



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

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): July 24, 2003

ADVANCED ENERGY INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

000-26966

84-0846841

(State of  
incorporation)

(Commission File Number)

(IRS Employer  
Identification No.)

1625 Sharp Point Drive, Fort Collins, Colorado 80525

(Address of principal executive offices) (Zip Code)

(970) 221-4670

(Registrant's telephone number,  
including area code)

Not Applicable

(Former name or former address, if changed since last report)

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### Item 7. Financial Statements and Exhibits.

#### (c) Exhibits.

Exhibit No.	Description
99.1	Second Quarter 2003 Earnings Release dated July 24, 2003.

### Item 12. Results of Operations and Financial Condition

On July 24, 2003, Advanced Energy Industries, Inc. (the “Company”) announced via press release the Company’s results for its three- and six-month periods ended June 30, 2003. A copy of the Company’s press release is attached hereto as Exhibit 99.1.

The information in this Current Report on Form 8-K, including the exhibit, is furnished pursuant to Item 12 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that Section. Furthermore, the information in the Current Report on Form 8-K, including the exhibit, shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933, as amended.

### 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 hereunto duly authorized.

ADVANCED ENERGY INDUSTRIES, INC.

By: /s/ Michael El-Hillow

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Name: Michael El-Hillow  
Title: Executive Vice President  
and Chief Financial Officer

Date: July 24, 2003

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**EXHIBIT INDEX**

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99.1	Second Quarter 2003 Earnings Release dated July 24, 2003.

**CONTACTS:****MIKE EL-HILLOW CATHY KAWAKAMI**

EXECUTIVE VICE PRESIDENT, DIRECTOR OF INVESTOR RELATIONS CHIEF FINANCIAL OFFICER ADVANCED ENERGY INDUSTRIES, INC. ADVANCED ENERGY INDUSTRIES, INC. 970-407-6732 970-407-6570 cathy.kawakami@aei.com mike.el-hillow@aei.com

**FOR IMMEDIATE RELEASE****ADVANCED ENERGY REPORTS SECOND QUARTER 2003 RESULTS**

FORT COLLINS, COLORADO (JULY 24, 2003)--Advanced Energy Industries, Inc. (Nasdaq: AEIS) today reported financial results for the second quarter ended June 30, 2003. Advanced Energy is a leading global provider of critical solutions used in the production of semiconductors, flat panel displays, data storage products and other advanced thin film applications.

Revenue for the second quarter of 2003 was \$62.9 million, a decrease of 7 percent compared to second quarter 2002 revenue of \$67.9 million. Revenue for the second quarter of 2003 increased 12 percent compared to first quarter 2003 revenue of \$56.2 million. Net loss for the second quarter of 2003 was \$5.8 million, or \$0.18 per share compared to the second quarter 2002 net loss of \$5.1 million, or \$0.16 per share. This compares to the first quarter 2003 net loss of \$8.6 million, or \$0.27 per share.

Revenue for the six months ended June 30, 2003 was \$119.1 million versus \$110.8 million for the first six months of 2002. Net loss for the 2003 six-month period was \$14.4 million, or \$0.45 per share, compared with a net loss of \$13.9 million, or \$0.43 per share, for the 2002 six-month period.

Doug Schatz, chairman and chief executive officer, said, "Our second quarter results were in line with our expectations. Revenue came in slightly above our prior guidance range as we experienced some pick-up in demand in our power and mass flow control product groups. We believe our demand momentum will continue to increase moderately in the near term as we continue to penetrate new and existing markets.

"Advanced Energy is well-positioned to extend our market and technology positions by leveraging our product portfolio in power, flow, plasma and ion sources, and thermal products to solve critical manufacturing issues," said Mr. Schatz. "Our commitment to investment in research and development focused on our four key technology areas strengthens our product offerings and opportunities, providing greater competitive advantage to our customers."

Based on information currently available, the Company expects third quarter revenue to increase 3 to 8 percent, in the \$65 million to \$68 million range, and expects a loss per share range of \$0.11 to \$0.13.

## **SECOND QUARTER 2003 CONFERENCE CALL**

Management will host a conference call today, Thursday, July 24, 2003 at 5:00 pm Eastern time to discuss the financial results. You may access this conference call by dialing 888-713-4717. International callers may access the call by dialing 706-679-7720. For a replay of this teleconference, please call 706-645-9291, code 8359784. The replay will be available through Thursday, July 31, 2003. There will also be a webcast available at [www.advanced-energy.com](http://www.advanced-energy.com).

## **ABOUT ADVANCED ENERGY**

Advanced Energy is a global leader in the development and support of technologies critical to high-technology manufacturing processes used in the production of semiconductors, flat panel displays, data storage products, compact discs, digital video discs, architectural glass, and other advanced product applications.

Leveraging a diverse product portfolio and technology leadership, AE creates solutions that maximize process impact, improve productivity and lower cost of ownership for its customers. This portfolio includes a comprehensive line of technology solutions in power, flow, thermal management, plasma and ion beam sources, and integrated process monitoring and control for original equipment manufacturers (OEMs) and end-users around the world.

AE operates in regional centers in North America, Asia and Europe and offers global sales and support through direct offices, representatives and distributors. Founded in 1981, AE is a publicly held company traded on the Nasdaq National Market under the symbol AEIS. For more information, please visit our corporate website: [www.advanced-energy.com](http://www.advanced-energy.com)

## **SAFE HARBOR STATEMENT**

This press release contains certain forward-looking statements subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, the volatility and cyclicity of the semiconductor and semiconductor capital equipment industries, the timing of orders received from our customers, our ability to execute on the cost reduction initiatives currently underway, and other risks described in Advanced Energy's Form 10-K, Forms 10-Q as well as other reports and statements, as filed with the Securities and Exchange Commission. These reports and statements are available on the SEC's website at [www.sec.gov](http://www.sec.gov). Copies may also be obtained by

contacting Advanced Energy's investor relations at 970-407-6732. The company assumes no obligation to update the information in this press release.

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**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**(IN THOUSANDS, EXCEPT PER SHARE DATA)**

	Three Months Ended June 30, 2003	2002	Six Months Ended June 30, 2003	2002
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Sales	\$ 62,946	\$ 67,893	\$ 119,104	\$ 110,780
Cost of sales	42,673	43,581	80,881	73,094
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Gross profit	20,273	24,312	38,223	37,686
Operating expenses:				
Research and development	12,551	12,587	25,918	23,835
Sales and marketing	8,261	8,712	16,591	15,463
General and administrative	5,518	7,030	11,147	13,828
Restructuring charges	768	--	2,277	--
Litigation damages	--	5,313	--	5,313
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Total operating expenses	27,098	33,642	55,933	58,439
Loss from operations	(6,825)	(9,330)	(17,710)	(20,753)
Other (expense) income, net	(2,340)	1,424	(5,090)	(573)
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Loss before income taxes	(9,165)	(7,906)	(22,800)	(21,326)
Benefit for income taxes	(3,391)	(2,767)	(8,436)	(7,464)
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Net loss	\$ (5,774)	\$ (5,139)	\$ (14,364)	\$ (13,862)
	=====	=====	=====	=====
Basic and diluted net loss per share	\$ (0.18)	\$ (0.16)	\$ (0.45)	\$ (0.43)
Basic and diluted weighted-average common shares outstanding	32,206	32,045	32,183	31,959
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**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
**(IN THOUSANDS)**

	June 30, 2003	December 31, 2002
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ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 46,383	\$ 70,188
Marketable securities	102,969	102,159
Accounts receivable	44,776	43,885
Income tax receivable	14,078	14,720
Inventories	55,727	57,306
Other current assets	7,265	6,828
Deferred income tax assets, net	26,160	17,510
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Total current assets	297,358	312,596
Property and equipment, net	41,404	41,178
Deposits and other	5,195	5,181
Goodwill and intangibles, net	86,255	86,601
Deferred debt issuance costs	3,541	4,091
Demonstration and customer service equipment, net	5,343	6,086
	-----	-----
Total assets	\$ 439,096	\$ 455,733
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Trade accounts payable	\$ 18,988	\$ 16,055
Other current liabilities	26,534	31,064
Current portion of capital leases and senior borrowings	13,006	15,197
Accrued interest payable on convertible subordinated notes	2,460	2,338
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Total current liabilities	60,988	64,654
Long-term Liabilities:		
Capital leases and senior borrowings	8,078	10,665
Other long-term liabilities	618	694
Deferred income tax liability, net	9,392	8,663
Convertible subordinated notes payable	187,718	187,718
	-----	-----
Total long-term liabilities	205,806	207,740
Total liabilities	266,794	272,394
Stockholders' equity	172,302	183,339
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Total liabilities and stockholders' equity	\$ 439,096	\$ 455,733
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
**(IN THOUSANDS)**

	Six Months Ended June 30, 2003	2002
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NET CASH USED IN OPERATING ACTIVITIES	\$ (10,785)	\$ (16,310)
NET CASH USED IN INVESTING ACTIVITIES	(9,672)	(29,026)
NET CASH USED IN FINANCING ACTIVITIES	(3,692)	(2,176)
EFFECT OF CURRENCY TRANSLATION ON CASH	344	1,700
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DECREASE IN CASH AND CASH EQUIVALENTS	(23,805)	(45,812)
CASH AND EQUIVALENTS, beginning of period	70,188	81,955
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CASH AND EQUIVALENTS, end of period	\$ 46,383	\$ 36,143
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