UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2015

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 000-30941

AXCELIS TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	34-1818596 (IRS Employer Identification No.)

108 Cherry Hill Drive
Beverly, Massachusetts 01915
(Address of principal executive offices, including zip code)

(978) 787-4000
(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes _ No †.

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

Large accelerated filer †	Accelerated filer _
Non-accelerated filer † (Do not check if a smaller reporting company)	Smaller reporting company †

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 July 31, 2015 there were 114,279,081 shares of the registrant's common stock outstanding.

PART 1—FINANCIAL INFORMATION

Item 1. Financial Statements.

Axcelis Technologies, Inc.
Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenue:				
Product	$ 72,748	$ 34,795	$ 140,278	$ 89,810
Services	5,689	6,355	11,442	12,180
Total revenue	78,437	41,150	151,720	101,990
Cost of revenue:				
Product	46,560	21,021	91,745	54,823
Services	4,703	5,645	9,421	10,943
Total cost of revenue	51,263	26,666	101,166	65,766
Gross profit	27,174	14,484	50,554	36,224
Operating expenses:				
Research and development	7,899	8,845	16,098	18,102
Sales and marketing	5,858	5,037	11,486	10,513
General and administrative	6,231	6,494	12,332	12,975
Restructuring charges	8	160	18	360
Total operating expenses	19,996	20,536	39,934	41,950
Income (loss) from operations	7,178	(6,052)	10,620	(5,726)
Other (expense) income:				
Interest income	6	2	9	4
Interest expense	(1,310)	(257)	(2,353)	(508)
Other, net	49	(362)	(384)	W 0 Td (nu8

See accompanying Notes to these Consolidated Financial Statements

Axcelis Technologies, Inc.
Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Net income (loss)	5,88Th 30,			

See accompanying Notes to these Consolidated Financial Statements

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Axcelis Technologies, Inc.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six months ended June 30,	
	2015	2014
Cash flows from operating activities		
Net income (loss)	$ 7,751	$ (6,726)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	2,298	2,299
Deferred taxes	97	334
Stock-based compensation expense	3,055	2,182
Provision for excess and obsolete inventory	537	244
Changes in operating assets & liabilities:		
Accounts receivable	516	4,493
Inventories	(19,381)	(10,917)
Prepaid expenses and other current assets	(2,205)	(1,334)
Accounts payable and other current liabilities	21,213	(3,860)
Deferred revenue	1,671	(377)
Income taxes	104	13
Other assets and liabilities	(3,888)	1,794
Net cash provided by (used for) operating activities	11,768	(11,855)
Cash flows from investing activities		
Expenditures for property, plant and equipment	(672)	(567)
Net cash used for investing activities	(672)	(567)
Cash flows from financing activities		
Decrease in restricted cash	760	—
Financing fees and other expenses	(847)	—
Principal payments on term loan	(14,530)	—
Principal payments on sale leaseback obligation	(392)	—
Proceeds from sale leaseback obligation	48,940	—
Proceeds from exercise of stock options	1,665	1,583
Proceeds from Employee Stock Purchase Plan	213	227
Net cash provided by financing activities	35,809	1,810
Effect of exchange rate changes on cash and cash equivalents	427	(90)
Net increase/(decrease) in cash and cash equivalents		

See accompanying Notes to these Consolidated Financial Statements

The changes in the Company's standard product warranty liability are as follows:

Note 9. Fair Value Measurements

Certain of the assets and liabilities on the Company's balance sheets are reported at their "Fair Value". Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

(a) Fair Value Hierarchy

The accounting guidance for fair value measurement requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in

The following table sets forth the Company's assets and liabilities by level within the fair value hierarchy:

	June 30, 2015 Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Assets				
Cash equivalents:				
Money market fund	$ 62,959	$ —	$ —	$ 62,959
Liabilities				
Sale leaseback obligation	$ —	$ —	$ 47,586	$ 47,586

December 31, 2014

(c) Other Financial Instruments

The carrying amounts reflected in the consolidated balance sheets for cash and cash equivalents (which are comprised primarily of deposit and investment accounts), accounts receivable, prepaid expenses and other current and non-current assets, accounts payable and accrued expenses approximate fair value due to their short-term maturities.

Note 10. Financing Arrangements

Term Loan

On February 2, 2015, in connection with the sale of our headquarters facility, the Company repaid the outstanding balance on a term loan from Northern Bank and Trust Company of $14.4 million and related accrued interest of $0.1 million as well as a 2.0% prepayment penalty of $0.3 million for a total payment of $14.8 million. See Note 3 above for further discussion.

Sale Leaseback Obligation

On January 30, 2015, the Company sold its corporate headquarters facility to Beverly Property Owner LLC, an affiliate of Middleton Partners, based in Northbrook, Illinois, for the purchase price of $48.9 million. As part of the sale, the Company also entered into a 22-year lease agreement with Beverly Properties. The sale leaseback is accounted for as a financing arrangement for financial reporting and, as such, the Company has recorded a financing obligation of $47.6 million as of June 30, 2015. The associated lease payments will include both an interest component and payment of principal, with the underlying liability being extinguished at the end of the original lease term. The Company posted a collateralized security deposit of $5.9 million in the form of an irrevocable letter of credit at the time of the closing. See Note 3 above for further discussion.

Credit Facility

The Company has a revolving credit facility with Silicon Valley Bank dated October 31, 2013. Under this revolving credit facility, the Company has the ability to borrow up to $10.0 million on a revolving basis during its two year term. The Company's ability to borrow under this line of credit is limited to 80% of the then current amount of qualified accounts receivable. As of June 30, 2015, the Company had not drawn down on the line of credit, although a portion of the availability is being used to support outstanding letters of credit in the amount of $6.9 million, which includes the $5.9 million associated to the security deposit for the sale leaseback transaction. At June 30, 2015, the Company's available borrowing capacity under the revolving credit facility was $3.1 million. The Company was in compliance with all covenants associated with the credit facility during the second quarter of 2015

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Note 11. Income Taxes

Income tax expense relates principally to operating results of foreign subsidiaries in Europe and Asia, where the Company earns taxable income and does not have offsetting net operating loss carryforwards. The Company has significant net operating loss carryforwards available to offset income taxes in the U.S. and certain foreign tax jurisdictions and, as a result, has not provided for significant income taxes in those jurisdictions.

As of December 31, 2014, the Company had deferred tax assets related to the U.S. of approximately $140.0 million. The Company maintains a 100% valuation allowance to reduce the carrying value of these deferred tax assets to zero because the Company is in a three year cumulative loss position in the United States. The Company will continue to maintain a full valuation allowance for these tax assets until sustainable future levels of profitability are evident. See Note 3 above relating to the potential effect associated with the taxable gain on the sale of the Company's corporate headquarters.

Note 12. Concentration of Risk

For the three months ended June 30, 2015, a customer accounted for 29.9%, and a second customer accounted for 10.0%, of consolidated revenue. For the six months ended June 30, 2015, one customer accounted for 33.1% of consolidated revenue.

For the three months ended June 30, 2014, a customer accounted for 15.9%, and a second customer accounted for 11.1%, of consolidated revenue. For the six months ended June 30, 2014, a customer accounted for 24.5%, and a second customer accounted for 12.5%, of consolidated revenue.

At June 30, 2015, a customer accounted for 18.1%, a second customer accounted for 17.0%, a third customer accounted for 14.3%, and a fourth customer accounted for 10.5%, of consolidated accounts receivable. At December 31, 2014, a customer accounted for 21.7%, and a second customer accounted for 20.4% of consolidated accounts receivable.

Note 13. Contingencies

(a) Litigation

The Company is not presently a party to any litigation that it believes might have a material adverse effect on its business operations. The Company is, from time to time, a party to litigation that arises in the normal course of its business operations.

(b) Indemnifications

The Company's system sales agreements typically include provisions under which the Company agrees to take certain actions, provide certain remedies and defend its customers against third-party claims of intellectual property infringement under specified conditions and to indemnify customers against any damage and costs awarded in connection with such claims. The Company has not incurred any material costs as a result of such indemnifications and has not accrued any liabilities related to such obligations in the accompanying consolidated financial statements.

(c) Lease Commitments

In addition to the lease commitments as described within Note 16 to the consolidated financial statements in the Company's Annual Report on Form 10-K for our year ending December 31, 2014, in January 2015, the Company entered into a 22-year lease agreement relating to our corporate headquarters in Beverly, Massachusetts. The following table relates to the cash payment schedule associated with our lease obligation as of June 30, 2015:

	Lease Obligation (in thousands)
2015	$ 2,350
2016	4,815
2017	5,315
2018	5,470
2019	5,594
Thereafter	109,567
Total lease payments	$ 133,111
Less interest portion	(85,525)
Sale leaseback obligation	$ 47,586

Note 14. Recent Accounting Guidance

Accounting Standards or Updates Recently Adopted

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-03, Interest — Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The amendments in this Update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. For public business entities, the amendments in this Update are effective for the financial statements issued for fiscal years beginning after December 15, 2015, and the interim periods within those fiscal years. Early adoption of the amendments in this Update is permitted for financial statements that have not been previously issued and shall be applied on a retrospective basis, wherein the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. The Company adopted ASU No. 2015-03, effective on January 1, 2015. Our balance sheet at December 31, 2014 was not retrospectively adjusted, due to the immateriality of the effect of the adoption of this ASU. The Company's balance sheet presentation as of June 30, 2015 netted all capitalized costs associated with our lease obligation. See Note 3 above regarding the amounts recognized relating to the lease obligation.

Accounting Standards or Updates Not Yet Effective

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers," which provides guidance for revenue recognition. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. On July 9, 2015, the FASB voted to defer for one year the effective date, which is now for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period with early adoption permitted as of January 1, 2017. We are currently assessing the potential impact the adoption of this standard will have on our financial statements.

In July 2015, the FASB issued ASU No. 2015-11, "Simplifying the Measurement of Inventory," which changes the inventory measurement principles for entities using the first-in, first-out (FIFO) or average cost methods. For entities utilizing one of these methods, the inventory measurement principle will change from lower of cost or market to the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the reasonably predictable costs of completion, disposal and transportation. The amendments are effective for annual and interim periods beginning after December 15, 2016. We are currently assessing the potential impact the adoption of this standard will have on our financial statements.

Item 2. Management’s Discussion and Analysis

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Results of Operations

The following table sets forth our results of operations as a percentage of total revenue:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenue:				
Product	92.7%	84.6%	92.5%	88.1%
Services	7.3	15.4	7.5	11.9
Total revenue	100.0	100.0	100.0	100.0
Cost of revenue:				
Product	59.4	51.1	60.5	53.8
Services	6.0	13.7	6.2	10.7
Total cost of revenue	65.4	64.8	66.7	64.5
Gross profit	34.6	35.2	33.3	35.5
Operating expenses:				
Research and development	10.1	21.5	10.6	17.7
Sales and marketing	7.5	12.2	7.6	10.3
General and administrative	7.9	15.8	8.1	12.7
Restructuring charge	0.0	0.4	0.0	0.4
Total operating expenses	25.5	49.9	26.3	41.1
Income (loss) from operations	9.1	(14.7)	7.0	(5.6)
Other (expense) income:				
Interest income	0.0	0.0	0.0	0.0
Interest expense	(1.7)	(0.6)	(1.6)	(0.5)
Other, net	0.1	(0.9)	(0.3)	(0.1)
Total other expense	(1.6)	(1.5)	(1.9)	(0.6)
Income (loss) before income taxes	7.5	(16.2)	5.1	(6.2)
Income taxes	0.1	0.6	0.1	0.4
Net income (loss)	7.4%	(16.8)%	5.0%	(6.6)%

Revenue

The following table sets forth our revenue.

	Three months ended June 30,		Period-to-Period Change		Six months ended June 30,		Period-to-Period Change	
	2015	2014	$	%	2015	2014	$	%
	(dollars in thousands)							
Revenue:								
Product	$ 72,748	$ 34,795	$ 37,953	109.1%	$ 140,278	$ 89,810	$ 50,468	56.2%
Percentage of revenue	92.7%	84.6%			92.5%	88.1%		
Services	5,689	6,355	(666)	(10.5)%	11,442	12,180	(738)	(6.1)%
Percentage of revenue	7.3%	15.4%			7.5%	11.9%		
Total revenue								

Three Months Ended June 30, 2015 Compared with Three Months Ended June 30, 2014

Product

Product revenue, which includes systems, sales of spare parts, product upgrades and used systems was $72.7 million, or 92.7%, of revenue during the three months ended June 30, 2015, compared with $34.8 million, or 84.6% of revenue for the three months ended June 30, 2014. The $38.0 million increase in product revenue for the three month period ending June 30, 2015 was primarily driven by an increase in the number of Purion systems sold.

A portion of our revenue from system sales is deferred until installation and other services related to future deliverables are performed. The total amount of deferred revenue at June 30, 2015 and December 31, 2014 was $8.9 million and $7.2 million, respectively. The increase in deferred revenue is primarily due to additional volume of system sales and to a lesser extent, timing of the acceptance of system sales.

Services

Services revenue, which includes the labor component of maintenance and service contracts and fees for service hours provided by on-site service personnel, was $5.7 million, or 7.3% of revenue for the three months ended June 30, 2015, compared with $6.4 million, or 15.4% of revenue for the three months ended June 30, 2014. Although services revenue should increase with the expansion of the installed base of systems, it can fluctuate from period to period based on capacity utilization at customers' manufacturing facilities, which affects the need for equipment service.

Six Months Ended June 30, 2015 Compared with Six Months Ended June 30, 2014

Product

Product revenue was $140.3 million, or 92.5% of revenue for the six months ended June 30, 2015, compared with $89.8 million, or 88.1% of revenue for the six months ended June 30, 2014. The increase in product revenue is attributable to the number of Purion systems sold.

Services

Services revenue was $11.4 million, or 7.5% of revenue for the six months ended June 30, 2015, compared with $12.2 million, or 11.9% of revenue for the six months ended June 30, 2014. Although services revenue should increase with the expansion of the installed base of systems, it can fluctuate from period to period based on capacity utilization at customers' manufacturing facilities, which affects the need for equipment service.

Revenue Categories used by Management

As an alternative to the line item revenue categories discussed above, management also uses revenue categorizations which look at revenue by systems and aftermarket, as described below.

Three Months Ended June 30, 2015 Compared with Three Months Ended June 30, 2014

Systems

Included in total revenue of $78.4 million during the three months ended June 30, 2015 is revenue from sales of systems of $41.6 million, or 53.0% of total revenue, compared with $10.9 million, or 26.4%, of total revenue for the three months ended June 30, 2014. The increase was due to higher sales of our Purion systems, reflecting market share gains and an improved semiconductor equipment market.

Aftermarket

We refer to the business of selling spare parts, product upgrades

based on capacity utilization at customers' manufacturing facilities, which affects the sale of spare parts and demand for equipment service. Aftermarket revenue can also fluctuate from period to period based on the demand for system upgrades or used tools.

Six Months Ended June 30, 2015 Compared with Six Months Ended June 30, 2014

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Six Months Ended June 30, 2015 Compared with Six Months Ended June 30, 2014

Product

Gross margin from product revenue was 34.6% for the six months ended June 30, 2015, compared to 39.0% for the six months ended June 30, 2014. The decrease in gross margin of 4.4 percentage points resulted from the net effect of higher system sales volume of new Purion systems at lower initial margins and a decreased mix of parts and upgrade revenue.

Services

Gross margin from services revenue was 17.7% for the six months ended June 30, 2015, compared to 10.2% for the six months ended June 30, 2014. The increase in gross margin is attributable to changes in the mix of service contracts and lower overall service costs.

Operating Expenses

The following table sets forth our operating expenses:

	Three months ended June 30,		Period-to-Period Change		Six months ended June 30,		Period-to-Period Change	
	2015	2014	$	%	2015	2014	$	%
	(dollars in thousands)							
Research and development	$ 7,899	$ 8,845	$ (946)	(10.7)%	$ 16,098	$ 18,102	$ (2,004)	(11.1)%
Percentage of revenue	10.1 %	21.5 %			10.6 %	17.7 %		
Sales and marketing	5,858	5,037	821	16.3%	11,486	10,513	973	9.3%
Percentage of revenue	7.5 %	12.2 %			7.6 %	10.3 %		
General and administrative	6,231	6,494	(263)	(4.0)%	12,332	12,975	(643)	(5.0)%
Percentage of revenue	7.9 %	15.8 %			8.1 %	12.7 %		
Restructuring charge	8	160	(152)	(95.0)%	18	360	(342)	(95.0)%
Percentage of revenue	0.0 %	0.4 %			0.0 %	0.4 %		
Total operating expense	$ 19,996	$ 20,536	$ (540)	(2.6)%	$ 39,934	$ 41,950	$ (2,016)	(4.8)%
Percentage of revenue	25.5 %	49.9 %			26.3 %	41.1 %		

Our operating expenses consist primarily of personnel costs, including salaries, commissions, expected incentive plan payouts, share-based compensation and related benefits and taxes; project material costs related to the design and development of new products and enhancement of existing products; and professional fees, travel and depreciation expenses.

Personnel costs are our largest expense, representing $9.2 million and $17.8 million, or 46.0% and 44.5%, of our total operating expenses for the three and six-month periods ended June 30, 2015, respectively. For the three and six month periods ended June 30, 2014, personnel costs were $11.8 million and $24.4 million, respectively, or 58.0% and 58.7%, respectively, of our total operating expenses. The reduction in personal costs are primarily due to reductions in force in 2014.

Research and Development

	Three months ended June 30,		Period-to-Period Change		Six months ended June 30,		Period-to-Period Change	
	2015	2014	$	%	2015	2014	$	%
	(dollars in thousands)							
Research and development	$ 7,899	$ 8,845	$ (946)	(10.7)%	$ 16,098	$ 18,102	$ (2,004)	(11.1)%
Percentage of revenue	10.1 %	21.5 %			10.6 %	17.7 %		

Our ability to remain competitive depends largely on continuously developing innovative technology, with new and enhanced features and systems and introducing them at competitive prices on a timely basis. Accordingly, based on our strategic plan, we establish annual R&D budgets to fund programs that we expect will drive competitive advantages.

Three Months Ended June 30, 2015 Compared with Three Months Ended June 30, 2014

Research and development expense was $7.9 million during the three months ended June 30, 2015; a decrease of $0.9 milli or 10.7%, compared with $8.8 million during the three months ended June 30, 2014. The decrease in expense is primarily due to reduced labor and material costs incurred in the current year compared to costs incurred last year associated with the roll out of our Purion platform.

Six Months Ended June 30, 2015 Compared with Six Months Ended June 30, 2014

Research and development expense was $16.1 million during the six months ended June 30, 2015; a decrease of $2.0 million, or 11.1%, compared with $18.1 million during the six months ended June 30, 2014. The decrease was primarily due to lower personnel costs driven by reduced headcount from the previous year as well as a spike in labor and materials costs experienced in the prior year relating to the roll out of our Purion platform.

Sales and Marketing

Three months ended June 30,		Period-to-Period Change		Six months ended June 30,		Period-to-Period Change	
2015	2014	$	%	2015	2014	$	%

Our sales and marketing expenses result primarily from the sale of our equipment and services through our direct sales force.

Three Months Ended June 30, 2015 Compared with Three Months Ended June 30, 2014

Sales and marketing expense was $5.9 million during the three months ended June 30, 2015; an increase of $0.8 million, or 16.3%, compared with $5.0 million during the three months ended June 30, 2014. The increase is primarily due to higher new tool evaluation costs and stock compensation expense.

Six Months Ended June 30, 2015 Compared with Six Months Ended June 30, 2014

Sales and marketing expense was $11.5 million during the six months ended June 30, 2015; an increase of $1.0 million, or 9.3%, compared with $10.5 million during the six months ended June 30, 2014. The increase is primarily due to higher new tool evaluation costs and stock compensation expense.

General and Administrative

Our general and administrative expenses result primarily from costs associated with our executive, finance, information technology, legal and human resource functions.

Three Months Ended June 30, 2015 Compared with Three Months Ended June 30, 2014

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Other (Expense) Income

Other (expense) income consists primarily of foreign exchange gains and losses attributable to fluctuations against local currencies of the countries in which we operate, interest earned on our invested cash balances, bank fees associated with our financing arrangements and interest expense related to financing arrangements. Other expense was $1.3 million for the three months ended June 30, 2015, compared with $0.6 million for the three months ended June 30, 2014. The increase in other expense was primarily driv by charges incurred related to the sale of our corporate headquarters facility. The Company recorded $1.3 million in interest expense associated with the lease of our headquarters in Beverly, which is being accounted for as a financing obligation. See Note 3 for further discussion.

The $2.2 million increase in other expense for the six month period ended June 30, 2015 compared with the six month perio ended June 30, 2014, was primarily due to the $2.4 million interest expense recorded associated with the lease of our headquarters in Beverly. See Note 3 for further discussion.

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and deferred revenue of approximately $22.9 million, offset by the increases in inventory and prepaid expenses and other current assets of approximately $21.6 million. In comparison, during the six month period ended June 30, 2014, the Company used $11.9 million of cash to support operating activities.

Investing activities for the six months periods ending June 30, 2015 and 2014 included $0.7 million and $0.6 million, respectively, used for capital expenditures.

Financing activities for the six month period ending June 30, 2015 provided net cash of $35.8 million. This resulted largely from the first quarter 2015 sale of our corporate headquarters building in Beverly, Massachusetts, which provided $48.9 million of gross proceeds, less $0.4 million for prepaid rent, for a net amount of $48.5 million. Also in the first quarter, the Company paid $14.5 million to Northern Bank & Trust Company relating to a scheduled principal payment on a term loan, followed by a discharge of the loan, which was secured by the property sold. This loan discharge resulted in a $0.8 million decrease in our restricted cash balance. The Company incurred $0.8 million of related financing expenses associated with this transaction. Also included in cash provided by financing activities in the six month period was $1.9 million received relating to the exercise of stock options and purchases of Company stock through the Employee Stock Purchase Plan. In comparison, financing activities for the six month period ending June 30, 2014 included $1.8 million of cash received, primarily upon exercise of stock options.

Our revolving credit facility with Silicon Valley Bank provides for borrowings of up to $10.0 million on a revolving basis during a two year term ending October 31, 2015, based primarily on accounts receivable. The Company's ability to borrow under this line of credit is limited to 80% of the then current amount of qualified accounts receivable. As of June 30, 2015, the Company had not drawn down on the line of credit, although a portion of the availability is being used to support outstanding letters of credit in the amount of $6.9 million. At June 30, 2015, our available borrowing capacity under the credit facility was $3.1 million and we were in compliance with all covenants related to the credit facility. The revolving credit facility is used by the Company to support letters of credit and for short-term borrowing, as needed.

We believe that based on our current market, revenue, expense and cash flow forecasts, our existing cash, cash equivalents and borrowing capacity will be sufficient to satisfy our anticipated cash requirements for the short and long-term. In the event that demand for our products declines in future periods, we believe we can align manufacturing and operating spending levels to the changing business conditions and provide sufficient liquidity to support operations. Our expectation for adequate liquidity is subject to risks that may cause our actual results to differ materially from our expectations. These risks include the timing and degree of customer acceptance of our products, the continued demand for ion implantation equipment, overall activity levels of semiconductor manufacturing, competitive pressure on sales and pricing, increases in material and other production costs that cannot be recovered in product pricing and global economic, political and financial conditions.

Commitments and Contingencies

Other than the lease obligation related to the sale leaseback of our Corporate headquarters shown in the table below, significant commitments and contingencies at June 30, 2015 are consistent with those discussed in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Note 16 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

The following represents all material changes from our prior year end to our contractual obligations as of June 30, 2015 (in thousands):

		Payments Due by Period		
Contractual Obligations	Total	2015	2016-2019	2020-2037
Lease obligation	$ 133,111	$ 2,350	$ 21,194	$ 109,567
Total	$ 133,111	$ 2,350	$ 21,194	$ 109,567

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

As of June 30, 2015, there have been no material changes to the quantitative information about market risk disclosed in Item 7A to our annual report on Form 10-K for the year ended December 31, 2014.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) as of the end of the period covered by this report (the “Evaluation Date”). Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of the Evaluation Date, these disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) identified in connection with the evaluation of our internal control that occurred during the three months ended June 30, 2015 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is, from time to time, a party to litigation that arises in the normal course of its business operations. The Company is not presently a party to any litigation that it believes might have a material adverse effect on its business operations

Item 1A. Risk Factors.

As of June 30, 2015, there have been no material changes to the risk factors described in Item 1A to our annual report on Form 10-K for the year ended December 31, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The following exhibits are filed herewith:

Exhibit No	Description
3.1	Amended and Restated Certificate of Incorporation of the Company adopted May 6, 2009. Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Commission on May 11, 2009.
3.2	Bylaws of the Company, as amended as of May 13, 2014. Incorporated by reference to Exhibit 3.2 of the Company's Form 8-K, filed with the Commission on May 19, 2014.
10.1	Axcelis Technologies, Inc. 2012 Equity Incentive Plan, as amended through May 13, 2015. Filed herewith.
31.1	Certification of the Principal Executive Officer under Exchange Act Rule 13a-14(a)/15d-14(a) (Section 302 of the Sarbanes-Oxley Act), dated August 5, 2015. Filed herewith.
31.2	Certification of the Principal Financial Officer under Exchange Act Rule 13a-14(a)/15d-14(a) (Section 302 of the Sarbanes-Oxley Act), dated August 5, 2015. Filed herewith.
32.1	Certification of the Principal Executive Officer pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code(Section 906 of the Sarbanes-Oxley Act), dated August 5, 2015. Filed herewith.
32.2	Certification of the Principal Financial Officer pursuant to Section 1350 of Chapter 63 of title 18 of the United States Code (Section 906 of the Sarbanes-Oxley Act), dated August 5, 2015. Filed herewith.
101	The following materials from the Company's Form 10-Q for the quarter ended June 30, 2015, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income (Loss), (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows and (v) Notes to Consolidated Financial Statements (Unaudited).

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SIGNATURES

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

AXCELIS TECHNOLOGIES, INC.

DATED: August 5, 2015

By: /s/ KEVIN J. BREWER

Kevin J. Brewer
Executive Vice President and Chief Financial Officer
Duly Authorized Officer and Principal Financial Officer