0	35.8
Total	$ 696.4	100.0 %	$ 463.3	100.0 %	$ 1,781.5	100.0 %	$ 1,309.4	100.0 %

We attribute revenue to individual countries based on the customer's ship-to location. Excluding the specific countries listed above, no individual country exceeded 10% of our total consolidated revenues during the periods presented.

Revenue by Category

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Product	$ 646.6	$ 415.7	$ 1,638.2	$ 1,172.0
Services and other	49.8	47.6	143.3	137.4
Total	$ 696.4	$ 463.3	$ 1,781.5	$ 1,309.4

Other revenue includes certain spare parts and products sold by our service group.

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 3. BALANCE SHEET INFORMATION

Accounts Receivable, Net

We record accounts receivable at net realizable value. Our accounts receivable, net balance was $474.8 million as of September 30, 2026. As of September 30, 2026, and December 31, 2025, expected credit losses related to receivables were $0.6 million and $0.6 million, respectively.

Inventories

We value inventories at the lower of cost or net realizable value, computed on a first-in, first-out basis. Components of inventories were as follows:

	September 30, 2026	December 31, 2025
	(in millions)	
Parts and raw materials	$ 513.5	$ 313.6
Work in process	37.5	27.3
Finished goods	94.7	70.3
Total	$ 645.7	$ 411.2

Warranties

Our sales agreements include customary product warranty provisions, which generally range from 12 to 36 months after shipment. We record the estimated warranty cost when we recognize revenue. This estimate is based on historical experience by product and configuration.

Our estimated warranty obligation is included in other accrued expenses. Changes in our product warranty obligation were as follows:

	(in millions)
December 31, 2025	$ 7.2
Net increases to accruals	1.0
Warranty expenditures	(2.0)
September 30, 2026	$ 6.2

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 4. INTANGIBLE ASSETS AND GOODWILL

Intangible assets consisted of the following:

	September 30, 2026			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Useful Life (in years)
		(in millions)		
Technology	$ 100.9	$ (81.4)	$ 19.5	6.2
Customer relationships	170.3	(94.6)	75.7	7.1
Trademarks and other	26.8	(19.7)	7.1	2.9
Total	$ 298.0	$ (195.7)	$ 102.3	6.6

	December 31, 2025			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Useful Life (in years)
		(in millions)		
Technology	$ 101.8	$ (78.2)	$ 23.6	6.6
Customer relationships	171.4	(86.3)	85.1	7.7
Trademarks and other	27.3	(18.3)	9.0	3.6
Total	$ 300.5	$ (182.8)	$ 117.7	7.2

Amortization expense related to intangible assets is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
		(in millions)		
Amortization expense	$ 5.0	$ 5.6	$ 15.5	$ 16.7

Estimated future amortization expense related to intangibles is as follows:

Year Ending December 31,	(in millions)
2026 (remaining)	$ 4.8
2027	17.8
2028	16.6
2029	15.0
2030	13.4
Thereafter	34.7
Total	$ 102.3

The following table summarizes the changes in goodwill:

	(in millions)
December 31, 2025	$ 300.8
Foreign currency translation and other	(1.7)
September 30, 2026	$ 299.1

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5. LEASES

Components of total operating lease cost were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Operating lease cost	$ 6.1	$ 6.5	$ 19.1	$ 19.4
Short-term and variable lease cost	2.0	1.6	5.6	4.7
Total operating lease cost	$ 8.1	$ 8.1	$ 24.7	$ 24.1

Estimated future payments on our operating lease liabilities are as follows:

Year Ending December 31,	(in millions)
2026 (remaining)	$ 6.4
2027	25.9
2028	25.2
2029	21.2
2030	19.8
Thereafter	62.1
Total lease payments	160.6
Less: Interest	(34.5)
Present value of lease liabilities	$ 126.1

The following tables present additional information about our lease agreements:

	September 30, 2026	December 31, 2025
Weighted-average remaining lease term (in years)	7.4	8.2
Weighted-average discount rate	6.3 %	6.4 %

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Cash paid for operating leases	$ 6.4	$ 6.8	$ 19.7	$ 19.8
Right-of-use assets obtained in exchange for operating lease liabilities	$ 18.1	$ —	$ 30.1	$ 19.4

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 6. LONG-TERM DEBT

Long-term debt on our Consolidated Balance Sheets consists of the following:

	September 30, 2026	December 31, 2025
	(in millions)	
2.5% Convertible Notes due 2028	$ 136.4	$ 575.0
0.0% Convertible Notes due 2031	1,150.0	—
Less: unamortized debt discount and issuance costs	(20.5)	(7.5)
Carrying amount, net	1,265.9	567.5
Less: current maturities	(136.4)	(567.5)
Net long-term debt	$ 1,129.5	$ —

As of September 30, 2026, we were in compliance with the covenants under all debt agreements.

The following table summarizes interest expense related to our debt:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Interest expense	$ 0.7	$ 3.4	$ 7.0	$ 10.3
Amortization of debt issuance costs	2.3	0.8	4.0	2.3
Total interest expense related to debt	$ 3.0	$ 4.2	$ 11.0	$ 12.6

Convertible Senior Notes due 2031

On May 18, 2026, we completed a private, unregistered offering of $1.15 billion aggregate principal amount of 0% Convertible Notes due 2031 (the "2031 Notes"), and received net proceeds of approximately $1,128.1 million after deducting initial purchasers' discounts and offering expenses. We used $69.0 million of the net proceeds to pay the cost of the Capped Call, as described below.

The 2031 Notes mature on May 13, 2031, unless earlier repurchased, redeemed, or converted. We may not redeem the 2031 Notes prior to May 21, 2029, except in the event of a Cleanup Redemption (defined below). We may redeem for cash all or any portion of the 2031 Notes, at our option, on or after May 21, 2029. Redemption is permitted only if the last reported sale price of our common stock, par value $0.001 per share has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any consecutive 30 trading-day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides the related notice of optional redemption (an "Optional Redemption"). In addition, we may redeem for cash, all but not less than all, of the 2031 Notes at any time if the amount of the 2031 Notes that remains outstanding is less than 25% of the aggregate principal amount of the 2031 Notes initially issued under the Indenture (a "Cleanup Redemption"). The redemption price for any Optional Redemption or Cleanup Redemption will be 100% of the principal amount of the 2031 Notes to be redeemed, plus accrued and unpaid special interest, if any, to, but excluding, the relevant redemption date. No sinking fund is provided for the 2031 Notes.

Prior to the close of business on the business day immediately preceding February 15, 2031, holders of the 2031 Notes may convert their 2031 Notes at their option only under the following circumstances:

- during the 30 trading day period beginning on, and including, the 21st trading day of any fiscal quarter commencing after the fiscal quarter ending on June 30, 2026, if the last reported sale price per share of our common stock exceeds 130% of the conversion price for each of at least five trading days (whether or not consecutive) during the first 20 trading days of such fiscal quarter;

- during the five-business day period after any five-consecutive trading day period in which the trading price per $1,000 principal amount of the 2031 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day;
- if Advanced Energy calls any or all of the 2031 Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or
- upon the occurrence of specified corporate events.

On or after February 15, 2031, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their 2031 Notes at any time, regardless of the foregoing circumstances.

The initial conversion rate is 1.9655 shares of common stock per $1,000 principal amount of the 2031 Notes (which is equivalent to an initial conversion price of approximately $508.78 per share). The conversion rate is subject to adjustment upon the occurrence of certain specified events as set forth in the indenture. The maximum number of shares of common stock issuable in connection with the conversion of the 2031 Notes is 3,390,430 shares.

Upon conversion, Advanced Energy will:

- pay cash up to the aggregate principal amount to be converted and
- pay or deliver cash, shares of our common stock or a combination (at our election) of cash and common stock with respect to the remainder, if any, of the conversion obligation in excess of the aggregate principal amount.

Capped Call

In connection with the issuance of the 2031 Notes, we entered into privately negotiated capped call transactions with certain financial counterparties (collectively, the “Capped Call”). The Capped Call is generally expected to reduce potential dilution to our common stock upon any conversion of the 2031 Notes and/or offset any cash payments we would be required to make in excess of the principal amount of converted 2031 Notes, as the case may be, with such reduction and/or offset subject to a cap.

The initial cap price of the Capped Call is $678.38 per share, subject to certain adjustments under the terms of the Capped Call. The Capped Call expires on May 15, 2031. The cost of $69.0 million incurred to enter into the Capped Call was recorded as a reduction to additional paid-in capital.

Convertible Senior Notes due 2028

On September 12, 2023, we completed a private, unregistered offering of the 2.5% Convertible Notes due 2028 (the “2028 Notes”).

In May 2026, we entered into privately negotiated exchange agreements with certain holders of our outstanding 2028 Notes pursuant to which such holders exchanged an aggregate of approximately $438.3 million principal amount of the 2028 Notes (“the 2028 Note Exchange”). We accounted for the 2028 Note Exchange transaction as an induced conversion in accordance with ASU 2024-04. In connection with the transaction, we paid approximately $442.4 million in cash, representing the partial principal repayment amount, additional cash consideration and accrued interest. Additionally, we issued approximately 2.0 million shares, representing additional consideration.

We recorded a $31.8 million loss on the induced conversion of debt in other income (expense), net for the nine months ended September 30, 2026. The loss represents the excess of the fair value of the consideration transferred over the fair value of the conversion consideration issuable under the original terms of the 2028 Notes.

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The remaining $5.0 million of unamortized debt discount and issuance costs associated with the exchanged portion of the 2028 Notes was derecognized as part of the conversion, with a corresponding amount recorded in additional paid-in capital. The derecognition was a non-cash financing activity.

Concurrent with the 2028 Notes issuance in September 2023, we entered into hedges ("Note Hedges") with respect to our common stock and sold warrants to purchase our common stock ("Warrants"). In combination, the Note Hedges and Warrants synthetically increase the initial conversion price on the 2028 Notes from $137.46 to $179.76, reducing the potential dilutive effect. In connection with the 2028 Note Exchange, the Company entered into agreements with existing counterparties to partially unwind (i) the Note Hedges in a notional amount corresponding to the principal amount of the 2028 Notes exchanged and (ii) the Warrants with respect to a number of shares equal to the notional shares underlying such exchanged 2028 Notes. As a result of the partial unwind of the Note Hedges and the Warrants, the Company received approximately $44.6 million, net with the corresponding credit recorded against additional paid-in capital.

On June 12, 2026, we issued a notice of redemption for the remaining outstanding principal amount of the 2028 Notes with a redemption date of September 23, 2026. Holders electing conversion were required to surrender their 2028 Notes prior to the close of business on September 22, 2026. The Company elected to settle conversions of the 2028 Notes through payment of cash for the principal portion and delivery of shares of common stock for the excess conversion value. For 2028 Notes converted in connection with the redemption notice, the conversion rate was increased by 0.0743 shares per $1,000 principal amount.

On September 23, 2026, we redeemed and cancelled $0.4 million principal amount of the 2028 Notes. In connection with the note redemption and conversions, we unwound the remaining Note Hedges and Warrants prior to September 30, 2026 and received net 28 thousand shares of common stock.

Subsequent to the third quarter, on October 2, 2026, we settled conversions of and redeemed the remaining $136.4 million principal amount of the 2028 Notes in cash for the principal amount and issued 0.5 million shares of common stock for the remainder of the conversion value (other than cash in lieu of any fractional shares).

We use level 2 measurements to estimate the fair value of our debt. As of September 30, 2026 and December 31, 2025, we estimate the fair value of our 2028 Notes and 2031 Notes combined to be $1.2 billion and $951.1 million, respectively.

Credit Agreement

On May 8, 2025, we terminated our prior credit agreement, dated as of September 10, 2019 (and subsequently amended) and entered into a new credit agreement (the "Credit Agreement") consisting of a senior unsecured term loan facility ("Term Loan Facility") and a senior unsecured revolving facility ("Revolving Facility"), both maturing on May 8, 2030.

The financing terms of the new Credit Agreement are substantially the same as the terms of the prior credit agreement.

At the time of termination, no borrowings were outstanding under the prior credit agreement, and there have been no borrowings under the Credit Agreement to date. As of September 30, 2026, we had $600.0 million available on the Revolving Facility.

In addition to our available capacity on the Revolving Facility, prior to the maturity date of the Credit Agreement, we may request an increase to the financing commitments in either the Term Loan Facility or Revolving Facility by an aggregate amount not to exceed $250.0 million. Any requested increase is subject to lender approval.

Should we have future borrowings under the Term Loan Facility or Revolving Facility, they will bear interest, at our option, at a rate based on the Base Rate or SOFR, as defined in the Credit Agreement, plus an applicable margin.

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 7. STOCKHOLDERS' EQUITY AND EARNINGS PER SHARE

Accumulated Other Comprehensive Income (Loss)

The following table summarizes the components of, and changes in, accumulated other comprehensive income (loss), net of income taxes.

	Foreign Currency Translation	Defined Employee Benefit Plan	Total
		(in millions)	
Balance at December 31, 2024	$ (22.3)	$ 10.5	$ (11.8)
Other comprehensive income (loss) prior to reclassifications	4.5	—	4.5
Amounts reclassified from accumulated other comprehensive income (loss)	0.1	(0.1)	—
Balance at March 31, 2025	$ (17.7)	$ 10.4	$ (7.3)
Other comprehensive income (loss) prior to reclassifications	16.2	—	16.2
Amounts reclassified from accumulated other comprehensive income (loss)	—	(0.1)	(0.1)
Balance at June 30, 2025	$ (1.5)	$ 10.3	$ 8.8
Other comprehensive income (loss) prior to reclassifications	(3.4)	—	(3.4)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(0.1)	(0.1)
Balance at September 30, 2025	$ (4.9)	$ 10.2	$ 5.3

	Foreign Currency Translation	Defined Employee Benefit Plan	Total
		(in millions)	
Balance at December 31, 2025	$ (7.1)	$ 13.3	$ 6.2
Other comprehensive income (loss) prior to reclassifications	(3.2)	—	(3.2)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(0.1)	(0.1)
Balance at March 31, 2026	$ (10.3)	$ 13.2	$ 2.9
Other comprehensive income (loss) prior to reclassifications	(2.0)	—	(2.0)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(0.2)	(0.2)
Balance at June 30, 2026	$ (12.3)	$ 13.0	$ 0.7
Other comprehensive income (loss) prior to reclassifications	4.6	—	4.6
Amounts reclassified from accumulated other comprehensive income (loss)	—	(0.1)	(0.1)
Balance at September 30, 2026	$ (7.7)	$ 12.9	$ 5.2

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts reclassified from accumulated other comprehensive income (loss) to the specific caption within the Consolidated Statements of Operations were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		To Caption on Consolidated Statements of Operations
	2026	2025	2026	2025	
	(in millions)				
Foreign currency translation	$ —	$ —	$ —	$ (0.1)	Other income (expense), net
Defined employee benefit plan	0.1	0.1	0.4	0.3	Other income (expense), net
Total reclassifications	$ 0.1	$ 0.1	$ 0.4	$ 0.2	

Earnings Per Share

The following table summarizes our earnings per share ("EPS"):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions, except per share amounts)			
Income from continuing operations	$ 115.8	$ 46.4	$ 237.6	$ 96.8
Basic weighted-average common shares outstanding	40.0	37.6	38.8	37.6
Dilutive effect of convertible notes	0.5	0.4	1.4	0.1
Dilutive effect of Warrants	0.4	—	1.1	—
Dilutive effect of stock awards	0.5	0.5	0.6	0.4
Diluted weighted-average common shares outstanding	41.4	38.5	41.9	38.1
EPS from continuing operations				
Basic EPS	$ 2.90	$ 1.23	$ 6.12	$ 2.57
Diluted EPS	$ 2.80	$ 1.21	$ 5.67	$ 2.54
Anti-dilutive shares not included above				
Stock awards	—	—	0.1	—
Warrants	—	0.8	—	1.8

We compute basic earnings per share of common stock ("Basic EPS") by dividing income available to common stockholders by the weighted-average number of common shares outstanding during the period.

See *Note 6. Long-Term Debt* for information regarding our 2031 Notes, 2028 Notes, Note Hedges, and Warrants and *Note 7. Long-Term Debt* in our Annual Report on Form 10-K for the year ended December 31, 2025 for information regarding our 2028 Notes, Note Hedges, and Warrants. For diluted earnings per share of common stock ("Diluted EPS"), we increase the weighted-average number of common shares outstanding during the period, as needed, to include the following:

- Additional common shares that would have been outstanding if our outstanding stock awards had been converted to common shares using the treasury stock method. We exclude any stock awards that have an anti-dilutive effect;

- Dilutive impact associated with the remaining 2028 Notes and the 2031 Notes using the if-converted method. The 2028 Notes and 2031 Notes are repayable in cash up to par value and in cash or shares of common stock for the excess over par value. When the Company's stock price is below the applicable conversion price, the 2028 Notes and 2031 Notes do not have a dilutive effect. When the stock price exceeds the applicable conversion price, the notes may have a dilutive effect.

  During the second quarter of 2026, the Company issued a redemption notice for the 2028 Notes. In connection with the redemption, the related Note Hedges were unwound and settled during the third quarter. Subsequent to September 30, 2026, the remaining principal amount of the 2028 Notes was settled in cash and the excess conversion value was settled in shares of common stock. Following settlement, no 2028 Notes remained outstanding. Following the unwind of the Note Hedges, no further offsetting effect from the Note Hedges is expected.

  Prior to conversion of the 2031 Notes, the Capped Call associated with the 2031 Notes is not considered in the calculation of Diluted EPS because its effect would be anti-dilutive. Upon conversion of the 2031 Notes, we expect the Capped Call to economically offset the dilutive effect of the 2031 Notes when the stock price is above $508.78 but below $678.38; and

- Dilutive effect of the Warrants issued concurrently with the 2028 Notes using the treasury stock method. Prior to their unwind, the Warrants increased the weighted-average number of common shares outstanding when the average market price of our common stock exceeded the $179.76 exercise price of the Warrants. During the third quarter of 2026, the Warrants were unwound and settled in shares in connection with the redemption of the 2028 Notes. Accordingly, the dilutive impact of the Warrants is reflected in diluted EPS through the settlement date after which no Warrants remained outstanding.

Share Repurchases

To repurchase shares of our common stock, we periodically enter into share repurchase agreements. The following table summarizes these repurchases:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions, except per share amounts)			
Amount paid or accrued to repurchase shares	$ —	$ —	$ 0.3	$ 23.7
Number of shares repurchased	—	—	—	0.3
Average repurchase price per share	$ —	$ —	$ 209.36	$ 84.19

There were no share repurchases during the three months ended September 30, 2026 and during the three months ended September 30, 2025.

As of September 30, 2026, the remaining amount authorized by the Board of Directors ("our Board" or "the Board") for future share repurchases was $166.6 million with no time limitation.

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 8. FAIR VALUE MEASUREMENTS

The following tables present information about our non-pension assets and liabilities measured at fair value on a recurring basis. We classify all items below within level 2 of the fair value hierarchy. See *Note 6. Long-Term Debt* for information regarding the fair value of our 2028 Notes and 2031 Notes.

Description	Balance Sheet Classification	September 30, 2026	December 31, 2025
		(in millions)	
Certificates of deposit	Other current assets	$ 0.2	$ 0.2
Foreign currency forward contracts	Other accrued expenses	$ 0.1	$ 0.1
Investments	Other assets	$ 20.1	$ 13.5
Deferred compensation liabilities	Other liabilities	$ 20.0	$ 13.4

NOTE 9. DERIVATIVE FINANCIAL INSTRUMENTS

Changes in foreign currency exchange rates impact our results of operations and cash flows. We may manage these risks through the use of derivative financial instruments, primarily forward contracts with banks. These forward contracts manage the exchange rate risk associated with assets and liabilities denominated in nonfunctional currencies. Typically, we execute these derivative instruments for one-month periods and do not designate them as hedges for accounting purposes; however, they do partially offset the economic fluctuations of certain of our assets and liabilities due to foreign exchange rate changes. The gains and losses related to these foreign currency exchange contracts are intended to offset the corresponding gains and losses on the revaluation of the underlying assets and liabilities. Both are included as a component of other income (expense), net in our Consolidated Statements of Operations.

As of September 30, 2026 and December 31, 2025, we had $114.4 million and $60.5 million, respectively, of foreign currency forward contracts outstanding.

See *Note 8. Fair Value Measurements* for information regarding fair value of derivative instruments.

As a result of using derivative financial instruments, we are exposed to the risk that counterparties to contracts could fail to meet their contractual obligations. We manage this credit risk by reviewing counterparty creditworthiness on a regular basis and limiting exposure to any single counterparty.

NOTE 10. RESTRUCTURING, ASSET IMPAIRMENTS, AND OTHER CHARGES

Details of restructuring, asset impairments, and other charges are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Restructuring	$ (1.0)	$ —	$ 1.3	$ 4.6
Asset impairments	—	0.2	0.5	1.8
Other charges	1.0	0.5	2.2	2.5
Total restructuring, asset impairments, and other charges	$ —	$ 0.7	$ 4.0	$ 8.9

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Restructuring

We have the following restructuring plans in process. The amounts incurred as a result of the approved actions are estimates, and actual results may differ, which could result in incremental restructuring charges in future periods.

2026 Plan

In 2026, we reorganized our Global Sales, Marketing and Operations teams to meet our current and future needs including geographic needs (the "2026 Plan"). We expect these activities to conclude in 2026 and do not expect to incur significant additional charges.

2025 Plan

During the second quarter of 2025, we approved actions related to consolidating our research and development, sales, and administrative functions in connection with our manufacturing and footprint consolidation (the "2025 Plan"). We expect these actions to be substantially complete during 2027 and do not expect to incur significant additional charges.

2024 Plan

In 2024, we approved actions in furtherance of our manufacturing consolidation initiatives intended to optimize our manufacturing footprint and cost structure, including the closure of our Zhongshan, China manufacturing facility (the "2024 Plan"). Manufacturing operations in Zhongshan ceased during the second quarter of 2025. Final closure activities are in progress and expected to conclude in 2026. During the first nine months of 2026, we recognized expenses of $0.8 million related to these actions and may incur additional charges to complete the closure.

2023 Plan

In 2023, we approved a plan intended to optimize and further consolidate our manufacturing operations and functional support groups as well as a general reduction-in-force to align our expenses to revenue levels (the "2023 Plan"). We expect final activities to conclude in the first quarter of 2027 and do not expect to incur significant additional charges.

Changes in restructuring liabilities were as follows:

	2026 Plan	2025 Plan	2024 Plan	2023 Plan	Total
			(in millions)		
December 31, 2025	$ —	$ 4.5	$ 3.4	$ 3.2	$ 11.1
Costs incurred and charged to expense	2.1	0.3	1.2	0.1	3.7
Costs paid	(0.3)	(2.1)	(2.3)	(0.5)	(5.2)
Change in estimate	—	(1.2)	—	(1.2)	(2.4)
September 30, 2026	$ 1.8	$ 1.5	$ 2.3	$ 1.6	$ 7.2

The above restructuring liability of $7.2 million is recorded in other accrued expenses on our Consolidated Balance Sheets.

	Cumulative Cost Through September 30, 2026				
	2026 Plan	2025 Plan	2024 Plan	2023 Plan	Total
			(in millions)		
Severance and related charges	$ 2.1	$ 3.8	$ 31.9	$ 14.8	$ 52.6
Facility relocation and closure charges	—	—	0.1	—	0.1
Total restructuring charges	$ 2.1	$ 3.8	$ 32.0	$ 14.8	$ 52.7

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Asset Impairments

During the nine months ended September 30, 2026, we recorded a $0.5 million impairment charge in connection with vacating a facility.

Other Charges

Other charges relate to personnel transition costs and costs related to organizational restructuring activities of our legal entities.

NOTE 11. STOCK-BASED COMPENSATION

The Compensation Committee of our Board administers our stock plans. As of September 30, 2026, we have two active stock-based incentive compensation plans: the Amended and Restated 2023 Omnibus Incentive Plan (the "2023 Incentive Plan") under which we issue all new equity compensation grants and the Employee Stock Purchase Plan ("ESPP"). Outstanding awards previously issued under inactive plans will continue to vest and remain exercisable in accordance with the terms of the respective plans. We do not have material outstanding stock option awards.

The 2023 Incentive Plan provides for the grant of awards including stock options, stock appreciation rights, performance stock units ("PSUs"), performance units, stock, restricted stock, restricted stock units ("RSUs"), and cash incentive awards.

The following table summarizes information related to our stock-based incentive compensation plans:

	September 30, 2026
	(in millions)
Shares available for future issuance under the 2023 Incentive Plan	3.7
Shares available for future issuance under the ESPP	0.5

Stock-Based Compensation Expense

We recognize stock-based compensation expense based on the fair value of the awards issued with the corresponding expense recorded within the functional area of the employee receiving the award.

Stock-based compensation expense was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Stock-based compensation expense	$ 18.6	$ 14.6	$ 58.1	$ 41.2

During the three and nine months ended September 30, 2026, stock-based compensation expense included $0.9 million and $2.8 million, respectively, related to the acquisition of Airity Technologies, Inc. in June 2024.

Restricted Stock Units

Generally, we grant RSUs with a three-year time-based vesting schedule. Certain RSUs also include performance-based or market-based vesting conditions in addition to the time-based vesting requirements and are referred to as PSUs. RSUs are generally granted with a grant-date fair value based on the market price of our stock on the date of grant. For PSUs that vest based on the Company's relative total shareholder return over the performance period compared with a predetermined peer group, grant-date fair value is determined using a Monte Carlo simulation.

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Changes in our RSUs were as follows:

	Nine Months Ended September 30, 2026	
	Number of RSUs	Weighted-Average Grant Date Fair Value
	(in millions)	
RSUs outstanding at beginning of period	1.0	$ 111.72
RSUs granted	0.3	$ 304.06
RSUs vested	(0.5)	$ 106.62
RSUs forfeited	(0.1)	$ 138.43
RSUs outstanding at end of period	0.7	$ 183.98

RSUs that vested during the period exceeded RSUs granted primarily due to the settlement of market-based PSU awards at payout levels above target as a result of the Company's relative total shareholder return performance.

On October 29, 2026, the Compensation Committee of the Company's Board of Directors approved an amendment to the outstanding performance stock unit awards (the "PSU Awards"). The amendment removed the cap that limited the earned value of the relative total shareholder return ("rTSR") performance metric component to five times the grant-date value. The amendment did not modify any other terms of the PSU Awards, including the applicable service periods or the limitation that the maximum payout under each PSU Award may not exceed 200% of the target shares established by the Compensation Committee. As a result of the modification, we expect to recognize approximately $10.0 million of additional stock-based compensation expense, of which approximately $4.0 million is expected to be recognized in the fourth quarter of 2026, with the remainder recognized over the remaining service periods of the respective grants.

Deferred Compensation Plan

We offer certain employees the opportunity to defer compensation and stock awards and maintain a rabbi trust in connection with this deferred compensation plan. Assets of the rabbi trust are consolidated as we are the primary beneficiary. Although we cannot use the rabbi trust's assets for any purpose other than meeting our obligations under the deferred compensation plan, the trust's assets, liabilities, and activity are included in our consolidated financial statements.

Assets of the rabbi trust not held in Company shares are presented in other assets, and any gains or losses are included in other income (expense), net. The fair value of the Company shares held in the rabbi trust is classified in stockholders' equity.

After a holding period, employees have the option to diversify the Company shares into other funds. Stock awards that have been elected for deferral but have not yet vested and are probable of vesting are reported as deferred compensation in the temporary equity section of the Consolidated Balance Sheets. The stock awards recorded in temporary equity are recognized at fair value, with any difference from stock-based compensation recorded in retained earnings.

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following table summarizes information regarding the rabbi trust's assets and liabilities:

		September 30, 2026	December 31, 2025
Description	**Balance Sheet Classification**	(in millions)	
Investments	Other assets	$ 20.1	$ 13.5
Deferred compensation liabilities	Other liabilities	$ 20.0	$ 13.4
Stock awards elected for deferral	Temporary equity	$ 16.0	$ 7.8
Company shares of common stock	Stockholders' equity	$ 14.2	$ 2.6

NOTE 12. INCOME TAX

The following table summarizes tax provision and the effective tax rate for our income from continuing operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Income from continuing operations, before income tax	$ 151.9	$ 52.3	$ 288.5	$ 111.5
Income tax provision	$ 36.1	$ 5.9	$ 50.9	$ 14.7
Effective tax rate	23.8 %	11.3 %	17.6 %	13.2 %

Our effective tax rate differs from the U.S. federal statutory rate of 21% primarily due to the benefit of earnings in foreign jurisdictions which are subject to lower tax rates, as well as tax credits, partially offset by net U.S. tax on foreign operations. The effective tax rate for the three months ended September 30, 2026 was higher than the same period in 2025 primarily due to the unwind of the remaining Note Hedges associated with the 2028 Notes, as well as a non-cash tax charge associated with the 5-year extension of the Singapore tax holiday incentive.

For the nine months ended September 30, 2026, the effective tax rate was higher than the same period in 2025 primarily due to the unwind of the remaining Note Hedges associated with the 2028 Notes, the 2028 Note Exchange completed in May 2026, as well as a non-cash tax charge associated with a 5-year extension of the Singapore tax holiday incentive.

Certain jurisdictions in which the Company operates have enacted, or are in the process of implementing, the Organisation for Economic Co-operation and Development ("OECD") Pillar Two global minimum tax framework. During 2026, the OECD issued additional administrative guidance, including Side-by-Side guidance, which the Company continues to evaluate and monitor for the jurisdictions in which it operates.

The Company's income tax provision reflects the effects of recent tax legislation and regulatory developments, including the OECD Pillar Two global minimum tax framework and the One Big Beautiful Bill Act ("OBBB"). The Company has incorporated the effects of enacted provisions and issued guidance into its financial statements and continues to monitor developments and evaluate their impact on its tax position, cash taxes, and effective tax rate.

ADVANCED ENERGY INDUSTRIES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 13. COMMITMENTS AND CONTINGENCIES

We are involved in disputes and legal actions arising in the normal course of our business. While we currently believe that the amount of any ultimate loss would not be material to our financial position, the outcome of these actions is inherently difficult to predict. In the event of an adverse outcome, the ultimate loss could have a material adverse effect on our financial position or reported results of operations. An unfavorable decision in intellectual property litigation also could require material changes in production processes and products or result in our inability to ship products or components found to have violated third party intellectual property rights. We accrue loss contingencies in connection with our commitments and contingencies, including litigation, when it is probable that a loss has occurred, and the amount of such loss can be reasonably estimated. We are not currently a party to any legal action that we believe would have a material adverse impact on our business, financial condition, results of operations or cash flows.

NOTE 14. SUPPLEMENTAL CASH FLOW INFORMATION AND OTHER DISCLOSURES

Certain of our cash and non-cash activities were as follows:

	Nine Months Ended September 30,	
	2026	2025
	(in millions)	
Non-cash investing activities:		
Capital expenditures in accounts payable and other accrued expenses	$ 23.0	$ 25.2
Cash paid for:		
Interest	$ 10.8	$ 14.4
Income taxes	$ 22.8	$ 20.5
Cash received from income taxes	$ 2.3	$ 3.1
Restricted cash (in Other current assets)	$ 2.0	$ —

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management discussion and analysis should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the Securities and Exchange Commission (the "SEC") on February 13, 2026 (the "2025 Form 10-K").

Special Note on Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "report") contains, 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 (the "Exchange Act"). Statements in this report that are not historical information are forward-looking statements. For example, statements relating to our 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," "could," "would," "will," "likely," "potential," "believe," and similar expressions and the negative versions thereof indicate forward-looking statements; however, not all forward-looking statements may contain such words or expressions.

These forward-looking statements are based upon information available as of the date of this report and management's current estimates, forecasts, and assumptions. Although we believe that our expectations reflected in or suggested by these forward-looking statements are reasonable, we 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 our control.

Risks and uncertainties to which our forward-looking statements are subject include:

- volatility, cyclicality, and business fluctuations in the industries in which we compete;
- risks associated with availability and price of certain semiconductor and other components which may be in limited supply relative to global demand;
- risks associated with changes in demand mix or level due to customer constraints, timing of investments, or availability of materials at our customers;
- risks related to geopolitical conditions, such as the impact of tariffs and export regulations, and escalating global conflicts on macroeconomic conditions, including recent developments in the Middle East;
- macroeconomic conditions such as economic uncertainty, rising interest rates, inflation, lack of growth in our markets, fluctuations in commodity prices and currency exchange rates, and recession;
- our ability to achieve design wins with new and existing customers;
- our ability to accurately forecast and meet customer demand;
- risks associated with scaling our manufacturing capacity, timely customer qualification of new manufacturing lines, improving our manufacturing efficiency, and controlling manufacturing costs;
- 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, movement of manufacturing locations for certain products, and timing and effectiveness of the ramp of our new Thailand factory;
- 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 or divestitures;
- quality issues, unanticipated costs in fulfilling our warranty obligations or adequacy of our warranty reserves, claims outside of warranty, or product liability claims;
- 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;
- legal matters, claims, investigations, and proceedings;
- changes to tax laws and regulations or our tax rates;
- changes to and maintaining compliance with U.S. federal, state, local and foreign regulations, including with respect to trade compliance, privacy and data protection, supply chain, and environmental, health and safety regulation;
- 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 and counterparty default risk related to our convertible debt, hedge, warrant and capped call transactions;
- risks relating to ownership of our common stock; and
- the risks and uncertainties described in Part I, Item 1A in the 2025 Form 10-K.

These risks and uncertainties could cause actual results to differ materially and adversely from those expressed in any forward-looking statements, and readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update any forward-looking statements or provide reasons why our actual results may differ.

BUSINESS AND MARKET OVERVIEW

Company Overview

Advanced Energy provides highly engineered, critical, precision power conversion, measurement, and control solutions to our global customers. We design, manufacture, sell, and service precision power products that transform, refine, and modify the raw electrical power coming from either the utility or the building facility and convert it into various types of highly controllable, usable power that is predictable, repeatable, and customizable to meet the necessary requirements for powering a wide range of complex equipment. Many of our products enable customers to reduce or optimize their energy consumption through increased power conversion efficiency, power density, power coupling, and process control across a wide range of applications.

We are organized on a global, functional basis and operate as a single segment of power electronics conversion products. Within this segment, our products are sold in the Semiconductor Equipment, Data Center Computing, Industrial and Medical, and Telecom and Networking markets.

Recent Events

On May 18, 2026, we completed a private, unregistered offering of $1.15 billion aggregate principal amount of 0% Convertible Notes due 2031 (the "2031 Notes"), and received net proceeds of approximately $1,128.1 million after deducting initial purchasers' discounts and offering expenses. Concurrent with the issuance of the 2031 Notes, we also entered into privately negotiated exchange agreements on a portion of our outstanding 2.5% Convertible Notes due 2028 (the "2028 Notes") and exchanged an aggregate of approximately $438.3 million principal amount for aggregate consideration consisting of approximately $442.4 million in cash and approximately 2.0 million shares of common stock. We intend to use the remainder of the net proceeds from the offering for general corporate purposes and debt repayment.

On June 12, 2026, we issued a notice of redemption for the remaining outstanding principal amount of the 2028 Notes with a redemption date of September 23, 2026. Holders electing conversion were required to surrender their 2028 Notes prior to the close of business on September 22, 2026. The Company elected to settle conversions of the 2028 Notes through payment of cash for the principal portion and delivery of shares of common stock for the excess conversion value. For 2028 Notes converted in connection with the redemption notice, the conversion rate was increased by 0.0743 shares per $1,000 principal amount.

On September 23, 2026, we redeemed and cancelled $0.4 million principal amount of the 2028 Notes. In connection with the note redemption and conversions, we unwound the remaining Note Hedges and Warrants prior to September 30, 2026 and received net 28 thousand shares of common stock.

Subsequent to the third quarter, on October 2, 2026, we settled conversions of and redeemed the remaining $136.4 million principal amount of the 2028 Notes in cash for the principal amount and issued 0.5 million shares of common stock for the remainder of the conversion value (other than cash in lieu of any fractional shares).

See *Note 6. Long-Term Debt* in Part I, Item 1 "Unaudited Consolidated Financial Statements" above and the Liquidity and Capital Resources section of this Item 2 below.

Product and Services

Our precision power products and solutions are designed to enable process technologies, improve productivity, lower the cost of ownership, and/or provide critical power capabilities for our customers.

Our plasma power products enable innovation in complex semiconductor and thin film plasma processes such as dry etch and deposition. Our broad portfolio of high and low voltage power products is used in a wide range of applications, such as semiconductor equipment, data center computing, industrial production, medical and life science equipment, aerospace and defense, networking, and telecommunications.

Our network of global service support centers provides repair services, calibration, conversions, upgrades, refurbishments, and used equipment to companies that use our products.

End Markets Summary and Trends

Our business and results of operations continue to be influenced by a dynamic global trade, geopolitical, and supply chain environment. Overall growth has been driven primarily by investments in AI-related equipment, semiconductor capacity and capability, and economic recovery and inventory normalization in industrial and medical markets. At the same time, we are monitoring developments related to tariffs and trade policy. In addition, heightened geopolitical instability, including the conflicts in the Middle East, has contributed to volatility in energy markets, disruptions to global shipping, and broader macroeconomic uncertainty. Increased demand relative to supply for AI-related equipment and semiconductors is extending lead times and increasing prices of certain components, impacting both timing of some customer demand and many of our suppliers. We are taking actions to procure strategic supply of materials and endeavor to recover increased costs through pricing actions.

Advanced Energy generates revenue from the sale of a broad range of advanced and system power products and services to global original equipment manufacturers ("OEMs"), distributors, and end customers. Our customers select our products based on various performance metrics such as high power conversion efficiency, high power density, low noise emission, and lower power consumption as well as our ability to tailor our solutions to meet the unique requirements of their critical applications. The future growth and demand for our products is driven by a combination of factors within each of the end markets we serve, as follows:

Semiconductor Equipment Market

The Semiconductor Equipment market supports and enables the long-term need for production capacity and new process technologies to meet demand for semiconductor devices across many applications driven by megatrends such as artificial intelligence ("AI"), energy efficiency, automobile electrification, and Internet of things.

Our portfolio of power conversion and related products sold into this market includes plasma power, high-voltage power, system power, and adjacent sensing solutions. Our plasma power solutions are used to create plasma-based etch and deposition processes. Our semiconductor market products are incorporated into a wide range of applications, including dry etch and strip, deposition, ion implantation, inspection and metrology, rapid thermal processing, epitaxy, and back-end test and packaging.

In the first nine months of 2026, the Semiconductor Equipment market continued to grow due to demand for leading-edge devices in logic and memory, driving growing demand for our products. We expect these market conditions to continue in the remainder of the year.

Data Center Computing Market

The Data Center Computing market is being driven by the rapid growth of AI and related investments. The accelerated power rating of next-generation AI processors and increased density of AI processors in IT racks have significantly increased the power requirements for AI-based servers and racks which, in turn, increased the importance of high-power efficiency, density, and reliability for server rack power solutions.

Our AC-DC and DC-DC power conversion products are designed into data center server and storage systems and are also used by hyperscale and their partners.

Due to increased investments in AI applications by leading hyperscale customers along with adoption of our next generation high power solutions, revenue in the Data Center Computing market increased in the first nine months of 2026 compared to the same period in the previous year, and we expect this trend to continue in the remainder of 2026.

Industrial and Medical Market

The Industrial and Medical market is fueled by continued investment in complex manufacturing processes, increased adoption of new industrial technologies such as automation and clean energy, and increased breadth and precision requirements of medical devices and life science equipment.

We supply this market with critical, precision power conversion products that deliver precise and highly reliable, low noise and/or differentiated power. In addition, our sensing, control, and instrumentation products complement our power solutions. Our products are used in a wide variety of applications, such as advanced material fabrication, medical devices, life science, test and measurement equipment, robotics, industrial production, defense, aerospace, and large-scale lighting applications.

In the first nine months of 2026, demand in the Industrial and Medical market increased compared to the same period in the prior year, driven by growing demand for our products. We expect demand to continue to improve in the remainder of 2026.

Telecom and Networking Market

Demand in the Telecom and Networking market is driven by adoption of more advanced mobile standards, such as 5G technologies, networking investments by telecommunication service providers, enterprises upgrading their communication networks, and data centers investing in their networks for AI-driven increased bandwidth.

We serve this market by providing application-specific power conversion products to many leading OEMs of wireless infrastructure equipment and computer networking equipment.

End market demand in the Telecom and Networking market increased in the first nine months of 2026 compared to the same period in the previous year, with growth primarily driven by demand in AI-related applications. We expect this trend to continue for the remainder of 2026.

Results of Continuing Operations

The analysis presented below is organized to provide the information we believe will be helpful for an understanding of our historical performance and relevant trends going forward and should be read in conjunction with our "Unaudited Consolidated Financial Statements" in Part I, Item 1 of this report, including the notes thereto. Also included in the following analysis are measures that are not prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). A reconciliation of the non-GAAP measures to U.S. GAAP is provided below.

The following table sets forth certain data derived from our Consolidated Statements of Operations:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026		2025		2026		2025	
	(in millions)							
Revenue	$ 696.4	100.0 %	$ 463.3	100.0 %	$ 1,781.5	100.0 %	$ 1,309.4	100.0 %
Gross profit	289.1	41.5	174.4	37.6	726.1	40.8	488.3	37.3
Operating expenses	145.9	21.0	125.2	27.0	419.5	23.5	376.9	28.8
Operating income from continuing operations	143.2	20.6	49.2	10.6	306.6	17.2	111.4	8.5
Interest income	11.6	1.7	6.6	1.4	25.6	1.4	20.1	1.5
Interest expense	(3.0)	(0.4)	(4.2)	(0.9)	(10.4)	(0.6)	(12.6)	(1.0)
Loss on induced conversion of debt	—	—	—	—	(31.8)	(1.8)	—	—
Other income (expense), net	0.1	—	0.7	0.2	(1.5)	(0.1)	(7.4)	(0.6)
Income from continuing operations, before income tax	151.9	21.8	52.3	11.3	288.5	16.2	111.5	8.5
Income tax provision	36.1	5.2	5.9	1.3	50.9	2.9	14.7	1.1
Income from continuing operations	$ 115.8	16.6 %	$ 46.4	10.0 %	$ 237.6	13.3 %	$ 96.8	7.4 %

Revenue

The following tables summarize net sales and percentages of net sales by markets:

	Three Months Ended September 30,				Change 2026 v. 2025	
	2026		2025		Dollar	Percent
	(in millions)					
Semiconductor Equipment	$ 322.2	46.3 %	$ 196.6	42.4 %	$ 125.6	63.9 %
Data Center Computing	256.2	36.8	171.6	37.0	84.6	49.3 %
Industrial and Medical	90.5	13.0	71.2	15.4	19.3	27.1 %
Telecom and Networking	27.5	3.9	23.9	5.2	3.6	15.1 %
Total	$ 696.4	100.0 %	$ 463.3	100.0 %	$ 233.1	50.3 %

	Nine Months Ended September 30,				Change 2026 v. 2025	
	2026		2025		Dollar	Percent
	(in millions)					
Semiconductor Equipment	$ 819.9	46.0 %	$ 628.3	48.0 %	$ 191.6	30.5 %
Data Center Computing	641.9	36.0	409.4	31.3	232.5	56.8 %
Industrial and Medical	242.5	13.6	204.1	15.6	38.4	18.8 %
Telecom and Networking	77.2	4.4	67.6	5.1	9.6	14.2 %
Total	$ 1,781.5	100.0 %	$ 1,309.4	100.0 %	$ 472.1	36.1 %

Revenue by Market

Semiconductor Equipment revenue for the three and nine months ended September 30, 2026 increased compared to the same periods in 2025 on strengthening equipment demand for leading-edge processes.

The increases in Data Center Computing revenue for the three and nine months ended September 30, 2026, compared to the same periods in 2025, were due to increased AI investments by leading hyperscale customers and incremental growth associated with design wins secured previously.

The increases in Industrial and Medical revenue for the three and nine months ended September 30, 2026, compared to the same periods in 2025, were primarily due to an improved demand environment in the end markets.

The increases in Telecom and Networking revenue for the three and nine months ended September 30, 2026, compared to the same periods in 2025, were primarily driven by growth in AI-related applications.

Gross Profit and Gross Margin

	Three Months Ended September 30,		Change 2026 v. 2025	
	2026	2025	Dollar	Percent
	(in millions)			
Gross profit	$ 289.1	$ 174.4	$ 114.7	65.8 %
Gross margin	41.5 %	37.6 %		

	Nine Months Ended September 30,		Change 2026 v. 2025	
	2026	2025	Dollar	Percent
	(in millions)			
Gross profit	$ 726.1	$ 488.3	$ 237.8	48.7 %
Gross margin	40.8 %	37.3 %		

For the three and nine months ended September 30, 2026, the increases in gross profit were primarily attributable to higher revenue and favorable product mix, including contributions from new products. Gross margin

increased primarily due to the impact of mix improvement, which contributed approximately 200 basis points and 240 basis points, respectively, as well as higher volume.

Operating Expenses

The following table summarizes our operating expenses and as a percentage of revenue:

	Three Months Ended September 30,			
	2026		2025	
	(in millions)			
Research and development	$ 67.1	9.6 %	$ 59.1	12.8 %
Selling, general, and administrative	73.8	10.6	59.8	12.9
Amortization of intangible assets	5.0	0.7	5.6	1.2
Restructuring, asset impairments, and other charges	—	—	0.7	0.2
Total operating expenses	$ 145.9	21.0 %	$ 125.2	27.0 %

	Nine Months Ended September 30,			
	2026		2025	
	(in millions)			
Research and development	$ 194.5	10.9 %	$ 172.3	13.2 %
Selling, general, and administrative	205.5	11.5	179.0	13.7
Amortization of intangible assets	15.5	0.9	16.7	1.3
Restructuring, asset impairments, and other charges	4.0	0.2	8.9	0.7
Total operating expenses	$ 419.5	23.5 %	$ 376.9	28.9 %

Research and Development

The increase in research and development expense was driven by higher compensation costs related to stock-based compensation and annual merit increases, and higher engineering program and materials costs compared to the same periods in the prior year.

Selling, General and Administrative

The increase in selling, general, and administrative expense was mainly due to higher compensation costs including stock-based compensation and annual merit increases.

Amortization of Intangible Assets

Amortization expense declined primarily due to certain intangible assets reaching the end of their estimated useful life.

Restructuring, Asset Impairments and Other Charges

The decrease in restructuring, asset impairments, and other charges is primarily driven by the timing of our restructuring plan decisions.

For additional information about this and prior restructuring plans, see *Note 10. Restructuring, Asset Impairments, and Other Charges* in Part I, Item 1 “Unaudited Consolidated Financial Statements.”

Interest Income, Interest Expense, and Other Income (Expense), Net

We experienced an increase in interest income caused by higher cash balances primarily as a result of net proceeds from the issuance of the 2031 Notes.

Other income (expense), net consists primarily of foreign exchange gains and losses and other miscellaneous items. For the three months ended September 30, 2026, other income (expense), net decreased by $0.6 million compared to the same period in the prior year primarily due to an increase in miscellaneous expense, partially offset by foreign exchange gains. For the nine months ended September 30, 2026, other income (expense), net increased by $5.9 million compared to the same period in the prior year primarily due to foreign exchange gains in the current year compared to foreign exchange losses in the prior year.

Interest expense decreased compared to the same period in the prior year due to the partial repayment of the 2028 Notes during the second quarter of 2026. See *Note 6. Long-Term Debt* in Part I, Item 1 "Unaudited Consolidated Financial Statements" for information regarding our debt.

Loss on Induced Conversion of Debt

The induced conversion expense in the nine months ended September 30, 2026 represents the fair value of the consideration issued upon conversion in excess of the fair value of the securities issuable under the original terms of the 2028 Notes.

Income Tax Provision

The following table summarizes tax provision and the effective tax rate for our income from continuing operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Income from continuing operations, before income tax	$ 151.9	$ 52.3	$ 288.5	$ 111.5
Income tax provision	$ 36.1	$ 5.9	$ 50.9	$ 14.7
Effective tax rate	23.8 %	11.3 %	17.6 %	13.2 %

Our effective tax rate differs from the U.S. federal statutory rate of 21% primarily due to the benefit of earnings in foreign jurisdictions which are subject to lower tax rates, as well as tax credits, partially offset by net U.S. tax on foreign operations. The effective tax rate for the three months ended September 30, 2026, was higher than the same period in 2025 primarily due to the unwind of the remaining Note Hedges associated with the 2028 Notes, as well as a non-cash tax charge associated with the 5-year extension of the Singapore tax holiday incentive.

For the nine months ended September 30, 2026, the effective tax rate was higher than the same period in 2025 primarily due to the unwind of the remaining Note Hedges associated with the 2028 Notes, the 2028 Note Exchange completed in May 2026, as well as a non-cash tax charge associated with a 5-year extension of the Singapore tax holiday incentive.

See *Note 12. Income Tax* in Part I, Item 1 "Unaudited Consolidated Financial Statements" for information regarding our income tax provision.

Non-GAAP Results

Management uses non-GAAP net income, non-GAAP operating income, and non-GAAP earnings per share ("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 certain 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 notes based on the higher note hedge strike price instead of the initial conversion price.

Reconciliation of non-GAAP measures **Non-GAAP gross profit, gross margin, operating expenses, operating income, and operating margin**	**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2026	**2025**	**2026**	**2025**
	(in millions)			
Gross profit from continuing operations, as reported	$ 289.1	$ 174.4	$ 726.1	$ 488.3
Adjustments to gross profit:				
Stock-based compensation	2.0	1.3	5.7	3.6
Facility, infrastructure, and other transition costs	2.1	5.5	6.5	10.8
Non-GAAP gross profit	293.2	181.2	738.3	502.7
GAAP gross margin	41.5%	37.6%	40.8%	37.3%
Non-GAAP gross margin	42.1%	39.1%	41.4%	38.4%
Operating expenses from continuing operations, as reported	145.9	125.2	419.5	376.9
Adjustments:				
Amortization of intangible assets	(5.0)	(5.6)	(15.5)	(16.7)
Stock-based compensation	(16.6)	(13.3)	(52.4)	(37.6)
Acquisition-related costs	—	(1.2)	(0.1)	(4.0)
Facility, infrastructure, and other transition costs	(0.9)	(1.0)	(2.3)	(4.1)
Restructuring, asset impairments, and other charges	—	(0.7)	(4.0)	(8.9)
Non-GAAP operating expenses	123.4	103.4	345.2	305.6
Non-GAAP operating income	$ 169.8	$ 77.8	$ 393.1	$ 197.1
Operating income, as reported	$ 143.2	$ 49.2	$ 306.6	$ 111.4
Adjustments to gross profit	4.1	6.8	12.2	14.4
Adjustments to operating expenses	22.5	21.8	74.3	71.3
Non-GAAP operating income	$ 169.8	$ 77.8	$ 393.1	$ 197.1
Income from continuing operations, as reported	$ 115.8	$ 46.4	$ 237.6	$ 96.8
GAAP operating margin	20.6%	10.6%	17.2%	8.5%
Non-GAAP operating margin	24.4%	16.8%	22.1%	15.1%

Reconciliation of non-GAAP measures Non-GAAP income, net of income tax	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Income from continuing operations, net of income tax	$ 115.8	$ 46.4	$ 237.6	$ 96.8
Adjustments:				
Amortization of intangible assets	5.0	5.6	15.5	16.7
Acquisition-related costs	—	1.2	0.1	4.0
Facility, infrastructure, and other transition costs	3.0	6.5	8.8	14.9
Restructuring, asset impairments, and other charges	—	0.7	4.0	8.9
Loss on induced conversion of debt	—	—	31.8	—
Unrealized foreign currency loss (gain)	(0.8)	(1.3)	(3.7)	4.7
Other costs included in other income (expense), net	0.1	—	2.7	0.2
Stock-based compensation	18.6	14.6	58.1	41.2
Tax effect of non-GAAP adjustments, including certain discrete tax benefits	8.1	(7.3)	(9.5)	(17.5)
Non-GAAP income, net of income tax	$ 149.8	$ 66.4	$ 345.4	$ 169.9

Reconciliation of non-GAAP measures Non-GAAP diluted weighted-average common shares	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Diluted weighted-average common shares outstanding	41.4	38.5	41.9	38.1
Hedge effect of convertible notes	(0.4)	(0.4)	(1.1)	(0.1)
Non-GAAP diluted weighted-average common shares outstanding	41.0	38.1	40.8	38.0

Reconciliation of non-GAAP measures Non-GAAP earnings per share	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Diluted earnings per share from continuing operations, as reported	$ 2.80	$ 1.21	$ 5.67	$ 2.54
Add back:				
Per share impact of non-GAAP adjustments, net of tax	0.85	0.53	2.80	1.93
Non-GAAP earnings per share	$ 3.65	$ 1.74	$ 8.47	$ 4.47

Reconciliation of non-GAAP measures Non-GAAP provision for income taxes	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Provision for income taxes, as reported	$ 36.1	$ 5.9	$ 50.9	$ 14.7
Adjustment:				
Non-GAAP items and other discrete tax items excluding stock-based compensation	(12.0)	4.2	(2.7)	8.8
Tax effect of stock-based compensation	3.9	3.1	12.2	8.7
Non-GAAP provision for income taxes	$ 28.0	$ 13.2	$ 60.4	$ 32.2

Reconciliation of non-GAAP measures Non-GAAP income before income taxes	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Income from continuing operations, before income tax	$ 151.9	$ 52.3	$ 288.5	$ 111.5
Adjustments:				
Amortization of intangible assets	5.0	5.6	15.5	16.7
Stock-based compensation	18.6	14.6	58.1	41.2
Acquisition-related costs	—	1.2	0.1	4.0
Facility, infrastructure, and other transition costs	3.0	6.5	8.8	14.9
Restructuring, asset impairments, and other charges	—	0.7	4.0	8.9
Loss on induced conversion of debt	—	—	31.8	—
Unrealized foreign currency loss (gain)	(0.8)	(1.3)	(3.7)	4.7
Other costs included in other income (expense), net	0.1	—	2.7	0.2
Non-GAAP income before income taxes	$ 177.8	$ 79.6	$ 405.8	$ 202.1
Effective tax rate, as reported	23.8%	11.3%	17.6%	13.2%
Non-GAAP effective tax rate	15.7%	16.6%	14.9%	15.9%

Liquidity and Capital Resources

Liquidity

Adequate liquidity and cash generation are important to the execution of our strategic initiatives. Our ability to fund our operations, acquisitions, capital expenditures, and product development efforts may depend on our ability to generate cash from operating activities, which is subject to future operating performance, as well as general economic, financial, competitive, legislative, regulatory, and other conditions, some of which may be beyond our control. Our primary sources of liquidity continue to be our available cash, proceeds from the issuance of convertible notes, cash generated from operations, and available borrowing capacity under the Revolving Facility (defined in *Note 6. Long-Term Debt* in Part I, Item 1 “Unaudited Consolidated Financial Statements”).

As of September 30, 2026, our cash and cash equivalents totaled $1,424.6 million, while our available funding under our undrawn Revolving Facility was $600.0 million. We believe our sources of liquidity will be adequate to meet operational needs, including capital expenditures, as well as anticipated debt service, share repurchase programs, dividends, and strategic investments.

During the ordinary course of business, we evaluate our cash requirements and, if necessary, adjust our expenditures to reflect the current market conditions and our projected revenue and demand. Our capital expenditures are primarily directed towards manufacturing and operations and can materially influence our available cash for other initiatives. In the past year and through the third quarter, our capital expenditures increased as we are investing in our factories to expand capacity and in our new ERP system. In addition, we may seek additional debt or equity financing from time to time; however, such additional financing may not be available on acceptable terms, if at all.

Debt

During the second quarter of 2026, we completed a private, unregistered offering of $1.15 billion aggregate principal amount of the 2031 Notes and received net proceeds of approximately $1,128.1 million after deducting initial purchasers' discounts and offering expenses. Concurrent with the issuance of the 2031 Notes, we also entered into privately negotiated exchange agreements on a portion of our outstanding 2028 Notes and exchanged an aggregate of approximately $438.3 million principal amount for aggregate consideration consisting of approximately $442.4 million in cash and approximately 2.0 million shares of common stock. We intend to use the remainder of the net proceeds from the offering for general corporate purposes and debt repayment.

On June 12, 2026, we issued a notice of redemption for the remaining outstanding principal amount of the 2028 Notes with a redemption date of September 23, 2026. On September 23, 2026, we redeemed and cancelled $0.4 million principal amount of the 2028 Notes. In connection with the note redemption and conversions, we unwound the remaining Note Hedges and Warrants prior to September 30, 2026 and received net 28 thousand shares of common stock.

As of September 30, 2026, our outstanding debt included $136.4 million principal amount of the 2028 Notes and $1.15 billion principal amount of the 2031 Notes. As of September 30, 2026, we had $600.0 million available but no borrowings under our Credit Agreement. Should we have future borrowings under our Term Loan Facility or Revolving Facility of our Credit Agreement, those borrowings would be subject to a variable rate.

Subsequent to the third quarter, on October 2, 2026, we settled conversions of and redeemed the remaining $136.4 million principal amount of the 2028 Notes in cash for the principal amount and issued 0.5 million shares of common stock for the remainder of the conversion value (other than cash in lieu of any fractional shares).

See *Note 6. Long-Term Debt* in Part I, Item 1 "Unaudited Consolidated Financial Statements" for additional details.

Dividends

During the nine months ended September 30, 2026, we paid quarterly cash dividends of $0.10 per share, totaling $12.0 million. We currently anticipate that a cash dividend of $0.10 per share will continue to be paid on a quarterly basis, although the declaration of any future cash dividend is at the discretion of our Board and will depend on our financial condition, results of operations, capital requirements, business conditions, and other factors.

Share Repurchases

There were no share repurchases during the three months ended September 30, 2026. We suspended activity under our share repurchase program in connection with the issuance of the redemption notice for the remaining 2028 Notes on June 12, 2026, and resumed the program in October 2026 in accordance with the authorized share repurchase program.

Cash Flows

A summary of our cash from operating, investing, and financing activities is as follows:

	Nine Months Ended September 30,	
	2026	2025
	(in millions)	
Net cash from operating activities from continuing operations	$ 145.7	$ 154.6
Net cash from operating activities from discontinued operations	(1.6)	(1.8)
Net cash from operating activities	144.1	152.8
Net cash from investing activities	(118.6)	(71.9)
Net cash from financing activities	610.2	(47.0)
Effect of currency translation on cash, cash equivalents and restricted cash	(0.3)	2.6
Net change in cash, cash equivalents and restricted cash	635.4	36.5
Cash, cash equivalents and restricted cash, beginning of period	791.2	722.1
Cash, cash equivalents and restricted cash, end of period	$ 1,426.6	$ 758.6

Operating Activities

Net cash from continuing operations for the nine months ended September 30, 2026 was $145.7 million, compared to $154.6 million for the same period in the prior year. The $8.9 million decrease was primarily due to increased working capital, driven by higher inventory levels to support anticipated future demand and higher accounts receivable associated with increased revenue, partially offset by higher net income from continuing operations and higher accounts payable.

Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2026 was $118.6 million, primarily due to $117.2 million in purchases of property and equipment. Capital expenditures were largely driven by continued investments in our manufacturing footprint and capacity, implementation of our new ERP system, and other capabilities across multiple sites.

Net cash used in investing activities for the nine months ended September 30, 2025 was $71.9 million primarily due to $69.9 million in purchases of property and equipment, which were largely driven by investments in our manufacturing footprint and capacity, as well as $2.0 million in purchases of investments.

Financing Activities

Net cash from financing activities for the nine months ended September 30, 2026 was $610.2 million, primarily driven by net proceeds of $1,129.3 million from the issuance of the 2031 Notes, partially offset by $440.9 million of cash paid to settle a portion of the 2028 Notes. In connection with the issuance of the 2031 Notes, the Company paid $69.0 million for the Capped Call associated with the 2031 Notes. $44.6 million was received from the partial unwind of the Note Hedges and Warrants. Other financing activities included $40.6 million in net payments related to stock-based award activities and $12.0 million of dividend payments.

Net cash used in financing activities for the nine months ended September 30, 2025 was $47.0 million and included $23.7 million for repurchases of common stock, $8.3 million in net payments related to stock-based award activities, and $11.6 million for dividend payments. In addition, we paid $1.9 million in fees related to entering the Credit Agreement and $1.5 million for the release of the holdback associated with the Airity Acquisition.

Effect of Currency Translation on Cash

During the nine months ended September 30, 2026, foreign currency translation had a minimal impact on cash. See “Foreign Currency Exchange Rate Risk” in Part I, Item 3 for more information**.**

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires us to make judgments, assumptions, and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. *Note 1. Summary of Operations and Significant Accounting Policies and Estimates* to the consolidated financial statements in the 2025 Form 10-K describes the significant accounting policies and methods used in the preparation of our consolidated financial statements. Our critical accounting estimates, discussed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the 2025 Form 10-K, include assessing excess and obsolete inventories, accounting for income taxes, and estimates for the valuation of assets and liabilities acquired in business combinations.

Such accounting policies and estimates require significant judgments and assumptions to be used in the preparation of the consolidated financial statements and actual results could differ materially from the amounts reported based on variability in factors affecting these estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk and Risk Management

In the normal course of business, we typically have exposure to interest rate risk from our investments and the Credit Agreement. We also have exposure to foreign exchange rate risk related to our foreign operations and foreign currency transactions.

See "Risk Factors" set forth in Part I, Item 1A of the 2025 Form 10-K and Part II, Item 1A of this report, for more information about the market risks to which we are exposed. There have been no material changes in our exposure to market risk from December 31, 2025.

Foreign Currency Exchange Rate Risk

We are impacted by changes in foreign currency exchange rates through revenue and purchasing transactions when we sell products and purchase materials in currencies different from the currency in which product and manufacturing costs were incurred. Our reported financial results of operations, including the reported value of our assets and liabilities, are also impacted by changes in foreign currency exchange rates. Assets and liabilities of substantially all our subsidiaries outside the U.S. are translated at period end rates of exchange for each reporting period. Operating results and cash flow statements are translated at average rates of exchange during each reporting period.

The functional currencies of our worldwide facilities primarily include the United States Dollar, Euro, South Korean Won, New Taiwan Dollar, Japanese Yen, Pound Sterling, and Chinese Yuan. We are subject to risks associated with revenue and purchasing activities and costs to operate that are denominated in currencies other than our functional currencies, such as the Singapore Dollar, Malaysian Ringgit, Mexican Peso, Philippine Peso, and Thai Baht. Historically, the impact of changes to these particular exchange rates has not been material to our operating results.

From time to time, we may enter into foreign currency exchange rate contracts to hedge against changes in foreign currency exchange rates on assets and liabilities expected to be settled at a future date, including foreign currency, which may be required for a potential foreign acquisition. Market risk arises from the potential adverse effects on the value of derivative instruments that result from a change in foreign currency exchange rates. We may enter into foreign currency forward contracts to manage the exchange rate risk associated with intercompany debt denominated in nonfunctional currencies. We minimize our market risk applicable to foreign currency exchange rate contracts by establishing and monitoring parameters that limit the types and degree of our derivative contract instruments. We enter into derivative contract instruments for risk management purposes only. We do not enter into or issue derivatives for trading or speculative purposes.

Interest Rate Risk

At the present time, a change in interest rates does not have an impact upon our future earnings and cash flow because, subsequent to September 30, 2026, we settled the remaining principal amount of the 2028 Notes and our only outstanding debt is the 2031 Notes, which carry a fixed 0% interest rate. However, increases in interest rates could impact our decision to borrow under the Credit Agreement, our ability to refinance existing maturities, and our ability to acquire additional debt on favorable terms.

For more information see *Note 6. Long-Term Debt* in Part I, Item 1 "Unaudited Consolidated Financial Statements."

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures, which are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our Principal Executive Officer (Stephen D. Kelley, President and Chief Executive Officer) and Principal Financial Officer (Paul Oldham, Executive Vice President and Chief Financial Officer), as appropriate, to allow timely decisions regarding required disclosures.

As of the end of the period covered by this report, we conducted an evaluation, with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the disclosure controls and procedures pursuant to the Exchange Act Rule 13a-15(b). Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2026. The conclusions of the Chief Executive Officer and Chief Financial Officer from this evaluation were communicated to the Audit and Finance Committee. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. We intend to continue to review and document our disclosure controls and procedures, including our internal controls over financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in disputes and legal actions arising in the normal course of our business. Although it is not possible to predict the outcome of these matters, we believe that the results of these proceedings will not have a material adverse effect on our financial condition, results of operations, or liquidity.

ITEM 1A. RISK FACTORS

Information concerning our risk factors is contained in Part I, Item 1A, "Risk Factors" in the 2025 Form 10-K. The risks described in the 2025 Form 10-K are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or operating results. There have been no material changes to the risk factors previously disclosed in the 2025 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no unregistered sales of equity securities during the third quarter of 2026.

To repurchase shares of our common stock, we periodically enter into share repurchase agreements, open-market transactions, and/or other transactions in accordance with applicable federal securities laws. Before repurchasing our shares, we consider the market price of our common stock, the nature of other investment opportunities, available liquidity, cash flows from operations, general business and economic conditions, and other relevant factors.

There were no share repurchases during the third quarter of 2026. We suspended activity under our share repurchase program in connection with the issuance of the redemption notice for the remaining 2028 Notes on June 12, 2026, and resumed the program in October 2026. At September 30, 2026, the remaining amount authorized by the Board of Directors for future share repurchases was $166.6 million with no time limitation. All purchases are made pursuant to a previously announced program.

Month	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs[1]
		(in millions, except share and price per share data)		
July	—	$ —	—	$ —
August	—	$ —	—	$ —
September	—	$ —	—	$ —
Total	—	$ —	—	

[1] On August 3, 2022, we announced that our Board approved an increase to the authorized amount under the existing share repurchase program by $97.6 million to $200.0 million, with no time limitation.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

None

ITEM 5. OTHER INFORMATION

On October 29, 2026, the Compensation Committee of the Company's Board of Directors approved an amendment to the outstanding performance stock unit awards (the "PSU Awards"). The amendment removed the cap that limited the earned value of the relative total shareholder return ("rTSR") performance metric component to five times the grant-date value. The amendment did not modify any other terms of the PSU Awards, including the applicable service periods or the limitation that the maximum payout under each PSU Award may not exceed 200% of the target shares established by the Compensation Committee. As a result of the modification, we expect to recognize approximately $10.0 million of additional stock-based compensation expense, of which approximately $4.0 million is expected to be recognized in the fourth quarter of 2026, with the remainder recognized over the remaining service periods of the respective grants. The shares earned by the executives pursuant to the amended PSU Awards will be determined upon achievement of the applicable performance conditions at the end of the measurement period.

Rule 10b5-1 Trading Arrangements

During the three months ended September 30, 2026, except as described below, none of our directors or Section 16 officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408 of Regulation S-K). The following table summarizes the terms of the Rule 10b5-1 trading arrangements adopted:

Name and Title	Date of Adoption	Duration of the Trading Arrangement	Aggregate Number of Shares to be Sold
Bernard R. Colpitts, Jr. Senior Vice President, Chief Accounting Officer	August 12, 2026	(1)	(1)
John Donaghey Executive Vice President, Chief Commercial Officer	August 12, 2026	Until February 22, 2027 or such earlier date upon which all transactions are completed (2)	11,277
Bernard R. Colpitts, Jr. Senior Vice President, Chief Accounting Officer	August 14, 2026	Until May 31, 2027 or such earlier date upon which all transactions are completed (2)	(3)
John Donaghey Executive Vice President, Chief Commercial Officer	August 18, 2026	(1)	(1)
Elizabeth K. Vonne Executive Vice President, General Counsel and Secretary	August 18, 2026	(1)	(1)
Stephen D. Kelley President and Chief Executive Officer	August 19, 2026	(1)	(1)
Paul Oldham Executive Vice President, Chief Financial Officer	August 21, 2026	(1)	(1)
Stephen D. Kelley President and Chief Executive Officer	September 11, 2026	Until March 31, 2027 or such earlier date upon which all transactions are completed (2)	50,000
Elizabeth K. Vonne Executive Vice President, General Counsel and Secretary	September 11, 2026	Until March 31, 2027 or such earlier date upon which all transactions are completed (2)	363

(1) At the Company's discretion, executives may be required to satisfy tax withholding obligations through cash payments or sell-to-cover transactions rather than share withholding. This Rule 10b5-1 trading arrangement provides for eligible “sell-to-cover transactions” (as described in Rule 10b5-1(c)(1)(ii)(D)(3) under the Exchange Act) only as are necessary to satisfy tax withholding obligations arising from the vesting of restricted stock units and PSUs. The number of shares that will be sold under this Rule 10b5-1 trading arrangement is not currently determinable as the number will vary based on the market price of our common stock and the satisfaction of certain applicable performance goals. The arrangement will remain in effect until the earlier of (a) termination of employment with the Company or (b) execution and delivery of an agreement to terminate.

(2) This Rule 10b5-1 trading arrangement also provides for termination prior to the above-listed expiration date following the occurrence of certain events, such as public announcement of a tender offer, exchange offer, or certain merger and acquisition, reorganization, or recapitalization transactions or the bankruptcy, insolvency, or death of the adopting person.

(3) The aggregate number of shares available for sale under Mr. Colpitts's Rule 10b5-1 trading arrangement is not yet determinable because the trading arrangement relates to shares issuable pursuant to unvested restricted stock units and PSUs, which are subject to tax withholding obligations that arise in connection with the vesting and settlement of such awards and, with respect to PSUs, the satisfaction of certain applicable performance goals.

ITEM 6. EXHIBITS

The exhibits listed in the following index are filed as part of this Quarterly Report on Form 10-Q.

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
10.1	Third Amended and Restated 2023 Omnibus Incentive Plan				Filed herewith
10.2	Form of Amended and Restated Restricted Stock Unit Award Agreement under the Third Amended and Restated 2023 Omnibus Incentive Plan				Filed herewith
10.3	Form of Amended and Restated Performance Stock Unit Award Agreement under the Third Amended and Restated 2023 Omnibus Incentive Plan				Filed herewith
31.1	Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				Filed herewith
31.2	Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				Filed herewith
32.1	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				Filed herewith
32.2	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				Filed herewith
101.INS	Inline XBRL Instance Document *(The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)*				Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document.				Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.				Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.				Filed herewith

Exhibit Number	Description	Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					Filed herewith
104	Cover Page Interactive Data File *(Formatted in Inline XBRL and contained in Exhibit 101)*					Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ADVANCED ENERGY INDUSTRIES, INC.

Dated: November 2, 2026

/s/ Paul Oldham
Paul Oldham
Chief Financial Officer and Executive Vice President
(Principal Financial Officer)

/s/ Bernard R. Colpitts, Jr.
Bernard Colpitts, Jr.
Chief Accounting Officer and Senior Vice President
(Principal Accounting Officer)

EXHIBIT 10.1

ADVANCED ENERGY INDUSTRIES, INC.
Third Amended and Restated 2023 Omnibus Incentive Plan
(as amended and restated August 5, 2026)

1. Purpose; Effective Date; Effect on Prior Plan.

(a) **Purpose**. The Advanced Energy Industries, Inc. Third Amended and Restated 2023 Omnibus Incentive Plan (the "Plan") has two complementary purposes: (i) to attract and retain outstanding individuals to serve as officers, directors, employees, consultants and advisors, and (ii) to increase stockholder value. The Plan will provide participants with incentives to increase stockholder value by offering the opportunity to acquire shares of the Company's common stock, receive monetary payments based on the value of such common stock, or receive other incentive compensation, on the potentially favorable terms that this Plan provides.

(b) **Effective Date; Effect on Prior Plan**. The Plan became effective on the date of the Company's 2023 Annual Meeting of Stockholders (the "Effective Date"), which was April 27, 2023. The Plan will terminate as provided in Section 15. Following the Effective Date, no additional awards will be made under the Company's 2017 Omnibus Incentive Plan (the "Prior Plan"), although awards previously granted under the Prior Plan and still outstanding as of the Effective Date will remain outstanding and continue to be subject to all terms and conditions of the Prior Plan.

2. Definitions. Capitalized terms used and not otherwise defined in this Plan or in any Award agreement have the following meanings:

(a) "**10% Stockholder**" means an individual who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding stock of the Company, its parent or any of its Subsidiaries. In determining stock ownership, the attribution rules of Section 424(d) of the Code shall be applied.

(b) "**Administrator**" means the Board or the Committee; *provided that*, to the extent the Board or the Committee has delegated authority and responsibility as an Administrator of the Plan as permitted by Section 3(b), the term "Administrator" shall also mean such committee(s) and/or officer(s).

(c) "**Affiliate**" has the meaning ascribed to such term in Rule 12b-2 under the Exchange Act. Notwithstanding the foregoing, for purposes of determining those individuals to whom an Option or a Stock Appreciation Right may be granted, the term "Affiliate" means any entity that, directly or through one or more intermediaries, is controlled by or is under common control with, the Company within the meaning of Code Sections 414(b) or (c); *provided that*, in applying such provisions, the phrase "at least 20 percent" shall be used in place of "at least 80 percent" each place it appears therein.

(d) "**Applicable Exchange**" means the national securities exchange or automated trading system on which the Stock is principally traded at the applicable time.

(e) "**Award**" means a grant of Options, Stock Appreciation Rights, Performance Stock Units, Performance Units, Stock, Restricted Stock, Restricted Stock Units, a Cash Incentive Award, or any other type of award permitted under this Plan.

(f) "**Board**" means the Board of Directors of the Company.

(g) "**Cash Incentive Award**" means the right to receive a cash payment to the extent Performance Goals are achieved (or other requirements are met), as described in Section 10.

(h) A "**Change of Control**" shall have the meaning given in an Award agreement or, if no meaning is given in an Award agreement, shall be deemed to occur upon the consummation of any of the following transactions:

(i) The acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (A) the then-outstanding Shares (the "Outstanding Company Common Stock") or (B) the combined voting power of the then-outstanding voting

securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or (4) any acquisition by any corporation pursuant to a transaction that complies with Sections 2(h)(iii)(A) – 2(h)(iii)(C);

(ii) Any time at which individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its Subsidiaries, a sale or other disposition of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions, or the acquisition of assets or stock of another entity by the Company or any of its Subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (A) at least 50% of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding common equity and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or an Affiliate or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 50% or more of, respectively, the then-outstanding common equity of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, for purposes of an Award (1) that provides for the payment of deferred compensation that is subject to Code Section 409A or (2) with respect to which the Company permits a deferral election, the definition of Change of Control herein shall be deemed amended to conform to the requirements of Code Section 409A to the extent necessary for the Award and deferral election to comply with Code Section 409A.

(j) "**Code**" means the Internal Revenue Code of 1986, as amended. Any reference to a specific provision of the Code includes any successor provision and the regulations promulgated under such provision.

(k) "**Committee**" means the Compensation Committee of the Board, any successor committee thereto or such other committee of the Board that is designated by the Board with the same or similar authority. The Committee shall consist only of Non-Employee Directors (not fewer than two (2)) who meet the definition of "non-employee director" under Rule 16b-3(b)(3) promulgated under the Exchange Act to the extent necessary for the Plan and Awards to comply with Rule 16b-3 promulgated under the Exchange Act.

(l) "**Company**" means Advanced Energy Industries, Inc., a Delaware corporation, or any successor thereto.

(m) "**Director**" means a member of the Board.

(n) "**Disability**" means the Participant is unable to perform each of the essential duties of such Participant's position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than twelve (12) months; provided, however, that, with respect to rules regarding expiration of an incentive stock option following termination of the Participant's employment, Disability shall mean the Participant is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(o) "**Dividend Equivalent Unit**" means the right to receive a payment, in cash or Shares, equal to the cash dividends or other cash distributions paid with respect to a Share.

(p) "**Effective Date**" means the date on which the Board approves the Plan.

(q) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended. Any reference to a specific provision of the Exchange Act includes any successor provision and the regulations and rules promulgated under such provision.

(r) "**Fair Market Value**" means, as of a given date, the closing sale price of a Share on the Applicable Exchange on such date or, if there shall be no such sale on such date, on the next preceding day on which such a sale shall have occurred; provided that, if so determined by the Administrator, Fair Market Value may instead mean a price that is based on the opening, closing, actual, high or low sale price, or the arithmetic mean of selling prices of, a Share, on the Applicable Exchange on the applicable date, the preceding trading day, the next succeeding trading day, or the arithmetic mean of selling prices on all trading days over a specified averaging period weighted by volume of trading on each trading day in the period that is within 30 days before or 30 days after the applicable date, as determined by the Administrator in its discretion; provided further that, if an arithmetic mean of prices is used to set a grant price or an exercise price for an Option or Stock Appreciation Right, the commitment to grant the applicable Award based on such arithmetic mean must be irrevocable before the beginning of the specified averaging period in accordance with Treasury Regulation §1.409A-1(b)(5)(iv)(A). The method of determining Fair Market Value with respect to an Award shall be determined by the Administrator and may differ depending on whether Fair Market Value is in reference to the grant, exercise, vesting, settlement, or payout of an Award. If the Stock is not traded on an established stock exchange, the Administrator shall determine in good faith the Fair Market Value in whatever manner it considers appropriate, but based on objective criteria; provided that, to the extent required to secure an exemption from Code Section 409A, Fair Market Value shall be determined using a reasonable application of a reasonable valuation method. Notwithstanding the foregoing, in the case of an actual sale of Shares, the actual sale price shall be the Fair Market Value of such Shares.

(s) "**Non-Employee Director**" means a Director who is not also an employee of the Company or its Subsidiaries.

(t) "**Option**" means the right to purchase Shares at a stated price for a specified period of time.

(u) "**Participant**" means an individual selected by the Administrator to receive an Award.

(v) "**Performance Goals**" means any objective or subjective goals the Administrator establishes with respect to an Award. Performance Goals may include, but are not limited to, the performance of the Company or any one or more of its Subsidiaries, Affiliates or its or their business units (or any combination thereof) with respect to the following measures: (a) net earnings or net income; (b) operating earnings, operating income; (c) pretax earnings; (d) earnings per share; earnings per share after applying a capital charge; (f) share price, including growth measures and total stockholder return; (g) earnings before interest and taxes and related margin; (h) earnings before interest, taxes, depreciation and/or amortization and related margin; (i) sales or revenue growth, whether in general, by type of product, application or service, or by type of customer; (j) gross or operating profit or margins; (k) return measures, including return on assets, capital, investment, equity, sales or revenue; (l) economic value add (EVA) with or without a capital charge; (m) cash flow, including operating cash flow, free cash flow, cash flow return on equity and cash flow return on investment; (n)

productivity ratios; (o) expense targets; (p) market share; (q) financial ratios as provided in credit agreements of the Company and its subsidiaries and interest expense; (r) working capital targets; (s) completion of acquisitions of business or companies; (t) completion of divestitures and asset sales; (u) operating metrics, design wins and inventory; and (v) any combination of any of the foregoing business criteria and associated margins, some of which may exclude restructuring charges, acquisition related costs, stock based compensation, amortization of intangibles, tax release items, certain one-time tax items and other one-time charges, and may be limited to continuing operations. Performance Goals may also relate to a Participant's individual performance.

The Administrator reserves the right to adjust Performance Goals, or modify the manner of measuring or evaluating a Performance Goal, for any reason the Administrator determines is appropriate, including but not limited to: (i) by excluding the effects of charges for reorganizing and restructuring; discontinued operations; asset write-downs; gains or losses on the disposition of a business; or mergers, acquisitions or dispositions; and extraordinary, unusual and/or non-recurring items of gain or loss; (ii) excluding the costs of litigation, claims, judgments or settlements; (iii) excluding the effects of changes laws or regulations affecting reported results, or changes in tax or accounting principles, regulations or law; and (iv) excluding any accruals of amounts related to payments under the Plan or any other compensation arrangement maintained by the Company or an Affiliate.

The inclusion in an Award agreement of specific adjustments or modifications shall not be deemed to preclude the Administrator from making other adjustments or modifications, in its discretion, as described herein, unless the Award agreement provides that the adjustments or modifications described in such agreement shall be the sole adjustments or modifications.

(w) "**Performance Stock Units**" means the right to receive Shares or a cash payment equal to the Fair Market Value of one or more Shares to the extent Performance Goals are achieved (or other requirements are met).

(x) "**Performance Unit**" means the right to receive a cash payment and/or Shares valued in relation to a unit that has a designated dollar value or the value of which is equal to the Fair Market Value of one or more Shares, to the extent Performance Goals are achieved (or other requirements are met).

(y) "**Person**" has the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, or any group of Persons acting in concert that would be considered "persons acting as a group" within the meaning of Treas. Reg. § 1.409A-3(i)(5).

(z) "**Plan**" means this Advanced Energy Industries, Inc. Third Amended and Restated 2023 Omnibus Incentive Plan, as it may be amended from time to time.

(aa) "**Restricted Stock**" means Shares that are subject to a risk of forfeiture or restrictions on transfer, or both a risk of forfeiture and restrictions on transfer, which may lapse upon the achievement or partial achievement of Performance Goals or upon the completion of a period of service, or both.

(bb) "**Restricted Stock Unit**" means the right to receive a Share or a cash payment the value of which is equal to the Fair Market Value of one Share.

(cc) "**Retirement**" means, unless otherwise determined by the Administrator, a Participant's voluntary termination after having attained age sixty (60) and having earned five (5) years or more of continuous employment or service.

(dd) "**Section 16 Participants**" means Participants who are subject to the provisions of Section 16 of the Exchange Act.

(ee) "**Share**" means a share of Stock.

(ff) "**Stock**" means the common stock of the Company.

(gg) "**Stock Appreciation Right**" or "**SAR**" means the right to receive a cash payment, and/or Shares with a Fair Market Value, equal to the appreciation of the Fair Market Value of a Share during a specified period of time.

(hh) "**Subsidiary**" means any corporation, limited liability company or other limited liability entity in an unbroken chain of entities beginning with the Company if each of the entities (other than the last entities in the chain) owns the stock or equity interest possessing more than fifty percent (50%) of the total combined voting power of all classes of stock or other equity interests in one of the other entities in the chain.

3. Administration.

(a) **Administration**. In addition to the authority specifically granted to the Administrator in this Plan, the Administrator has full discretionary authority to administer this Plan, including but not limited to the authority to: (i) interpret the provisions of this Plan or any agreement covering an Award; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; (iii) correct any defect, supply any omission, or reconcile any inconsistency in the Plan, any Award or any agreement covering an Award in the manner and to the extent it deems desirable to carry this Plan or such Award into effect; and (iv) make all other determinations necessary or advisable for the administration of this Plan. All Administrator determinations shall be made in the sole discretion of the Administrator and are final and binding on all interested parties.

(b) **Delegation**. To the extent applicable law permits, the Board may delegate to another committee of the Board, or the Committee may delegate to a subcommittee of the Committee, or either may delegate to one or more persons or bodies, any or all of their respective authority and responsibility as an Administrator of the Plan; *provided that* no such delegation is permitted with respect to Stock-based Awards made to Section 16 Participants at the time any such delegated authority or responsibility is exercised unless the delegation is to another committee of the Board consisting entirely of Non-Employee Directors. If the Board or the Committee has made such a delegation, then all references to the Administrator in this Plan include such other committee, subcommittee or one or more persons or bodies to the extent of such delegation.

(c) **No Liability; Indemnification**. No member of the Board or the Committee, and no officer or member of any other committee or person to whom a delegation under Section 3(b) has been made, will be liable for any act done, or determination made, by the individual in good faith with respect to the Plan or any Award. The Company will indemnify and hold harmless each such individual as to any acts or omissions, or determinations made, in each case done or made in good faith, with respect to this Plan or any Award to the maximum extent that the law and the Company's By-Laws permit.

4. Eligibility. The Administrator may designate any of the following as a Participant from time to time, to the extent of the Administrator's authority: any officer or other employee of the Company or its Affiliates; any individual who the Company or an Affiliate has engaged to become an officer or employee; any consultant or advisor who provides services to the Company or its Affiliates; any Director, including a Non-Employee Director; and, subject to compliance with applicable law, any other person whom the Administrator believes it is in the best interests of the Company to designate as a Participant. The issuance of securities under the Plan will be authorized to consultants and advisors only if they are natural persons, they provide bona fide services to the Company, and the services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities. The Administrator's designation of, or granting of an Award to, a Participant will not require the Administrator to designate such individual as a Participant or grant an Award to such individual at any future time. The Administrator's granting of a particular type of Award to a Participant will not require the Administrator to grant any other type of Award to such individual.

5. Types of Awards. Subject to the terms of this Plan, the Administrator may grant any type of Award to any Participant it selects, but only employees of the Company or a Subsidiary may receive grants of incentive stock options within the meaning of Code Section 422. Awards may be granted alone or in addition to, in tandem with, or (subject to the prohibition on repricing set forth in Section 15(e)) in substitution for any other Award (or any other award granted under another plan of the Company or any Affiliate, including the plan of an acquired entity).

6. Shares Reserved under this Plan.

(a) **Plan Reserve**. Subject to adjustment as provided in Section 17, an aggregate of four million nine hundred thousand (4,900,000) Shares are reserved for issuance under this Plan, all of which may be issued pursuant to the exercise of incentive stock options. The Shares reserved for issuance may be either authorized and unissued Shares or Shares reacquired at any time and now or hereafter held as treasury stock.

(b) **Depletion and Replenishment of Shares Under this Plan**.

(i) The aggregate number of Shares reserved under Section 6(a) shall be depleted on the date of grant of an Award by the maximum number of Shares, if any, with respect to which such Award is granted. Notwithstanding the foregoing, an Award that may be settled solely in cash (or partially in cash to the extent of the cash amount of the Award) shall not cause any depletion of the Plan's Share reserve at the time such Award is granted.

(ii) To the extent (A) an Award lapses, expires, terminates or is cancelled without the issuance of Shares under the Award (whether due currently or on a deferred basis) or is settled in cash, (B) it is determined during or at the conclusion of the term of an Award that all or some portion of the Shares with respect to which the Award was granted will not be issuable on the basis that the conditions for such issuance will not be satisfied, (C) Shares are forfeited under an Award, or (D) Shares are issued under any Award and the Company subsequently reacquires them pursuant to rights reserved upon the issuance of the Shares, then such Shares shall be recredited to the Plan's reserve and may again be used for new Awards under this Plan, but Shares recredited to the Plan's reserve pursuant to clause (D) may not be issued pursuant to incentive stock options. Notwithstanding the foregoing, in no event shall the following Shares be recredited to the Plan's reserve: (x) Shares tendered or withheld in payment of the exercise price of an Option or as a result of the net settlement of an outstanding Stock Appreciation Right, (y) Shares tendered or withheld to satisfy federal, state or local tax withholding obligations, or (z) Shares purchased by the Company (subject to compliance with applicable law) using proceeds from Option exercises

(c) **Non-Employee Director Award Limitation**. Subject to adjustment as provided in Section 17, the maximum number of Shares that may be granted during any fiscal year to any individual Non-Employee Director shall not exceed that number of Shares that has a grant date fair value of, when added to any cash compensation received by such Non-Employee Director, $1,000,000 (the "Director Limit"); provided that the Administrator may make exceptions to the Director Limit in extraordinary circumstances as the Administrator may determine in its discretion; provided further that the Non-Employee Director receiving such additional compensation may not participate in the decision to award such compensation.

7. Options. Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each Option, including but not limited to: (a) whether the Option is an "incentive stock option" which meets the requirements of Code Section 422, or a "nonqualified stock option" which does not meet the requirements of Code Section 422; (b) the grant date, which may not be any day prior to the date that the Administrator approves the grant; (c) the number of Shares subject to the Option; (d) the exercise price, which may never be less than the Fair Market Value of the Shares subject to the Option as determined on the date of grant (110% of the Fair Market Value in the case of an incentive stock option granted to a 10% Stockholder) unless the Option complies with, or otherwise qualifies for an exemption from, Code Section 409A; (e) the terms and conditions of vesting and exercise; (f) the term, except that an Option must terminate no later than ten (10) years after the date of grant (five (5) years in the case of an incentive stock option granted to a 10% Stockholder); and (g) the manner of payment of the exercise price. In all other respects, the terms of any incentive stock option should comply with the provisions of Code Section 422 except to the extent the Administrator determines otherwise. If an Option that is intended to be an incentive stock option fails to meet the requirements thereof, the Option shall automatically be treated as a nonqualified stock option to the extent of such failure. If any Participant shall make any disposition of Shares issued pursuant to the exercise of an incentive stock option under the circumstances described in Code Section 421(b) (relating to certain disqualifying dispositions), such Participant shall notify the Company of such disposition within ten (10) days thereof. To the extent previously approved by the Administrator (which approval may be set forth in an Award agreement or in administrative rules), and subject to such procedures as the Administrator may specify, the payment of the exercise price of Options may be made by (i) delivery of cash or other Shares or other securities of the Company (including by attestation) having a then Fair Market Value equal to the purchase price of such Shares, (ii) by delivery to the Company or its designated agent of an executed irrevocable option exercise form together with irrevocable instructions to a broker -dealer to sell or margin a sufficient portion of the Shares and deliver the sale or margin loan proceeds directly to the Company to pay for the exercise price, (iii) by surrendering the right to receive Shares otherwise deliverable to the Participant upon exercise of the Award having a Fair Market Value at the time of exercise equal to the total exercise price, or (iv) by any combination of (i), (ii) and/or (iii). Except to the extent otherwise set forth in an Award agreement, a Participant shall have no rights as a holder of Stock as a result of

the grant of an Option until the Option is exercised, the exercise price and applicable withholding taxes are paid and the Shares subject to the Option are issued thereunder.

8. Stock Appreciation Rights. Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each SAR, including but not limited to: (a) the grant date, which may not be any day prior to the date that the Administrator approves the grant; (b) the number of Shares to which the SAR relates; (c) the grant price, which may never be less than the Fair Market Value of the Shares subject to the SAR as determined on the date of grant unless the SAR complies with, or otherwise qualifies for an exemption from, Code Section 409A; (d) the terms and conditions of exercise or maturity, including vesting; (e) the term, *provided that* an SAR must terminate no later than ten (10) years after the date of grant; and (f) whether the SAR will be settled in cash, Shares or a combination thereof.

9. Performance and Stock Awards. Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each award of Shares, Restricted Stock, Restricted Stock Units, Performance Stock Units or Performance Units, including but not limited to: (a) the number of Shares or units to which such Award relates; (b) whether, as a condition for the Participant to realize all or a portion of the benefit provided under the Award, one or more Performance Goals must be achieved during such period as the Administrator specifies; (c) the length of the vesting or performance period and, if different, the date on which payment of the benefit provided under the Award will be made; (d) with respect to Performance Units, whether to measure the value of each unit in relation to a designated dollar value or the Fair Market Value of one or more Shares; and (e) with respect to Restricted Stock Units and Performance Units, whether to settle such Awards in cash, in Shares (including Restricted Stock), or in a combination of cash and Shares. Except to the extent the Administrator provides otherwise, holders of Restricted Stock and Stock shall have the right to vote the Shares subject to such Awards and the right to receive any dividends declared or paid with respect to such Shares. Except to the extent the Administrator provides otherwise, holders of other types of Awards shall not have any rights as stockholders of the Company with respect to such Awards. A holder of Restricted Stock Units, Performance Stock Units or Performance Units shall have no rights other than those of a general creditor of the Company; such Awards represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of this Plan and the applicable Award agreement. The holder of Restricted Stock, Restricted Stock Units or Performance Stock Units shall be required, to the extent required by applicable law, to purchase the Restricted Stock or Shares subject to vested Restricted Stock Units or Performance Stock Units from the Company at a purchase price equal to the greater of (x) the aggregate par value of the Shares represented by such Restricted Stock, Restricted Stock Units or Performance Stock Units or (y) the purchase price, if any, specified in the applicable Award agreement relating to such Restricted Stock, Restricted Stock Units or Performance Stock Units.

10. Cash Incentive Awards. Subject to the terms of this Plan, the Administrator will determine all terms and conditions of a Cash Incentive Award, including but not limited to the Performance Goals, performance period, the potential amount payable, and the timing of payment.

11. Dividends and Dividend Equivalent Units.

(a) **Prohibitions**. In no event may dividends or Dividend Equivalent Units be awarded with respect to Options, SARs or any other stock-based award that is not a grant of Stock, Restricted Stock, Restricted Stock Units, Performance Stock Units or Performance Units. Notwithstanding anything to the contrary in this Plan, and for the avoidance of doubt, this Plan expressly prohibits the payment of dividends or Dividend Equivalent Units on unvested Awards for all equity Award types.

(b) **Dividends**. If cash dividends are paid while shares of Restricted Stock are unvested, then such dividends will either, at the discretion of the Administrator, be (i) automatically reinvested as additional shares of Restricted Stock that are subject to the same terms and conditions, including the risk of forfeiture, as the original grant of Restricted Stock, or (ii) paid in cash at the same time and the same extent that the Restricted Stock vests. For clarity, in no event will dividends be distributed to a Participant unless, until and to the same extent as the underlying shares of Restricted Stock vest.

(c) **Dividend Equivalent Units**. The Administrator may grant Dividend Equivalent Units only in tandem with Restricted Stock Units, Performance Stock Units or Performance Units. Dividend Equivalent Units will either, at the discretion of the Administrator, be (i) accumulated and paid, in cash or Shares in the Administrator's discretion, at the same time and to the same extent that the tandem Award vests or is earned or (ii) reinvested in additional units that are subject to the same terms and conditions (including vesting and forfeiture) as the tandem Award. The Administrator will

determine all other terms and conditions of each award of Dividend Equivalent Units. For clarity, in no event will a Participant receive payment with respect to a Dividend Equivalent Unit unless, until and to the same extent as the tandem Award vests and is paid.

12. Other Stock-Based Awards. Subject to the terms of this Plan, the Administrator may grant to a Participant shares of unrestricted Stock as replacement for other compensation to which the Participant is entitled, such as in payment of director fees, in lieu of cash compensation, in exchange for cancellation of a compensation right, or as a bonus.

13. Minimum Vesting; Discretion to Accelerate Vesting.

(a) **Minimum Vesting Period**. All Awards granted under the Plan shall have a minimum vesting period of one year from the date of grant, *provided* that such minimum vesting period will not apply to Awards with respect to up to 5% of the total number of Shares reserved pursuant to Section 6(a). For purposes of Awards granted to Non-Employee Directors, "one year" may mean the period of time from one annual stockholders meeting to the next annual stockholders meeting, *provided* that such period of time is not less than 50 weeks.

(b) **Discretion to Accelerate Vesting**. Notwithstanding Section 13(a), the Administrator may accelerate the vesting of an Award, deem an Award to be earned in whole or in part, waive any forfeiture conditions, or otherwise modify or adjust any other condition or limitation regarding an Award in the event of a Participant's death (i.e., beyond what is provided for in Section 18(c)), Disability, Retirement, voluntary or involuntary termination, as provided in an Award agreement, in connection with a Change of Control described in Section 17(c), or upon any other event as determined by the Administrator in its sole and absolute discretion.

14. Transferability. Awards are not transferable, including to any financial institution, other than by will or the laws of descent and distribution, unless and to the extent the Administrator allows a Participant to: (a) designate in writing a beneficiary to exercise the Award or receive payment under the Award after the Participant's death; (b) transfer an Award to the former spouse of the Participant as required by a domestic relations order incident to a divorce; or (c) transfer an Award; *provided*, *however*, that with respect to clause (c) above the Participant may not receive consideration for such a transfer of an Award.

15. Term of Plan; Termination and Amendment; Survival; Repricing and Backdating Prohibited; Foreign Participation; Deferrals.

(a) **Term of Plan**. Unless the Board earlier terminates this Plan pursuant to Section 15(b), this Plan will terminate on, and no further Awards may be granted under this Plan, after the tenth (10th) anniversary of the latest date on which this Plan, or any amendment thereto or restatement thereof, has been approved by the Company's stockholders.

(b) **Termination and Amendment**. The Board or the Administrator may amend, alter, suspend, discontinue or terminate this Plan at any time, subject to the following limitations:

(i) the Board, in addition to the Administrator, must approve any amendment of this Plan to the extent the Company determines such approval is required by: (A) prior action of the Board, (B) applicable corporate law, or (C) any other applicable law;

(ii) stockholders must approve any amendment of this Plan (which may include an amendment to materially increase the number of Shares specified in Section 6(a), except as permitted by Section 17) to the extent the Company determines such approval is required by: (A) Section 16 of the Exchange Act, (B) the Code, (C) the listing requirements of the Applicable Exchange, or (D) any other applicable law; and

(iii) stockholders must approve an amendment that would diminish the protections afforded by Section 15(e).

If the Board or the Administrator takes any action under this Plan that is not, at the time of such action, authorized by this Plan, but that could be authorized by this Plan as amended by the Board or the Administrator, as applicable, the Board or Administrator action will be deemed to constitute an amendment to this Plan to authorize such action to the extent permissible under applicable law and the requirements of the Applicable Exchange.

(c) **Amendment, Modification, Cancellation and Disgorgement of Awards**.

(i) Except as provided in Section 15(e) and subject to the requirements of this Plan, the Administrator may modify, amend or cancel any Award, or waive any restrictions or conditions applicable to any Award or the exercise of the Award; *provided that*, except as otherwise provided in the Plan or the Award agreement, any modification or amendment that materially diminishes the rights of the Participant, or the cancellation of an Award, shall be effective only if agreed to by the Participant or any other person(s) as may then have an interest in such Award, but the Administrator need not obtain Participant (or other interested party) consent for the modification, amendment or cancellation of an Award as follows: (A) to the extent necessary to comply with any applicable law or the listing requirements of the Applicable Exchange; or (B) to the extent necessary to preserve favorable accounting or tax treatment of any Award for the Company. Notwithstanding the foregoing, unless determined otherwise by the Administrator, any such amendment shall be made in a manner that will enable an Award intended to be exempt from Code Section 409A to continue to be so exempt, or to enable an Award intended to comply with Code Section 409A to continue to so comply.

(ii) Changes, settlements, and other actions contemplated by Section 15(f) or Section 17 shall not be deemed to constitute changes or amendments for purposes of this Section 15(c).

(iii) No Award may be granted during any period of suspension or after termination of the Plan.

(iv) Any Awards granted pursuant to this Plan, and any Stock issued or cash paid pursuant to an Award, shall be subject to any recoupment or clawback policy that is adopted by, or any recoupment or similar requirement otherwise made applicable by law, regulation or the listing standards of an Applicable Exchange to, the Company from time to time.

(d) **Survival of Authority and Awards**. Notwithstanding the foregoing, the authority of the Board and the Administrator under this Section 15 and to otherwise administer the Plan with respect to then-outstanding Awards will extend beyond the date of this Plan's termination. In addition, termination of this Plan will not affect the rights of Participants with respect to Awards previously granted to them, and all unexpired Awards will continue in force and effect after termination of this Plan except as they may lapse or be terminated by their own terms and conditions.

(e) **Repricing and Backdating Prohibited**. Notwithstanding anything in this Plan to the contrary, and except for the adjustments provided for in Section 17, neither the Administrator nor any other person may (i) amend the terms of outstanding Options or SARs to reduce the exercise or grant price of such outstanding Options or SARs; (ii) cancel outstanding Options or SARs in exchange for Options or SARs with an exercise or grant price that is less than the exercise or grant price of the original Options or SARs; or (iii) cancel outstanding Options or SARs with an exercise or grant price above the current Fair Market Value of a Share in exchange for cash or other securities. In addition, the Administrator may not make a grant of an Option or SAR with a grant date that is effective prior to the date the Administrator takes action to approve such Award.

(f) **Foreign Participation**. To assure the viability of Awards granted to Participants employed or residing in foreign countries, the Administrator may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, accounting or custom. Moreover, the Administrator may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it determines is necessary or appropriate for such purposes. Any such amendment, restatement or alternative versions that the Administrator approves for purposes of using this Plan in a foreign country will not affect the terms of this Plan for any other country. In addition, all such supplements, amendments, restatements or alternative versions must comply with the provisions of Section 15(b)(ii).

(g) **Deferrals**. The Administrator may permit or require the deferral of any Award or Award payment into a deferred compensation arrangement, subject to such rules and procedures as it may establish. Any such deferrals shall be made in a manner that complies with Code Section 409A.

16. Taxes.

(a) **Withholding**. In the event the Company or one of its Affiliates is required to withhold any federal, state or local taxes or other amounts in respect of any income recognized by a Participant as a result of the grant, vesting, payment or settlement of an Award or disposition of any Shares acquired under an Award, the Company may satisfy such obligation by:

(i) If cash is payable under an Award, deducting (or requiring an Affiliate to deduct) from such cash payment the amount needed to satisfy such obligation;

(ii) If Shares are issuable under an Award, then to the extent previously approved by the Administrator (which approval may be set forth in an Award agreement or in administrative rules), and subject to such procedures as the Administrator may specify, (A) withholding Shares having a Fair Market Value equal to such obligations; (B) allowing the Participant to elect to (1) have the Company or its Affiliate withhold Shares otherwise issuable under the Award, (2) tender back Shares received in connection with such Award, (3) deliver other previously owned Shares, or (4) sell Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise); or (C) requiring the Participant to sell Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise), in each case having a Fair Market Value equal to the amount to be withheld; *provided that* the amount to be withheld under this clause (ii) may not exceed the total maximum statutory tax withholding obligations associated with the transaction to the extent needed for the Company and its Affiliates to avoid an accounting charge. If an election is provided, the election must be made on or before the date as of which the amount of tax to be withheld is determined and otherwise as the Administrator requires; or

(iii) If cash is payable or Shares are issuable under the Award, deducting (or requiring an Affiliate to deduct) the amount needed to satisfy such obligation from any wages or other payments owed to the Participant, or allowing or requiring such Participant to pay to the Company or its Affiliate, in cash, promptly on demand, or make other arrangements satisfactory to the Company or its Affiliate regarding the payment to the Company or its Affiliate of the amount needed to satisfy such obligation.

(b) **No Guarantee of Tax Treatment**. Notwithstanding any provisions of this Plan to the contrary, the Company does not guarantee to any Participant or any other Person with an interest in an Award that (i) any Award intended to be exempt from Code Section 409A shall be so exempt, (ii) any Award intended to comply with Code Section 409A or Code Section 422 shall so comply, or (iii) any Award shall otherwise receive a specific tax treatment under any other applicable tax law, nor in any such case will the Company or any Affiliate be required to indemnify, defend or hold harmless any individual with respect to the tax consequences of any Award.

17. Adjustment and Change of Control Provisions.

(a) **Adjustment of Shares**. If (i) the Company shall at any time be involved in a merger or other transaction in which the Shares are changed or exchanged; (ii) the Company shall subdivide or combine the Shares or the Company shall declare a dividend payable in Shares, other securities (other than stock purchase rights issued pursuant to a stockholder rights agreement) or other property; (iii) the Company shall effect a cash dividend the amount of which, on a per Share basis, exceeds ten percent (10%) of the Fair Market Value of a Share at the time the dividend is declared, or the Company shall effect any other dividend or other distribution on the Shares in the form of cash, or a repurchase of Shares, that the Board determines by resolution is special or extraordinary in nature or that is in connection with a transaction that the Company characterizes publicly as a recapitalization or reorganization involving the Shares; or (iv) any other event shall occur, which, in the case of this clause (iv), in the judgment of the Administrator necessitates an adjustment to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan, then the Administrator shall, in such manner as it may deem equitable to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan, adjust any or all of: (A) the number and type of shares subject to this Plan (including the number and type of shares described in Section 6(a)) and which may after the event be made the subject of Awards; (B) the number and type of shares subject to outstanding Awards; (C) the grant, purchase, or exercise price with respect to any Award; and (D) the Performance Goals of an Award. In any such case, the Administrator may also (or in lieu of the foregoing) make provision for a cash payment to the holder of an outstanding Award in exchange for the cancellation of all or a portion of the Award (without the consent of the holder of an Award) in an amount determined by the Administrator effective at such time as the Administrator specifies (which may be the time such transaction or event is effective). However, in each case, with respect to Awards of incentive stock

options, no such adjustment may be authorized to the extent that such authority would cause this Plan to violate Code Section 422(b). Further, the number of Shares subject to any Award payable or denominated in Shares must always be a whole number. In any event, previously granted Options or SARs are subject to only such adjustments as are necessary to maintain the relative proportionate interest the Options and SARs represented immediately prior to any such event and to preserve, without exceeding, the value of such Options or SARs.

Without limitation, in the event of any reorganization, merger, consolidation, combination or other similar corporate transaction or event, whether or not constituting a Change of Control (other than any such transaction in which the Company is the continuing corporation and in which the outstanding Stock is not being converted into or exchanged for different securities, cash or other property, or any combination thereof), the Administrator may substitute, on an equitable basis as the Administrator determines or as set forth in the applicable purchase or merger agreement, for each Share then subject to an Award and the Shares subject to this Plan (if the Plan will continue in effect), the number and kind of shares of stock, other securities, cash or other property to which holders of Stock are or will be entitled in respect of each Share pursuant to the transaction.

Notwithstanding the foregoing, in the case of a stock dividend (other than a stock dividend declared in lieu of an ordinary cash dividend) or subdivision or combination of the Shares (including a reverse stock split), if no action is taken by the Administrator, adjustments contemplated by this subsection that are proportionate shall nevertheless automatically be made as of the date of such stock dividend or subdivision or combination of the Shares.

(b) **Issuance or Assumption**. Notwithstanding any other provision of this Plan, and without affecting the number of Shares otherwise reserved or available under this Plan, in connection with any merger, consolidation, acquisition of property or stock, or reorganization, the Administrator may authorize the issuance or assumption of awards under this Plan upon such terms and conditions as it may deem appropriate.

(c) **Effect of Change of Control**.

(i) Upon a Change of Control, except to the extent otherwise provided in an applicable Award agreement, if the successor or surviving corporation (or parent thereof) so agrees, then, without the consent of any Participant (or other person with rights in an Award), some or all outstanding Awards may be assumed, or replaced with the same type of award with substantially equivalent terms and conditions, by the successor or surviving corporation (or parent thereof) in the Change of Control transaction, subject to the following requirements:

(A) Each Award which is assumed by the successor or surviving corporation (or parent thereof) shall be appropriately adjusted, immediately after such Change of Control, to apply to the number and class of securities which would have been issuable to the Participant upon the consummation of such Change of Control had the Award been exercised, vested or earned immediately prior to such Change of Control, and such other appropriate adjustments in the terms and conditions of the Award shall be made.

(B) If the securities to which the Awards relate after the Change of Control are not listed and traded on a national securities exchange, then (1) the Participant shall be provided the option, upon exercise or settlement of an Award, to elect to receive, in lieu of the issuance of such securities, cash in an amount equal to the fair value equal of the securities that would have otherwise been issued and (2) for purposes of determining such fair value, no reduction shall be taken to reflect a discount for lack of marketability, minority interest or any similar consideration.

(ii) To the extent the purchaser, successor or surviving entity (or parent thereof) in the Change of Control transaction does not assume the Awards or issue replacement awards as provided in clause (i), then, except to the extent otherwise provided in an applicable Award agreement and unless the Administrator otherwise determines:

(A) Each Option or SAR that is then held by a Participant who is employed by or in the service of the Company or an Affiliate shall either (x) become immediately exercisable and remain so for a period of fifteen (15) days prior to the consummation of the Change of Control (with any exercisability being conditioned and effective upon such consummation and any unexercised Options

or SARs terminating upon such consummation) or (y) be cancelled (whether or not then vested) on the date of the Change of Control in exchange for a payment in cash or securities upon or promptly after the consummation of the Change of Control having a value equal to the excess of the Change of Control Price (as defined below) of the Shares covered by the Option or SAR that is so cancelled over the purchase or grant price of such Shares under the Award; *provided, however,* that all Options and SARs that have a purchase or grant price that is greater than the Change of Control Price shall be cancelled for no consideration;

(B) Restricted Stock and Restricted Stock Units (that are not Performance Awards) that are not then vested shall vest in full as of immediately prior to the Change of Control and shall be cancelled in exchange for a payment in cash upon or promptly after the consummation of the Change of Control having a value equal to the Change of Control Price of the Shares covered by the Award that is so cancelled;

(C) All Performance Stock Units, Performance Units, and Cash Incentive Awards for which the performance period has expired shall be paid based on actual performance (and assuming all employment or other requirements had been met in full); and all Performance Stock Units, Performance Units and Cash Incentive Awards for which the performance period has not expired shall be cancelled in exchange for a payment in cash upon or promptly after the consummation of the Change of Control equal to the amount that would have been due under such Award(s) as determined by the Administrator;

(D) All Dividend Equivalent Units that are not vested shall vest (to the same extent as the Award granted in tandem with the Dividend Equivalent Unit, if applicable) and be paid upon or promptly after the consummation of the Change of Control; and

(E) All other Awards that are not vested shall vest and if an amount is payable under such vested Award, such amount shall be paid in cash upon or promptly after the consummation of the Change of Control equal to the value of the Award.

"Change of Control Price" shall mean the per share price paid or deemed paid in the Change of Control transaction, and to the extent necessary, as determined by the Administrator.

(d) **Application of Limits on Payments**. Notwithstanding any other provision of this Plan or of any other agreement, contract, or understanding heretofore or hereafter entered into by a Participant with the Company or any Affiliate, except an agreement, contract, or understanding that expressly addresses Section 280G or Section 4999 of the Code (an "Other Agreement"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Participant (including groups or classes of Participants or beneficiaries of which the Participant is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for the Participant (a "Benefit Arrangement"), if the Participant is a "disqualified individual," as defined in Section 280G(c) of the Code, any Option, Restricted Stock, Restricted Stock Unit, Performance Stock Unit or Performance Unit held by that Participant and any right to receive any payment or other benefit under this Plan shall not become exercisable or vested (i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Participant under this Plan, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to the Participant under this Plan to be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code as then in effect (a "Parachute Payment") and (ii) if, as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by the Participant from the Company under this Plan, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by the Participant without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such right to exercise, vesting, payment, or benefit under this Plan, in conjunction with all other rights, payments, or benefits to or for the Participant under any Other Agreement or any Benefit Arrangement would cause the Participant to be considered to have received a Parachute Payment under this Plan that would have the effect of decreasing the after-tax amount received by the Participant as described in clause (ii) of the preceding sentence, then the rights, payments, or benefits under this Plan, any Other Agreements, and any Benefit Arrangements shall be reduced or eliminated in the following manner and order: any such reduction or elimination in rights, payments and benefits shall be applied first against the latest scheduled cash payments; then current cash payments; then any equity or equity derivatives that are included under Code Section 280G at full value rather than

accelerated value (with the highest value reduced or eliminated first); then any equity or equity derivatives included under Code Section 280G at an accelerated value (and not at full value) shall be reduced or eliminated with the highest value reduced or eliminated first (as such values are determined under Treasury Regulation 1.280G-1, Q&A 24); finally any other non-cash benefits will be reduced or eliminated in the order of latest scheduled payments to earliest scheduled payments.

18. Effect of Termination of Employment or Service on Awards.

Except as otherwise provided in Section 19(a), by the Administrator in an Award agreement, or as otherwise determined by the Administrator prior to or at the time of termination of a Participant's employment or service, the following provisions shall apply upon a Participant's termination of employment or service with the Company and its Affiliates.

(a) **Termination of Employment or Service**. If a Participant's employment or service with the Company and its Affiliates ends for any reason other than (i) death, (ii) Disability or (iii) Retirement, then:

(i) Any outstanding unvested Options or SARs shall be forfeited immediately upon such termination, and any outstanding vested Options or SARs shall be exercisable until the earlier of (A) ninety (90) days following the Participant's termination date and (B) the expiration date of the Option or SAR under the terms of the applicable Award agreement.

(ii) All other outstanding Awards made to the Participant, to the extent not then earned, vested and paid to the Participant, shall terminate on the Participant's last day of employment or service.

(b) **Disability of Participant**. If a Participant's employment or service with the Company and its Affiliates terminates as a result of Disability, then:

(i) Any outstanding unvested Options or SARs shall be forfeited immediately upon such death or termination, and any outstanding vested Options or SARs shall be exercisable until the earlier of (A) twelve (12) months following the date of such death or termination and (B) the expiration date of the Option or SAR under the terms of the applicable Award agreement.

(ii) All other outstanding Awards made to the Participant, to the extent not then earned, vested and paid to the Participant, shall terminate on the Participant's last day of employment or service.

(c) **Death of Participant.** If a Participant's employment or service with the Company and its Affiliates ends as a result of such Participant's death, then all unvested time-vesting equity Awards (including Restricted Stock Units, Restricted Stock, and Options) held by the Participant on the date of such Participant's death that are scheduled to vest during the 12 months after Participant's death shall vest immediately as to service requirements on the date of death, all service-based restrictions for such Awards shall lapse, and any performance-based equity Awards (including Performance Units and Performance Stock Units) for which the end of the performance period is within 12 months after the date of such Participant's death shall be deemed to have been earned at target performance with the amount prorated through the date of such Participant's death. Any performance-based Awards shall be settled and paid to the Participant's estate within 90 days of Participant's death. All accelerated upon death and all outstanding and vested Options or SARs will be exercisable until the earlier of (A) twelve (12) months following the Participant's date of death and (B) the expiration date of the Option or SAR under the terms of the applicable Award agreement.

For those equity Awards that are scheduled to vest after the date that is 12 months from the date of Participant's death and all unvested cash Awards:

(i) Any outstanding unvested Options or SARs shall be forfeited immediately upon such termination; and

(ii) All other outstanding Awards made to the Participant, to the extent not then earned, vested and paid to the Participant, shall terminate on the Participant's last day of employment or service.

(d) **Retirement of Participant**. If a Participant's employment or service terminates as a result of Retirement, then:

(i) Any outstanding unvested Options or SARs shall be forfeited immediately upon such Retirement, and any outstanding vested Options or SARs shall be exercisable until the earlier of (A) thirty-six (36) months following the date of such Retirement and (B) the expiration date of the Option or SAR under the terms of the applicable Award agreement.

(ii) All other outstanding Awards made to the Participant, to the extent not then earned, vested and paid to the Participant, shall terminate on the Participant's last day of employment or service.

(e) **Time of Termination**. For purposes of this Section 18, termination of service shall be deemed to occur at 11:59 p.m. (Eastern Time) on the relevant date described above. Forfeiture or termination of Awards required by this Section 18 shall occur on the date of termination immediately after termination.

(f) **Consultants, Advisors and Other Stock-Based Awards**. The Administrator shall have the discretion to determine the effect of the termination of service of a consultant or advisor on Awards held by such individual, and the effect on other Stock-based Awards of a Participant's termination of employment or service with the Company and its Affiliates.

19. Miscellaneous.

(a) **Other Terms and Conditions**. (i) The Administrator may provide in any Award agreement such other provisions (whether or not applicable to the Award granted to any other Participant) as the Administrator determines appropriate to the extent not otherwise prohibited by the terms of the Plan. No provision in an Award agreement shall limit the Administrator's discretion hereunder unless such provision specifically so provides for such limitation. (ii) Notwithstanding anything in this Plan, the Executive Change in Control & General Severance Agreements (as may be modified from time to time or other replacement agreement between executives and the Company) or other employment, change of control, severance or similar agreement provided that such other agreement references this Plan, control over any conflicting term in this Plan; provided that, any term in this Plan that is more favorable to a Participant than a term addressing the same subject matter in such Participant's Executive Change in Control & General Severance Agreement (or other agreement referencing this Plan) shall control.

(b) **Employment and Service**. The issuance of an Award shall not confer upon a Participant any right with respect to continued employment or service with the Company or any Affiliate, or the right to continue as a Director. Unless determined otherwise by the Administrator, for purposes of the Plan and all Awards, the following rules shall apply:

(i) a Participant who transfers employment between the Company and its Affiliates, or between Affiliates, will not be considered to have terminated employment;

(ii) a Participant who ceases to be a Non-Employee Director because he or she becomes an employee of the Company or an Affiliate shall not be considered to have ceased service as a Director with respect to any Award until such Participant's termination of employment with the Company and its Affiliates;

(iii) a Participant who ceases to be employed by the Company or an Affiliate and immediately thereafter becomes a Non-Employee Director, a non-employee director of an Affiliate, or a consultant to the Company or any Affiliate shall not be considered to have terminated employment until such Participant's service as a director of, or consultant to, the Company and its Affiliates has ceased; and

(iv) a Participant employed by an Affiliate will be considered to have terminated employment when such entity ceases to be an Affiliate.

Notwithstanding the foregoing, for purposes of an Award that is subject to Code Section 409A, if a Participant's termination of employment or service triggers the payment of compensation under such Award, then the Participant will be deemed to have terminated employment or service upon his or her "separation from service" within the meaning of Code Section 409A. Notwithstanding any other provision in this Plan or an Award to the contrary, if any

Participant is a "specified employee" within the meaning of Code Section 409A as of the date of his or her "separation from service" within the meaning of Code Section 409A, then, to the extent required to avoid the imposition of additional taxes under Code Section 409A, any payment made to the Participant on account of such separation from service shall not be made before a date that is six months after the date of the separation from service.

(c) **No Fractional Shares**. No fractional Shares or other securities may be issued or delivered pursuant to this Plan, and the Administrator may determine whether cash, other securities or other property will be paid or transferred in lieu of any fractional Shares or other securities, or whether such fractional Shares or other securities or any rights to fractional Shares or other securities will be canceled, terminated or otherwise eliminated with or without consideration.

(d) **Unfunded Plan; Awards Not Includable for Benefits Purposes**. This Plan is unfunded and does not create, and should not be construed to create, a trust or separate fund with respect to this Plan's benefits. This Plan does not establish any fiduciary relationship between the Company and any Participant or other person. To the extent any person holds any rights by virtue of an Award granted under this Plan, such rights are no greater than the rights of the Company's general unsecured creditors. Income recognized by a Participant pursuant to an Award shall not be included in the determination of benefits under any employee pension benefit plan (as such term is defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended) or group insurance or other benefit plans applicable to the Participant which are maintained by the Company or any Affiliate, except as may be provided under the terms of such plans or determined by resolution of the Board.

(e) **Requirements of Law and Securities Exchange**. The granting of Awards and the issuance of Shares in connection with an Award are subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required. Notwithstanding any other provision of this Plan or any award agreement, the Company has no liability to deliver any Shares under this Plan or make any payment unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity, and unless and until the Participant has taken all actions required by the Company in connection therewith. The Company may impose such restrictions on any Shares issued under the Plan as the Company determines necessary or desirable to comply with all applicable laws, rules and regulations or the requirements of any national securities exchanges.

(f) **Securities Law Compliance**. With respect to Section 16 Participants, transactions under this Plan are intended to qualify for the exemption provided by Rule 16b-3 under the Exchange Act.

(g) **Code Section 409A**. Any Award granted under this Plan shall be provided or made in such manner and at such time as to either make the Award exempt from, or comply with, the provisions of Code Section 409A, to avoid a plan failure described in Code Section 409(a)(1), and the provisions of Code Section 409A are incorporated into this Plan to the extent necessary for any Award that is subject to Code Section 409A to comply therewith.

(h) **No Corporate Action Restriction.** The existence of this Plan, the Award agreements and the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the stockholders of the Company to make or authorize: (a) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Company or any Subsidiary, (b) any merger, arrangement, business combination, amalgamation, consolidation or change in the ownership of the Company or any Subsidiary, (c) any issue of bonds, debentures, capital, preferred or prior preference stock ahead of or affecting the capital stock (or the rights thereof) of the Company or any Subsidiary, (d) any dissolution or liquidation of the Company or any Subsidiary, (e) any sale or transfer of all or any part of the assets or business of the Company or any Subsidiary, or (f) any other corporate act or proceeding by the Company or any Subsidiary. No Participant, beneficiary or any other person shall have any claim under any Award or Award agreement against any member of the Board or the Administrator, or the Company or any employees, officers or agents of the Company or any Subsidiary, as a result of any such action.

(i) **Governing Law; Venue.** This Plan, and all agreements under this Plan, will be construed in accordance with and governed by the laws of the State of Colorado, without reference to any conflict of law principles. Any legal action or proceeding with respect to this Plan, any Award or any award agreement, or for recognition and enforcement of any judgment in respect of this Plan, any Award or any award agreement, may only be brought and determined in (i) a court sitting in the State of Colorado, and (ii) a "bench" trial, and any party to such action or proceeding shall agree to waive its right to a jury trial.

(j) **Limitations on Actions**. Any legal action or proceeding with respect to this Plan, any Award or any award agreement, must be brought within one year (365 days) after the day the complaining party first knew or should have known of the events giving rise to the complaint.

(k) **Construction**. Whenever any words are used herein in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are used in the singular or plural, they shall be construed as though they were used in the plural or singular, as the case may be, in all cases where they would so apply. Titles of sections are for general information only, and this Plan is not to be construed with reference to such titles. The title, label or characterization of an Award in an award agreement or in the Company's public filings or other disclosures shall not be determinative as to which specific Award type is represented by the award agreement. Instead, the Administrator may determine which specific type(s) of Award(s) is (are) represented by any award agreement, at the time such Award is granted or at any time thereafter. Except to the extent otherwise provided in the applicable award agreement, in the case of any Award that includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Award holder's right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment.

(l) **Severability**. If any provision of this Plan or any award agreement or any Award (i) is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or (ii) would cause this Plan, any award agreement or any Award to violate or be disqualified under any law the Administrator deems applicable, then such provision should be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrator, materially altering the intent of this Plan, award agreement or Award, then such provision should be stricken as to such jurisdiction, person or Award, and the remainder of this Plan, such award agreement and such Award will remain in full force and effect.

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EXHIBIT 10.2

ADVANCED ENERGY INDUSTRIES, INC.
THIRD AMENDED AND RESTATED 2023 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD

[EMPLOYEE_IDENTIFIER]
[FIRST_NAME_LAST_NAME]

You have been granted an award of Restricted Stock Units (this "Award") of Advanced Energy Industries, Inc. (the "Company") under the Advanced Energy Industries, Inc. Third Amended and Restated 2023 Omnibus Incentive Plan (as amended from time to time, the "Plan"), effective as of the Grant Date, with the terms and conditions set forth below.

This Award is granted under and governed by the terms and conditions of the Plan. The terms of the Plan to the extent not stated herein are expressly incorporated herein by reference and in the event of any conflict between this Award and the Plan, the terms of the Plan shall govern, control and supersede over the provisions of this Award. Capitalized terms used in this Award and not defined shall have the meanings given in the Plan.

Grant Date:	[OPTION_DATE,'Month DD, YYYY']
Vesting Commencement Date:	[VEST_BASE_DATE,'Month DD, YYYY']
Number of Restricted Stock Units:	[TOTAL_SHARES_GRANTED,'999,999,999']
Vesting Schedule; Forfeiture:	For Employee Award Holders: 1/3 of the Restricted Stock Units will vest on each of the first three anniversaries of the Vesting Commencement Date, provided you are continuously employed by, or in service with, the Company or an Affiliate until the applicable vesting date. If you retire from all employment and service with the Company after reaching age 60 and completing at least 5 years of continuous service at the Company, then this Award shall continue to vest in accordance with the vesting schedule set forth above for the twelve (12) months following the date of your retirement; provided that you (a) provide (i) written notice of your retirement to the Company at least 90 days after the Grant Date and (ii) such notice is at least six (6) months' in advance of your retirement (which notice may be waived or shortened at the discretion of the Administrator (or its delegee, Chief Executive Officer)) and (b) if requested by the Company, execute a restrictive covenant agreement, effective as of the date of your retirement, in a form satisfactory to the Company. For clarity, there will be no acceleration of this Award's vesting schedule and any portion of this Award that remains unvested 12 months after the date of your retirement shall be forfeited. Except as otherwise provided in the immediately preceding paragraph or any Company-issued executive change of control and severance agreement to which you are subject (a "CIC & Severance Agreement"), upon your termination of employment with, or cessation of services to, the Company and its Affiliates prior to the date the Restricted Stock Units and any Dividend Equivalent Units have been settled and paid, Section 18 of the Plan will govern the effect of such termination or cessation on the Restricted Stock Units. Upon a Change of Control, Section 17(c) of the Plan will apply to this Award.

	There is no right to discretionary acceleration of vesting of the Restricted Stock Units under this Award under any circumstance, and any such discretionary acceleration may occur only after consideration of Section 409A of the Internal Revenue Code.
Settlement of Restricted Stock Units:	Subject to any applicable deferral election under a deferred compensation plan of the Company, on the date which your Restricted Stock Units vest (or at any date later in the same calendar year), the Company will settle such vested Restricted Stock Units by, as determined by the Committee in its discretion, (a) making an appropriate book entry for a number of Shares equal to the number of Restricted Stock Units that have vested, (b) paying to you an amount in cash equal to the product of the Fair Market Value at the time of settlement multiplied by the number of Restricted Stock Units that have vested or (c) settling a portion in Shares and a portion in cash.
Transferability of Restricted Stock Units:	You may not sell, transfer or otherwise alienate or hypothecate this Award or any of your Restricted Stock Units until they have settled. In addition, by accepting this Award, you agree not to sell any Shares acquired under this Award other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale. The Company also may require you to enter into a stockholder's agreement that will include additional restrictions on the transfer of Shares acquired under this Award.
Rights as Stockholder; Dividend Equivalent Units:	You will not be deemed for any purposes to be a stockholder of the Company with respect to any of the Restricted Stock Units or the Shares subject to the Restricted Stock Units (including with respect to voting or dividends) unless and until the Restricted Stock Units are settled in Shares; provided that your Award will include Dividend Equivalent Units as described below. This Award includes Dividend Equivalent Units representing a right to receive a cash payment equal to any cash dividends that would have been received by you if each Restricted Stock Unit that vests hereunder had been an issued and outstanding Share on all dividend record dates between the Grant Date and the settlement date of such Restricted Stock Unit. Any such cash payment shall be made at the same time as the related Restricted Stock Units are settled. Notwithstanding the foregoing, the Company may, in its discretion, rather than accruing and paying Dividend Equivalent Units in cash, deem Dividend Equivalent Units to be reinvested into a number of additional Restricted Stock Units determined by dividing the value of the dividend equivalents that would have been received by the Fair Market Value on the date of reinvestment, as determined by the Company. Such additional Restricted Stock Units shall be subject to the same terms and conditions, and shall become vested and paid, or forfeited, at the same time and in the same form as the Restricted Stock Units to which the dividend equivalents relate.
Market Stand-Off:	In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, you agree that you shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Award without the prior written consent of the

Company. Such restriction shall be in effect for such period of time following the date of the final prospectus for the offering as may be determined by the Company. In no event, however, shall such period exceed one hundred eighty (180) days.

Taxes:

You understand that you (and not the Company or any Affiliate) shall be responsible for your own federal, state, local or foreign tax liability and any of your other tax consequences that may arise as a result of the transactions contemplated by this Award. You shall rely solely on the determinations of your tax advisors or your own determinations, and not on any statements or representations by the Company or any of its agents, with regard to all such tax matters.

To the extent that the receipt, vesting or settlement of the Restricted Stock Units or Dividend Equivalent Units, or other event, results in income to you for federal, state or local income tax purposes, you shall be responsible for delivering to the Company at the time the Company is obligated to withhold taxes in connection with such receipt, vesting, settlement or other event, as the case may be, such amount as the Company requires to meet its withholding obligation under applicable tax laws or regulations.

The paragraph following immediately below will apply only to the extent your title is Senior Vice President of the Company or above or you are otherwise designated by the Company as a sell to cover participant (such officers and other participants are each referred to herein as a "Sell to Cover Participant") at the time you accept this Award:

To enable the satisfaction of tax withholding obligations with respect to this Award through the delivery of proceeds from the sale of Shares that are issued or issuable under this Award on the market, prior to such sale you must have entered into an Irrevocable Standing Limit Order Election (the "Standing Order") in a form acceptable to the Company providing for such sale of Shares; provided that such sale of Shares shall occur only if the Company or its Affiliates do not satisfy applicable tax withholding obligations by withholding the issuance or delivery of Shares hereunder; and provided further that, to the extent applicable tax withholding obligations are satisfied by the sale of Shares that are issued or issuable under this Award on the market or by the Company or its Affiliates withholding the issuance or delivery or Shares hereunder, the amount so sold or withheld, as applicable, shall not exceed the maximum statutory rate to the extent necessary to avoid an accounting charge or to the extent necessary for the Standing Order and this Award to be deemed an eligible sell-to-cover transaction within the meaning of Rule 10b5-1 under the Exchange Act, and the Fair Market Value of any fractional Share not used to satisfy the withholding obligation (as determined on the date the tax is determined) will be paid to you in cash. To the extent the Company allows you to make an election with respect to the method of satisfying applicable tax withholding obligations, your election must be irrevocable, in writing, and submitted to the Administrator or its delegee (or through such process as the Company communicates) before the applicable vesting or settlement date.

The paragraph following immediately below will apply only to the extent you are not a Sell to Cover Participant at the time you accept this Award:

To the extent permitted by the Company at the time a tax withholding requirement arises, you may satisfy the withholding requirement, in

whole or in part, by electing to have the Company withhold for its own account that number of Shares otherwise deliverable to you upon settlement having an aggregate Fair Market Value on the date the tax is to be determined equal to the tax that the Company must withhold in connection with the vesting or settlement of Restricted Stock Units or Dividend Equivalent Units; provided that the amount so withheld shall not exceed the maximum statutory rate to the extent necessary to avoid an accounting charge. Your election must be irrevocable, in writing, and submitted to the Administrator or its delegee (or through such process as the Company communicates) before the applicable vesting or settlement date. The Fair Market Value of any fractional Share not used to satisfy the withholding obligation (as determined on the date the tax is determined) will be paid to you in cash.

Miscellaneous:

- Neither the Plan nor the grant of this Award shall constitute or be evidence of any agreement or understanding, express or implied, that you have a right to continue as an employee of the Company or any of its Affiliates for any period of time, or at any particular rate of compensation.

- The Plan and this Award constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements between you and the Company with respect to the subject matter hereof; provided that, to the extent a more favorable result would apply to you with respect to this Award in specific circumstances under the terms of a CIC & Severance Agreement to which you are a party, such terms of such CIC & Severance Agreement shall apply in such circumstances. You expressly warrant that you are not accepting this Award in reliance on any promises, representations, or inducements other than those contained herein.

- By accepting the grant of the Restricted Stock Units, you agree not to sell any Shares acquired in connection with the Restricted Stock Units other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale.

- As a condition of the granting of this Award, you agree, for yourself and your legal representatives or guardians, that this Award shall be interpreted by the Administrator and that any interpretation by the Administrator of the terms of this Award or the Plan and any determination made by the Administrator pursuant to this Award shall be final, binding and conclusive.

- Subject to the terms of the Plan, the Administrator may modify or amend this Award without your consent as permitted by Section 15(c) of the Plan.

- The Company shall not be required to fund or otherwise segregate any cash or any other assets which may at any time be paid to you under this Award. This Award shall constitute an “unfunded” plan of the Company.

- This Award may be executed in counterparts.

BY CLICKING ON THE “ACCEPT” BOX WHERE INDICATED IN THE COMPANY’S ELECTRONIC ACCEPTANCE PROCEDURE OR OTHERWISE ELECTRONICALLY ACCEPTING THIS AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED HEREIN AND IN THE PLAN. YOU ALSO ACKNOWLEDGE RECEIPT OF THE PLAN AND REAFFIRM YOUR AGREEMENT TO ANY RESTRICTIVE COVENANTS SET FORTH IN ANY AGREEMENT BETWEEN YOU AND THE COMPANY OR ITS AFFILIATES.

ADVANCED ENERGY INDUSTRIES, INC.

By:

Steve Kelley
President and Chief Executive Officer

EXHIBIT 10.3

ADVANCED ENERGY INDUSTRIES, INC.
THIRD AMENDED AND RESTATED 2023 OMNIBUS INCENTIVE PLAN
PERFORMANCE STOCK UNIT AWARD

[EMPLOYEE_IDENTIFIER]
[FIRST_NAME_LAST_NAME]

You have been granted an award of Performance Stock Units (this "Award") of Advanced Energy Industries, Inc. (the "Company") under the Advanced Energy Industries, Inc. Third Amended and Restated 2023 Omnibus Incentive Plan (as amended from time to time, the "Plan"), effective as of the Grant Date, with the terms and conditions set forth below.

This Award is granted under and governed by the terms and conditions of the Plan. The terms of the Plan to the extent not stated herein are expressly incorporated herein by reference and in the event of any conflict between this Award and the Plan, the terms of the Plan shall govern, control and supersede over the provisions of this Award. Capitalized terms used in this Award and not defined shall have the meanings given in the Plan.

Grant Date:	March 1, 2026
Number of Performance Stock Units ("PSUs") at Target:	[TOTAL_SHARES_GRANTED,'999,999,999']
Performance Period:	
Earning of PSUs:	
Forfeiture of PSUs:	Except as otherwise provided in any Company-issued executive change of control and severance agreement to which you are a party (a "CIC & Severance Agreement"), upon your termination of employment with, or cessation of services to, the Company and its Affiliates prior to the date the PSUs and any Dividend Equivalent Units have been settled and paid, Section 18 of the Plan will govern the effect of such termination or cessation on the PSUs. Upon the Committee's determination of the extent to which the PSUs have been earned, any PSUs that are thereby determined not to have been earned will be immediately and automatically forfeited.
Settlement of PSUs:	As soon as reasonably practicable after the Committee's determination of the number of PSUs that have been earned and vested following the end of the Performance Period, the Company will settle the earned and vested PSUs, subject to any applicable deferral election under a deferred compensation arrangement of the Company, by the delivery of a number of Shares equal to the number of earned and vested PSUs (or by the delivery of cash equal to the Fair Market Value of a number of Shares equal to the number of earned and vested PSUs, or a combination of such cash and Shares, as determined at the discretion of the Committee).

	Notwithstanding anything to the contrary in the foregoing sentence, the settlement of any PSUs that are earned and vested will be made no later than 2 ½ months following the end of the year in which the PSUs are no longer subject to a substantial risk of forfeiture.
Transferability of PSUs:	You may not sell, transfer or otherwise alienate or hypothecate this Award or any of your PSUs until they have been settled. In addition, by accepting this Award, you agree not to sell any Shares acquired under this Award other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale. The Company also may require you to enter into a stockholder's agreement that will include additional restrictions on the transfer of Shares acquired under this Award.
Rights as Stockholder; Dividend Equivalent Units:	You will not be deemed for any purposes to be a stockholder of the Company with respect to any of the PSUs or the Shares subject to the PSUs (including with respect to voting or dividends) unless and until the PSUs are settled in Shares; *provided tha*t, your Award will include Dividend Equivalent Units as described below. This Award includes Dividend Equivalent Units representing a right to receive a cash payment equal to any cash dividends that would have been received by you if each PSU earned hereunder had been an issued and outstanding Share on all dividend record dates between the Grant Date and the settlement date of such PSU. Any such cash payment shall be made at the same time as the related PSUs are settled.
Market Stand-Off:	In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, you agree that you shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Award without the prior written consent of the Company. Such restriction shall be in effect for such period of time following the date of the final prospectus for the offering as may be determined by the Company. In no event, however, shall such period exceed one hundred eighty (180) days.
Taxes:	You understand that you (and not the Company or any Affiliate) shall be responsible for your own federal, state, local or foreign tax liability and any of your other tax consequences that may arise as a result of the transactions contemplated by this Award. You shall rely solely on the determinations of your tax advisors or your own determinations, and not on any statements or representations by the Company or any of its agents, with regard to all such tax matters.

	To the extent that the receipt, earning or settlement of the PSUs or Dividend Equivalent Units, or other event, results in income to you for federal, state or local income tax purposes, you shall be responsible for delivering to the Company at the time the Company is obligated to withhold taxes in connection with such receipt, earning, settlement or other event, as the case may be, such amount as the Company requires to meet its withholding obligation under applicable tax laws or regulations. The paragraph following immediately below will apply only to the extent your title is Senior Vice President of the Company or above or you are otherwise designated by the Company as a sell to cover participant (such officers and other participants are each referred to herein as a "Sell to Cover Participant") at the time you accept this Award: To enable the satisfaction of tax withholding obligations with respect to this Award through the delivery of proceeds from the sale of Shares that are issued or issuable under this Award on the market, prior to such sale, you must have entered into an Irrevocable Standing Limit Order Election (the "Standing Order") in a form acceptable to the Company providing for such sale of Shares; provided that such sale of Shares shall occur only if the Company or its Affiliates do not satisfy applicable tax withholding obligations by withholding the issuance or delivery of Shares hereunder; and provided further that, to the extent applicable tax withholding obligations are satisfied by the sale of Shares that are issued or issuable under this Award on the market or by the Company or its Affiliates withholding the issuance or delivery or Shares hereunder, the amount so sold or withheld, as applicable, shall not exceed the maximum statutory rate to the extent necessary to avoid an accounting charge or to the extent necessary for the Standing Order and this Award to be deemed an eligible sell-to-cover transaction within the meaning of Rule 10b5-1 under the Exchange Act, and the Fair Market Value of any fractional Share not used to satisfy the withholding obligation (as determined on the date the tax is determined) will be paid to you in cash. To the extent the Company allows you to make an election with respect to the method of satisfying applicable tax withholding obligations, your election must be irrevocable, in writing, and submitted to the Administrator or its delegee (or through such process as the Company communicates) before the applicable earning or settlement date. The paragraph following immediately below will apply only to the extent you are not a Sell to Cover Participant at the time you accept this Award: To the extent permitted by the Company at the time a tax withholding requirement arises, you may satisfy the withholding requirement, in whole or in part, by electing to have the Company withhold for its own account that number of Shares

	otherwise deliverable to you upon settlement having an aggregate Fair Market Value on the date the tax is to be determined equal to the tax that the Company must withhold in connection with the earning or settlement of PSUs or Dividend Equivalent Units; provided that the amount so withheld shall not exceed the maximum statutory rate to the extent necessary to avoid an accounting charge. Your election must be irrevocable, in writing, and submitted to the Administrator or its delegee (or through such process as the Company communicates) before the applicable settlement date. The Fair Market Value of any fractional Share not used to satisfy the withholding obligation (as determined on the date the tax is determined) will be paid to you in cash.
Miscellaneous:	● Neither the Plan nor the grant of this Award shall constitute or be evidence of any agreement or understanding, express or implied, that you have a right to continue as an employee of the Company or any of its Affiliates for any period of time, or at any particular rate of compensation. ● The Plan and this Award constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements between you and the Company with respect to the subject matter hereof; *provided that*, to the extent a more favorable result would apply to you with respect to this Award in specific circumstances under the terms of a CIC & Severance Agreement to which you are a party, such terms of such CIC & Severance Agreement shall apply in such circumstances. You expressly warrant that you are not accepting this Award in reliance on any promises, representations, or inducements other than those contained herein. ● By accepting the grant of the PSUs, you agree not to sell any Shares acquired in connection with the PSUs other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale. ● As a condition of the granting of this Award, you agree, for yourself and your legal representatives or guardians, that this Award shall be interpreted by the Administrator and that any interpretation by the Administrator of the terms of this Award or the Plan and any determination made by the Administrator pursuant to this Award shall be final, binding and conclusive. ● Subject to the terms of the Plan, the Administrator may modify or amend this Award without your consent as permitted by Section 15(c) of the Plan.

	● The Company shall not be required to fund or otherwise segregate any cash or any other assets which may at any time be paid to you under this Award. This Award shall constitute an "unfunded" plan of the Company. ● Notwithstanding anything to the contrary in this Award, this Award and any Shares or other amounts received under this Award are subject to any compensation recovery, recoupment, clawback or similar policy or arrangement adopted or maintained by, or otherwise applicable to, the Company and its Affiliates from time to time. ● This Award may be executed in counterparts.

* * *

BY CLICKING ON THE "ACCEPT" BOX WHERE INDICATED IN THE COMPANY'S ELECTRONIC ACCEPTANCE PROCEDURE OR OTHERWISE ELECTRONICALLY ACCEPTING THIS AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED HEREIN AND IN THE PLAN. YOU ALSO ACKNOWLEDGE RECEIPT OF THE PLAN AND REAFFIRM YOUR AGREEMENT TO ANY RESTRICTIVE COVENANTS SET FORTH IN ANY AGREEMENT BETWEEN YOU AND THE COMPANY OR ITS AFFILIATES.

ADVANCED ENERGY INDUSTRIES, INC.

By:
Steve Kelley
President and Chief Executive Officer

EXHIBIT 31.1

I, Stephen D. Kelley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended September 30, 2026 of Advanced Energy Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2026

/s/ Stephen D. Kelley
Stephen D. Kelley
Chief Executive Officer

EXHIBIT 31.2

I, Paul Oldham, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended September 30, 2026 of Advanced Energy Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2026

/s/ Paul Oldham
Paul Oldham
Chief Financial Officer and Executive Vice President

EXHIBIT 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002

I hereby certify, pursuant to 18 U.S.C. Section 1350, that the accompanying Quarterly Report on Form 10-Q for the period ended September 30, 2026, of Advanced Energy Industries, Inc., fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Advanced Energy Industries, Inc.

Date: November 2, 2026

/s/ Stephen D. Kelley
Stephen D. Kelley
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002

I hereby certify, pursuant to 18 U.S.C. Section 1350, that the accompanying Quarterly Report on Form 10-Q for the period ended September 30, 2026, of Advanced Energy Industries, Inc., fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Advanced Energy Industries, Inc.

Date: November 2, 2026

/s/ Paul Oldham
Paul Oldham
Chief Financial Officer & Executive Vice President

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.