EARNINGS CALL PRESENTATION

Second Quarter 2026

August 4, 2026 10:00 am ET

By phone
877-407-6184 in the US or
201-389-0877 internationally

A live webcast of the call will be available and archived on the investor relations section of the Company's website at investor.ipgphotonics.com

Note Regarding Forward-Looking Statements and Use of Non-GAAP Financials

Information and statements provided by IPG and its employees, including statements in this presentation, that relate to future plans, events or performance are forward-looking statements. These statements involve risks and uncertainties. Any statements in this presentation that are not statements of historical fact are forward-looking statements, including those statements related to being confident that our strategy will further differentiate our products, unlock new market opportunities, and fuel the long-term expansion of laser applications, actively taking advantage of our global manufacturing footprint and our in-house supply chain to mitigate potential impacts from tariffs, potential delays in shipping product rather than order cancellations, and statements related to revenue, gross margin and operating expenses outlook, adjusted earnings per share and adjusted EBITDA guidance, and the impact of the U.S. dollar on our guidance for the third quarter of 2026. Factors that could cause actual results to differ materially include risks and uncertainties, including risks associated with the strength or weakness of the business conditions in industries and geographic markets that IPG serves, particularly the effect of downturns in the markets IPG serves; uncertainties and adverse changes in the general economic conditions of markets; inability to manage risks associated with international customers and operations; changes in trade controls and trade and tariff policies; IPG's ability to penetrate new applications for fiber lasers and increase market share; the rate of acceptance and penetration of IPG's products; foreign currency fluctuations; high levels of fixed costs from IPG's vertical integration; the appropriateness of IPG's manufacturing capacity for the level of demand; competitive factors, including declining average selling prices; the effect of acquisitions and investments; inventory write-downs; asset impairment charges; intellectual property infringement claims and litigation; interruption in supply of key components; manufacturing risks; government regulations and trade sanctions; and other risks identified in IPG's SEC filings. Readers are encouraged to refer to the risk factors described in IPG's Annual Report on Form 10-K (filed with the SEC on February 23, 2026) and IPG's reports filed with the SEC, as applicable. Actual results, events and performance may differ materially. Readers are cautioned not to rely on the forward-looking statements, which speak only as of the date hereof. IPG undertakes no obligation to update the forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Q2'26 Summary

$279M Revenue

$49M Adj. EBITDA

$0.58 Adj. EPS

Delivered double-digit revenue growth YoY and QoQ improvement, driven by increased demand in Industrial Solutions

- **Industrial Solutions:** Strong growth in welding sales, driven by higher demand in battery manufacturing
- **Advanced Solutions:** Growth in semiconductor sales, driven by our key strategic initiatives

Gross margin benefited from lower product costs, lower inventory provisions, and $4.7M in tariff refunds received in the period

Delivered significant YoY and QoQ growth in adjusted EBITDA and adjusted EPS, with both coming in above the top ends of our Q2 guidance ranges

Lumibird Medical

Acquiring to Expand Medical Laser Growth Platform

Accelerates IPG's strategic evolution
Expands the Advanced Solutions portfolio into higher-growth and higher-margin medical markets with durable demand

Delivers financial benefits
Adds a high-margin business that is expected to be accretive to margins, EBITDA, and adjusted EPS

Creates a scaled medical laser platform
Establishes leadership in Ophthalmology laser treatment and diagnostic systems, complementing IPG's growth in Urology and increasing addressable market by approximately $1 billion

Expands long-term value creation opportunities
Leverages IPG's laser, photonics, and applications expertise to drive innovation and broaden commercial reach

Revenue by Application

		Q2'26	Q2'25	Y/Y	Q1'26	Q/Q
Industrial Solutions	YoY growth was driven by welding, marking, cleaning, and additive manufacturing. Sequential growth was driven by welding and cleaning.	$237.0M	$204.9M	16%	$227.6M	4%
Advanced Solutions	YoY decrease due to lower micromachining and defense sales offsetting growth in semiconductor. Sequential growth was driven by semiconductor and micromachining.	$41.5M	$45.8M	-9%	$37.9M	10%
	TOTAL	$278.6M	$250.7M	11%	$265.5M	5%

Revenue by Geography

North America

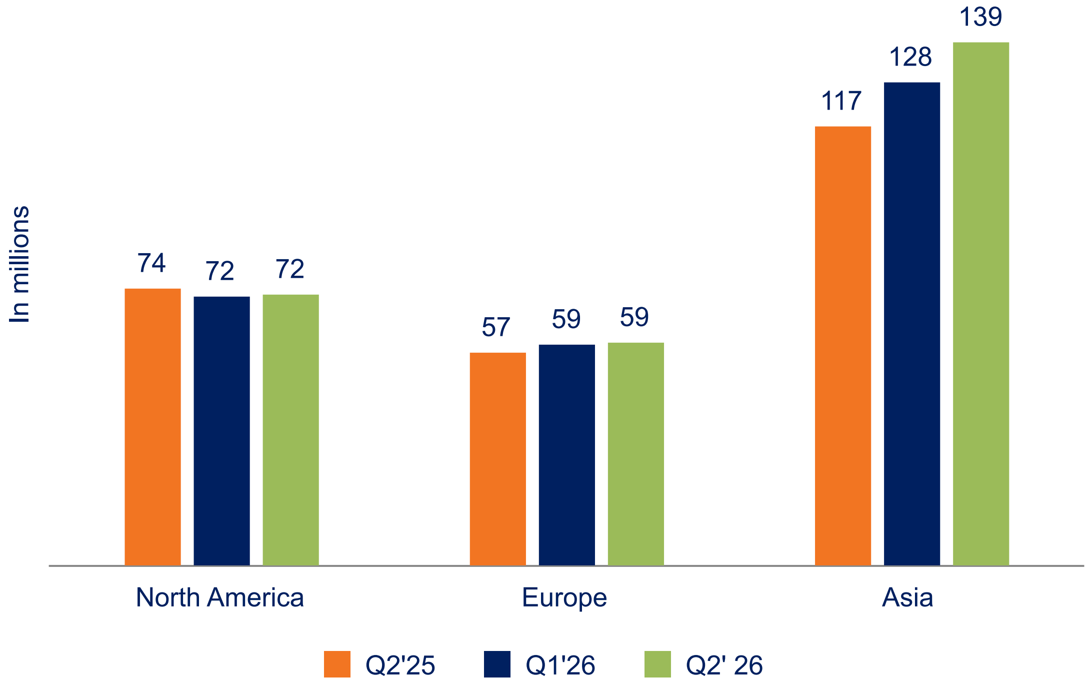
Revenue decreased slightly YoY on lower cutting, medical, and defense sales. Sequential growth was driven by marking and defense.

Europe

YoY growth was driven by increased revenue in cleaning and additive manufacturing. Revenue increased slightly on a sequential basis, driven by cleaning and additive manufacturing.

Asia

YoY and sequential growth was driven primarily by increased sales in welding applications.



Financial Review

Revenue increased YoY, marking a third consecutive quarter of double-digit revenue growth.

GAAP and adjusted gross margin improved on both a YoY and sequential basis, driven by lower product costs, lower inventory provisions, and $4.7M in tariff refunds received in the period.

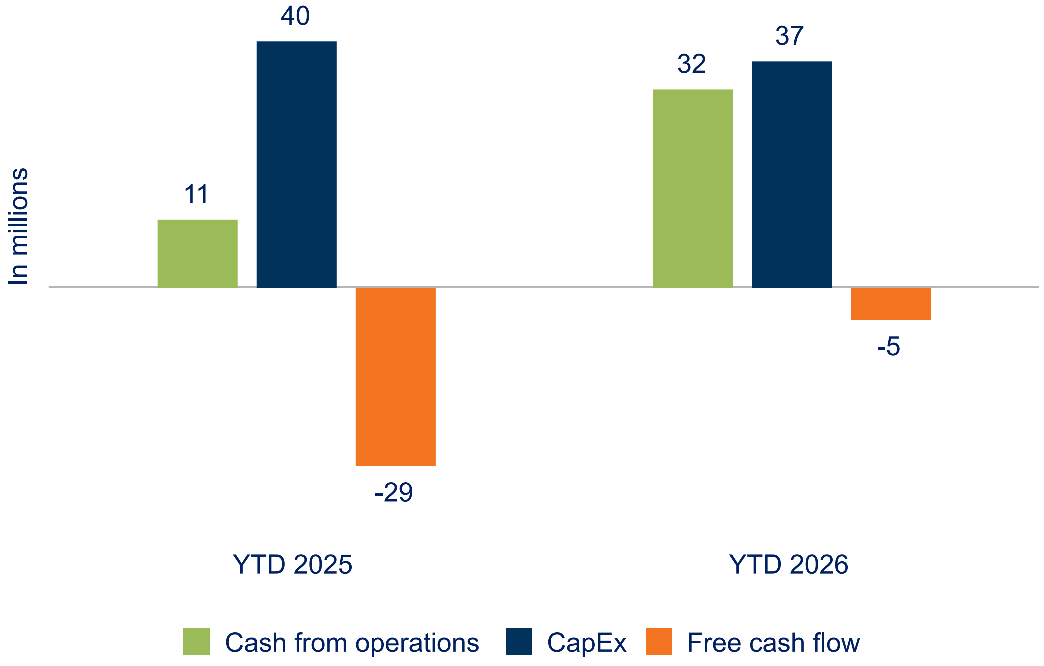
Operating expenses were lower sequentially, excluding $17.6 million in impairment cost, benefiting from a German R&D tax credit of $1.8 million. The YoY increase in operating expenses was primarily due to ongoing investments in growth opportunities.

In millions except per share	Q2'26	Q2'25	Y/Y	Q1'26	Q/Q
Revenue	$278.6	$250.7	11%	$265.5	5%
Gross margin	40.4%	37.3%	+310bps	37.5%	+290bps
Adjusted gross margin	40.7%	37.8%	+290bps	37.8%	+290bps
Operating expenses excluding FX and other items	$91.4	$90.4	1%	$93.3	(2)%
Operating income (loss)	$4.5	$0.1	NM	$(7.7)	NM
Adjusted operating income (loss)	$23.9	$6.9	246%	$9.3	157%
Net income (loss)	$5.2	$6.6	(21)%	$1.6	225%
Adjusted net income (loss)	$24.7	$12.9	91%	$12.6	96%
Earnings (loss) per diluted share	$0.12	$0.16	(25)%	$0.04	200%
Adjusted EPS	$0.58	$0.30	93%	$0.29	100%
Adjusted EBITDA	$48.5	$31.5	54%	$35.2	38%

NM - not meaningful

Balance Sheet and Cash Flow Summary

In millions	Q2'26
Cash and Short-term Investments	$871
Long-term Investments	$33
Inventories	$331
Total Debt	$—
Net Income to IPG	$5
Cash from Operations	$38
Depreciation and Amortization	$16
Capital Expenditures	$21
Stock Repurchases	$—
Days Sales Outstanding	59



Free cash flow is defined as cash flow from operations less capital expenditures

Q3 '26 Outlook

Revenue	$265M - $295M
Adjusted Gross Margin	37.5% - 40.5%
Adjusted Operating Expenses	$92M - $95M
Adjusted EPS	$0.30 - $0.60
Adjusted EBITDA	$35M - $51M
Tax Rate	~25%
Diluted common shares	~43M

ADDITIONAL DETAILS

Q2 book-to-bill was above 1

Our revenue outlook factors in assumptions of a generally stable operating environment

Q3 gross margin guidance includes current estimate for tariffs and assumes no refunds

Appendix: Reconciliation of Non-GAAP Financial Measures

Use of Non-GAAP Adjusted Financial Information

We refer to certain financial measures that are not recognized under United States generally accepted accounting principles ("GAAP") and are provided as supplemental information to enhance understanding of the Company's financial performance. These measures should not be considered as a substitute for, or superior to, GAAP financial measures. The following information provides the definition of adjusted gross profit, adjusted gross margin, adjusted operating income, EBITDA, adjusted EBITDA, adjusted net income, adjusted earnings per share (EPS), and adjusted tax rate as presented, which are financial measures that are not calculated or presented in accordance with GAAP, and reconciliation to the most directly comparable financial measures calculated and presented in accordance with GAAP. The Company has provided adjusted gross profit, adjusted gross margin, adjusted operating income, EBITDA, adjusted EBITDA, adjusted net income, adjusted EPS, and adjusted tax rate as supplemental information and in addition to the financial measures presented by the Company that are calculated and presented in accordance with GAAP. Such non-GAAP financial measures should not be considered superior to, as a substitute for or alternative to, and should be considered in conjunction with, the GAAP financial measure presented by the Company.

Management believes that these non-GAAP financial measures provide additional means of evaluating period-over-period operating performance. Specifically, these non-GAAP financial measures provide management with additional means to understand and evaluate the operating results and trends in our ongoing business by eliminating certain non-cash expenses and other items that management believes might otherwise make comparisons of our ongoing business with prior periods more difficult, obscure trends in ongoing operations, or reduce management's ability to make useful forecasts.

In addition, management understands that some investors and financial analysts find this information helpful in analyzing our financial and operational performance and comparing this performance to our peers and competitors. However, these non-GAAP financial measures have limitations as an analytical tool and are not intended to be an alternative to financial measures prepared in accordance with GAAP. In addition, it should be noted that these non-GAAP financial measures may be different from non-GAAP measures used by other companies. Management may, however, utilize other measures to illustrate performance in the future. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures.

We have not provided a quantitative reconciliation of forward-looking Non-GAAP adjusted earnings per diluted share and adjusted EBITDA to their most directly comparable GAAP financial measures because we are unable to estimate with reasonable certainty the ultimate timing or amount of certain significant items without unreasonable efforts. This is due to the inherent difficulty of forecasting the timing and/or amount of various items that would impact adjusted earnings per diluted share and adjusted EBITDA. This includes items that have not yet occurred, are out of the Company's control, cannot be reasonably predicted and/or for which there would not be any meaningful adjustment or difference. For the same reasons, the Company is unable to address the probable significance of the unavailable information.

Appendix: Reconciliation of Non-GAAP Financial Measures

(In thousands, except percentages)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Gross profit	$ 112,524	$ 93,573	$ 212,023	$ 183,385
Gross margin	40.4 %	37.3 %	39.0 %	38.3 %
Amortization of acquisition-related intangibles	788	1,061	1,640	2,077
Acquisition and integration charges	—	260	—	482
Adjusted gross profit	$ 113,312	$ 94,894	$ 213,663	$ 185,944
Adjusted gross margin	40.7 %	37.8 %	39.3 %	38.9 %

We define adjusted gross profit as reported gross profit, adjusted for non-recurring, infrequent, or unusual changes.

We define adjusted gross margin as adjusted gross profit divided by total revenue.

Appendix: Reconciliation of Non-GAAP Financial Measures

(In thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Operating income (loss)	$ 4,531	$ 104	$ (3,205)	$ 1,931
Amortization of acquisition-related intangibles	2,021	2,594	4,110	5,096
Restructuring charges	285	—	351	—
Acquisition and integration charges	(70)	1,068	836	2,059
Impairment charges	17,574	—	17,574	—
Settlement and fees of litigation matters	307	—	14,435	—
Loss (gain) on foreign exchange	(782)	3,098	(982)	5,509
Adjusted operating income	$ 23,866	$ 6,864	$ 33,119	$ 14,595

We define adjusted operating income as reported income from operations, adjusted for non-recurring, infrequent, or unusual charges.

Appendix: Reconciliation of Non-GAAP Financial Measures

(In thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net income (loss)	$ 5,242	$ 6,605	$ 6,826	$ 10,363
Interest income, net	(7,110)	(8,001)	(14,032)	(15,445)
Provision for income taxes	7,299	1,666	6,734	8,523
Depreciation	12,714	12,172	25,461	23,728
Amortization	2,809	3,654	5,954	7,439
EBITDA	20,954	16,096	30,943	34,608
Impairment charges	17,574	—	17,574	—
Stock based compensation	10,234	11,287	20,575	22,054
Restructuring charges	285	—	351	—
Acquisition and integration charges	(70)	1,068	836	2,059
Settlement and fees of litigation matters	307	—	14,435	—
Loss on foreign exchange	(782)	3,098	(982)	5,509
Adjusted EBITDA	$ 48,502	$ 31,549	$ 83,732	$ 64,230

We define EBITDA as net income plus interest expense (income), provision for income taxes, depreciation expense, and amortization expense.

We define Adjusted EBITDA as EBITDA adjusted for non-recurring, infrequent, or unusual charges, and other adjustments that the Company believes appropriate.

Appendix: Reconciliation of Non-GAAP Financial Measures

(In thousands, except per share data)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net income (loss)	$ 5,242	$ 6,605	$ 6,826	$ 10,363
Impairment charges	17,574	—	17,574	—
Amortization of acquisition-related intangibles	2,021	2,594	4,110	5,096
Restructuring charges	285	—	351	—
Acquisition and integration charges	(70)	1,068	836	2,059
Settlement and fees of litigation matters	307	—	14,435	—
Loss (gain) on foreign exchange	(782)	3,098	(982)	5,509
Certain discrete tax items	284	275	(835)	4,889
Tax impact of non-GAAP adjustments	(119)	(710)	(5,056)	(1,858)
Adjusted net income	$ 24,742	$ 12,930	$ 37,259	$ 26,058
Adjusted net earnings per diluted share	$ 0.58	$ 0.30	$ 0.87	$ 0.61
Weighted average diluted shares outstanding	42,913	42,577	42,914	42,720

We define adjusted net income as reported net income, adjusted for non-recurring, infrequent, or unusual changes, and other adjustments that the Company believes appropriate.

We define adjusted EPS as adjusted net income divided by the weighted-average diluted shares outstanding.

Appendix: Reconciliation of Non-GAAP Financial Measures

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Tax Rate	58 %	20 %	50 %	45 %
Discrete tax items	(5)%	(3)%	12 %	(26)%
Net impact of non-GAAP adjustments	(24)%	(3)%	(33)%	(2)%
Adjusted tax Rate	29 %	14 %	29 %	17 %

We define adjusted tax rate as the GAAP tax rate, adjusted for discrete tax items and the net impact of non-GAAP adjustments.

Contact

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