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 September 30, 2025

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: 001-38273

ACM Research, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**94-3290283**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
42307 Osgood Road, Suite I **Fremont, California**	**94539**
(Address of Principal Executive Offices)	*(Zip Code)*

Registrant's telephone number, including area code: **(510) 445-3700**

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

Title of Each Class	Trading Symbol	Name of Each Exchange on which Registered
Class A Common Stock, $0.0001 par value	**ACMR**	**The NASDAQ Stock Market LLC**

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 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 ☑

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Number of Shares Outstanding
Class A Common Stock, $0.0001 par value	59,854,640 shares outstanding as of November 3, 2025
Class B Common Stock, $0.0001 par value	5,021,811 shares outstanding as of November 3, 2025

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ACM Research, Inc., or ACM Research, is a Delaware corporation founded in California in 1998 to supply capital equipment developed for the global semiconductor industry. Since 2005, ACM Research has conducted its business operations principally through its subsidiary ACM Research (Shanghai), Inc., or ACM Shanghai, a limited liability corporation formed by ACM Research in the People’s Republic of China, or mainland China, in 2005, and its shares currently trade under the symbol SSEC: 688082.SS on the Shanghai STAR Market. Unless the context requires otherwise, references in this report to “our company,” “our,” “us,” “we” and similar terms refer to ACM Research, Inc. and its subsidiaries, including ACM Shanghai, collectively.

We conduct a substantial majority of our product development, manufacturing, support and services in mainland China through ACM Shanghai. We are not a mainland China operating company, and we do not conduct our operations in mainland China through the use of a variable interest entity or any other structure designed for the purpose of avoiding mainland China legal restrictions on direct foreign investments in mainland China-based companies. For a description of certain matters relating to our operations in mainland China, including our corporate structure, the movement of cash throughout our organization, certain audit and regulatory matters, and risks associated therewith, please see “Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this report, the disclosure at the forefront of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and the Risk Factors included therein, as referenced or updated by the disclosure included in “Part II. Item 1A—Risk Factors” in this report.

For purposes of this report, certain amounts in Renminbi, or RMB, have been translated into U.S. dollars solely for the convenience of the reader. The translations have been made based on the conversion rates published by the State Administration of Foreign Exchange of the People’s Republic of China.

SAPS, TEBO, ULTRA C, ULTRA Fn, Ultra ECP, Ultra ECP map, and Ultra ECP ap are trademarks of ACM Research. For convenience, these trademarks appear in this report without ™ symbols, but that practice does not mean that ACM Research will not assert, to the fullest extent under applicable law, ACM Research’s rights to the trademarks. This report also contains other companies’ trademarks, registered marks and trade names, which are the property of those companies.

FORWARD-LOOKING STATEMENTS AND STATISTICAL DATA

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this report regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans and objectives of management are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “might,” “will,” “objective,” “intend,” “should,” “could,” “can,” “would,” “expect,” “believe,” “anticipate,” “project,” “target,” “design,” “estimate,” “predict,” “potential,” “plan” or the negative of these terms, and similar expressions intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on our management’s belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors, including those described or incorporated by reference in “Item 1A. Risk Factors” of Part II of this report, that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements.

The information included under the heading “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Overview,” of Part I of this report contains statistical data and estimates, including forecasts, that are based on information provided by Gartner, Inc. ("Gartner") in "Forecast: Semiconductor Capital Spending, Wafer Fab Equipment and Capacity, Worldwide, 2Q25 Update, Bob Johnson et al., July 8, 2025." GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved. The Gartner content described herein (the “Gartner Content”) represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and is not a representation of fact. Gartner Content speaks as of its original publication date (and not as of the date of this report), and the opinions expressed in the Gartner Content are subject to change without notice. While we are not aware of any misstatements in the Gartner Content, estimates, and in particular forecasts, involve numerous assumptions and are subject to risks and uncertainties, as well as change based on various factors, that could cause results to differ materially from those expressed in the data presented below.

Any forward-looking statement made by us in this report speaks only as of the date on which it is made. Except as required by law, we assume no obligation to update these statements publicly or to update the reasons actual results could differ materially from those anticipated in these statements, even if new information becomes available in the future.

You should read this report, and the documents that we reference in this report and have filed as exhibits to this report, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ACM RESEARCH, INC.
Condensed Consolidated Balance Sheets
(In thousands, except per share data)

Assets	September 30, 2025 (Unaudited)	December 31, 2024
Current assets:		
Cash and cash equivalents (note 2)	$ 1,058,909	$ 407,445
Restricted cash (note 2)	8,430	3,865
Short-term time deposits (note 2)	30,922	17,277
Short-term investments (note 12)	39,976	19,373
Accounts receivable, net (note 4)	476,996	387,045
Other receivables	50,450	41,859
Inventories, net (note 5)	676,409	597,984
Advances to related parties (note 13)	927	1,024
Prepaid expenses and other current assets	15,143	7,507
Total current assets	2,358,162	1,483,379
Property, plant and equipment, net (note 6)	296,714	269,272
Operating lease right-of-use assets, net	18,026	14,038
Intangible assets, net	2,706	3,461
Long-term time deposits (note 2)	—	13,275
Deferred tax assets (note 16)	26,641	14,781
Long-term investments (note 11)	63,556	37,063
Other long-term assets (note 7)	4,838	20,452
Total assets	$ 2,770,643	$ 1,855,721
Liabilities and equity		
Current liabilities:		
Short-term borrowings (note 8)	$ 45,049	$ 32,814
Current portion of long-term borrowings (note 10)	48,637	44,472
Related parties accounts payable (note 13)	23,323	16,133
Accounts payable	180,884	139,294
Advances from customers	203,506	243,949
Deferred revenue	15,550	8,537
Income taxes payable (note 16)	—	12,779
FIN-48 payable (note 16)	21,768	19,466
Other payables and accrued expenses (note 9)	135,032	121,657
Current portion of operating lease liabilities	4,120	2,132
Total current liabilities	677,869	641,233
Long-term borrowings (note 10)	193,356	105,525
Long-term operating lease liabilities	5,882	3,840
Other long-term liabilities	8,322	9,217
Total liabilities	885,429	759,815
Commitments and contingencies (note 17)		
Equity:		
Stockholders' equity:		
Class A Common stock (note 14)	6	6
Class B Common stock (note 14)	1	1
Additional paid-in capital	1,105,129	677,476
Retained earnings	346,029	260,000
Statutory surplus reserve (note 19)	30,514	30,514
Accumulated other comprehensive loss	(48,999)	(63,372)
Total ACM Research, Inc. stockholders' equity	1,432,680	904,625
Non-controlling interests	452,534	191,281
Total equity	1,885,214	1,095,906
Total liabilities and equity	$ 2,770,643	$ 1,855,721

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

ACM RESEARCH, INC.
Condensed Consolidated Statements of Comprehensive Income
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenue (note 3)	$ 269,160	$ 203,976	$ 656,879	$ 558,647
Cost of revenue, including cost of revenue from related parties of $19,293 and $45,209 for the three and nine months ended September 30, 2025, respectively, and $11,607 and $28,474 for the three and nine months ended September 30, 2024, respectively (note 13)	156,011	99,142	356,719	277,908
Gross profit	113,149	104,834	300,160	280,739
Operating expenses:				
Sales and marketing	22,311	15,759	60,756	47,067
Research and development	39,651	27,837	100,971	77,723
General and administrative	22,264	17,054	52,039	48,940
Total operating expenses	84,226	60,650	213,766	173,730
Income from operations	28,923	44,184	86,394	107,009
Interest income	3,100	2,967	10,452	7,122
Interest expense	(1,851)	(1,208)	(5,166)	(2,923)
Realized gain on short-term investments (note 12)	—	171	54	444
Unrealized gain (loss) on short-term investments (note 12)	18,656	413	20,304	(1,151)
Other expense, net	(3,411)	(5,164)	(4,019)	(727)
Income from equity method investments	3,670	1,316	6,395	101
Income before income taxes	49,087	42,679	114,414	109,875
Income tax expense (note 16)	(2,689)	(4,007)	(6,733)	(17,712)
Net income	46,398	38,672	107,681	92,163
Less: Net income attributable to non-controlling interests	10,509	7,768	21,652	19,616
Net income attributable to ACM Research, Inc.	$ 35,889	$ 30,904	$ 86,029	$ 72,547
Comprehensive income:				
Net income	$ 46,398	$ 38,672	$ 107,681	$ 92,163
Foreign currency translation adjustment, net of tax of nil	9,899	17,089	15,554	10,376
Unrealized gain on available-for-sale investments, net of tax	2,391	—	2,391	—
Comprehensive income	58,688	55,761	125,626	102,539
Less: Comprehensive income attributable to non-controlling interests	13,017	10,842	25,224	21,458
Comprehensive income attributable to ACM Research, Inc.	**$ 45,671**	**$ 44,919**	**$ 100,402**	**$ 81,081**
Net income attributable to ACM Research, Inc. per share of common stock (note 2):				
Basic	$ 0.56	$ 0.49	$ 1.35	$ 1.17
Diluted	$ 0.52	$ 0.45	$ 1.26	$ 1.07
Weighted average shares of common stock outstanding used in computing per share amounts (note 2):				
Basic	64,381,296	62,500,903	63,876,709	62,017,257
Diluted	68,414,313	66,671,526	67,551,302	66,512,143

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

ACM RESEARCH, INC.
Condensed Consolidated Statements of Changes in Equity
For the Three Months Ended September 30, 2025 and 2024
(In thousands, except share and per share data)
(Unaudited)

	Common Stock Class A		Common Stock Class B							
	Shares	**Amount**	**Shares**	**Amount**	**Additional Paid-in Capital**	**Retained Earnings**	**Statutory Surplus Reserve**	**Accumulated Other Comprehensive (Loss) Income**	**Non-controlling Interests**	**Total Equity**
Balance at June 30, 2025	**59,096,971**	**$ 6**	**5,021,811**	**$ 1**	**$ 704,570**	**$ 310,140**	**$ 30,514**	**$ (58,781)**	**$ 205,239**	**$ 1,191,689**
Net income	—	—	—	—	—	35,889	—	—	10,509	46,398
Issuance of shares by ACM Shanghai	—	—	—	—	390,170	—	—	—	232,794	622,964
Foreign currency translation adjustment	—	—	—	—	—	—	—	7,998	1,901	9,899
Exercise of stock options	757,669	—	—	—	4,311	—	—	—	—	4,311
Stock-based compensation	—	—	—	—	6,078	—	—	—	1,484	7,562
Unrealized gain on available-for-sale investments, net of tax	—	—	—	—	—	—	—	1,784	607	2,391
Balance at September 30, 2025	**59,854,640**	**$ 6**	**5,021,811**	**$ 1**	**$ 1,105,129**	**$ 346,029**	**$ 30,514**	**$ (48,999)**	**$ 452,534**	**$ 1,885,214**

	Common Stock Class A		Common Stock Class B							
	Shares	**Amount**	**Shares**	**Amount**	**Additional Paid-in Capital**	**Retained Earnings**	**Statutory Surplus Reserve**	**Accumulated Other Comprehensive (Loss) Income**	**Non-controlling Interests**	**Total Equity**
Balance at June 30, 2024	**57,402,253**	**$ 6**	**5,021,811**	**$ 1**	**$ 659,462**	**$ 198,470**	**$ 30,060**	**$ (54,830)**	**$ 168,219**	**$ 1,001,388**
Net income	—	—	—	—	—	30,904	—	—	7,768	38,672
Foreign currency translation adjustment	—	—	—	—	—	—	—	14,015	3,074	17,089
Exercise of stock options	122,266	—	—	—	53	—	—	—	—	53
Stock-based compensation	—	—	—	—	10,025	—	—	—	1,856	11,881
Balance at September 30, 2024	**57,524,519**	**$ 6**	**5,021,811**	**$ 1**	**$ 669,540**	**$ 229,374**	**$ 30,060**	**$ (40,815)**	**$ 180,917**	**$ 1,069,083**

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

ACM RESEARCH, INC.
Condensed Consolidated Statements of Changes in Equity
For the Nine Months Ended September 30, 2025 and 2024
(In thousands, except share and per share data)
(Unaudited)

	Common Stock Class A		Common Stock Class B		Additional Paid-in Capital	Retained Earnings	Statutory Surplus Reserve	Accumulated Other Comprehensive (Loss) Income	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
Balance at December 31, 2024	**57,938,885**	**$ 6**	**5,021,811**	**$ 1**	**$ 677,476**	**$ 260,000**	**$ 30,514**	**$ (63,372)**	**$ 191,281**	**$ 1,095,906**
Net income	—	—	—	—	—	86,029	—	—	21,652	107,681
Repurchase of shares held by ACM Shanghai	—	—	—	—	(4,759)	—	—	—	(2,229)	(6,988)
Issuance of shares by ACM Shanghai	—	—	—	—	390,170	—	—	—	232,794	622,964
Foreign currency translation adjustment	—	—	—	—	—	—	—	12,589	2,965	15,554
Exercise of stock options	1,915,755	—	—	—	19,577	—	—	—	8,316	27,893
Stock-based compensation	—	—	—	—	22,665	—	—	—	4,484	27,149
Capital contribution by non-controlling shareholder	—	—	—	—	—	—	—	—	242	242
ACM Shanghai dividend	—	—	—	—	—	—	—	—	(7,578)	(7,578)
Unrealized gain on available-for-sale investments, net of tax	—	—	—	—	—	—	—	1,784	607	2,391
Balance at September 30, 2025	**59,854,640**	**$ 6**	**5,021,811**	**$ 1**	**$ 1,105,129**	**$ 346,029**	**$ 30,514**	**$ (48,999)**	**$ 452,534**	**$ 1,885,214**

	Common Stock Class A		Common Stock Class B		Additional Paid-in Capital	Retained Earnings	Statutory Surplus Reserve	Accumulated Other Comprehensive (Loss) Income	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
Balance at December 31, 2023	**56,036,172**	**$ 6**	**5,021,811**	**$ 1**	**$ 629,845**	**$ 156,827**	**$ 30,060**	**$ (49,349)**	**$ 158,772**	**$ 926,162**
Net income	—	—	—	—	—	72,547	—	—	19,616	92,163
Foreign currency translation adjustment	—	—	—	—	—	—	—	8,534	1,842	10,376
Exercise of stock options	1,488,347	—	—	—	5,698	—	—	—	792	6,490
Stock-based compensation	—	—	—	—	33,997	—	—	—	6,795	40,792
ACM Shanghai dividend	—	—	—	—	—	—	—	—	(6,900)	(6,900)
Balance at September 30, 2024	**57,524,519**	**$ 6**	**5,021,811**	**$ 1**	**$ 669,540**	**$ 229,374**	**$ 30,060**	**$ (40,815)**	**$ 180,917**	**$ 1,069,083**

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

ACM RESEARCH, INC.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2025	**2024**
Cash flows from operating activities:		
Net income	$ 107,681	$ 92,163
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Non-cash operating lease cost	3,338	2,848
Depreciation and amortization	10,460	7,073
Realized gain on short-term investments	—	(444)
Income from equity method investments	(6,395)	(101)
Unrealized (gain) loss on short-term investments	(20,304)	1,151
Inventory provision	9,853	3,858
Provision for credit losses	9,481	5,796
Deferred income taxes	(11,713)	6,969
Stock-based compensation	27,149	40,792
Dividends from unconsolidated affiliates	64	731
Others	1,092	1,063
Net changes in operating assets and liabilities:		
Accounts receivable	(91,349)	(89,391)
Other receivables	(6,041)	(16,529)
Inventories	(80,689)	(82,201)
Advances to related parties (note 13)	97	979
Prepaid expenses and other current assets	(7,271)	9,610
Other long-term assets	(889)	—
Related parties accounts payable (note 13)	7,190	3,985
Accounts payable	37,354	27,062
Advances from customers	(43,254)	32,778
Deferred revenue	7,012	6,451
Income taxes payable	(12,934)	365
FIN-48 payable	2,302	(3,159)
Other payables and accrued expenses	17,713	15,042
Operating lease liabilities	(3,296)	(2,848)
Other long-term liabilities	(895)	(188)
Net cash (used in) provided by operating activities	(44,244)	63,855
Cash flows from investing activities:		
Purchase of property and equipment	(42,473)	(71,047)
Purchase of intangible assets	(780)	(1,984)
Purchase of short-term investments (note 12)	—	(1,403)
Purchase of time deposits	(37,000)	(68,810)
Proceeds from redemption and maturity of time deposits	37,261	156,015
Refund of deposit for land use right	686	—
Proceeds from disposal of long-term investments	—	3,167
Purchase of long-term investments (note 11)	(478)	(7,366)
Net cash (used in) provided by investing activities	(42,784)	8,572
Cash flows from financing activities:		
Proceeds from short-term borrowings	59,450	32,784
Repayments of short-term borrowings	(47,648)	(30,738)
Proceeds from long-term borrowings	119,651	81,693
Repayments of long-term borrowings	(29,871)	(6,304)
Capital contribution by non-controlling shareholder	242	—
Proceeds from exercise of stock options	27,893	6,490
Repurchase of ACM Shanghai's shares	(6,988)	—
ACM Shanghai dividend	(7,578)	(6,900)

Net proceeds from issuance of shares by ACM Shanghai		622,964		—
Net cash provided by financing activities		738,115		77,025
Effect of exchange rate changes on cash, cash equivalents and restricted cash		4,942		2,629
Net increase in cash, cash equivalents and restricted cash		656,029		152,081
Cash, cash equivalents and restricted cash at beginning of period		411,310		183,173
Cash, cash equivalents and restricted cash at end of period	**$**	**1,067,339**	**$**	**335,254**
Cash and cash equivalents	$	1,058,909	$	333,472
Restricted cash		8,430		1,782
Cash, cash equivalents and restricted cash	**$**	**1,067,339**	**$**	**335,254**
Supplemental disclosure of cash flow information:				
Interest paid, net of capitalized interest	$	5,166	$	2,923
Cash paid for income taxes		29,951		9,799
Non-cash financing activities:				
Cashless exercise of stock options		195		317
Non-cash investing activities:				
Transfer of prepayment for property to property, plant, and equipment		31		5,584
Transfer from other non-current assets to long term investment		16,737		—
Transfer from inventories to property, plant and equipment		589		—
Purchases of property, plant and equipment through other payables and accrued expenses		21,352		30,339

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

ACM RESEARCH, INC.
Notes to the Condensed Consolidated Financial Statements
(In thousands, except share, percentage and per share data)

NOTE 1 – DESCRIPTION OF BUSINESS

ACM Research, Inc. (“ACM” or “ACM Research”) and its subsidiaries (collectively with ACM, the “Company”) develop, manufacture and sell capital equipment to the global semiconductor industry.

In September 2025, ACM Shanghai issued 38.6 million of its ordinary shares in a private offering (the "Private Offering"). As a result of the Private Offering, ACM Research's equity interests in ACM Shanghai declined from 81.1% as of June 30, 2025, to 74.6% as of September 30, 2025.

The Company has direct or indirect interests in the following subsidiaries:

			Effective interest held as at	
Name of subsidiaries	**Place and date of incorporation**	**Principal Activities**	**September 30, 2025**	**December 31, 2024**
ACM Research (Shanghai), Inc. ("ACM Shanghai")	Mainland China, May 2005	Principal operating subsidiary	74.6 %	81.5 %
ACM Research (Wuxi), Inc. ("ACM Wuxi")	Mainland China, July 2011	Sales and services	74.6 %	81.5 %
CleanChip Technologies Limited ("CleanChip")	Hong Kong, June 2017	Trading partner between ACM Shanghai and its customers	74.6 %	81.5 %
ACM Research Korea CO., LTD. ("ACM Korea")	Republic of Korea ("South Korea"), December 2017	Sales, marketing, R&D, production	74.6 %	81.5 %
ACM Research (Lingang), Inc. ("ACM Lingang") (1)	Mainland China, March 2019	Management of production activities	74.6 %	81.5 %
ACM Research (CA), Inc. ("ACM California")	USA, April 2019	Procurement for ACM Shanghai	74.6 %	81.5 %
ACM Research (Cayman), Inc.	Cayman Islands, April 2019	Administrative function (inactive)	100.0 %	100.0 %
ACM Research (Singapore) PTE. Ltd. ("ACM Singapore")	Singapore, August 2021	Sales, marketing, business development	100.0 %	100.0 %
ACM Research (Beijing), Inc. ("ACM Beijing")	Mainland China, February 2022	Sales and services	74.6 %	81.5 %
Hanguk ACM CO., LTD	South Korea, March 2022	Sales, services, business development	100.0 %	100.0 %
ACM-Wooil Microelectronics (Shanghai) Co., Ltd.	Mainland China, June 2023	Component development and production	54.5 %	59.0 %
ACM Research (Chengdu), Inc. ("ACM Chengdu")	Mainland China, December 2024	Sales and services	74.6 %	81.5 %
Shengyi Micro Semiconductor (Shanghai) Co., Ltd.	Mainland China, December 2024	Business development	63.4 %	69.3 %
Yusheng Micro Semiconductor (Shanghai) Co., Ltd.	Mainland China, June 2023	Business development	74.6 %	81.5 %

(In thousands, except share, percentage and per share data)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The Company's condensed consolidated financial statements include the accounts of ACM and its subsidiaries. ACM's subsidiaries are those entities in which ACM, directly or indirectly, controls a majority of the voting power. All significant intercompany transactions and balances have been eliminated upon consolidation.

The accompanying condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and the rules and regulations of the Securities and Exchange Commission (the "SEC") for reporting on Form 10-Q. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. The accompanying condensed consolidated financial statements should be read in conjunction with the historical consolidated financial statements of the Company for the year ended December 31, 2024 included in ACM's Annual Report on Form 10-K.

The accompanying condensed consolidated financial statements are unaudited. In the opinion of management, these unaudited condensed consolidated financial statements of the Company reflect all adjustments that are necessary for a fair presentation of the Company's financial position and results of operations. Such adjustments are of a normal recurring nature, unless otherwise noted. The balance sheet as of September 30, 2025 and the results of operations for the three and nine months ended September 30, 2025 are not necessarily indicative of the results to be expected for any future period.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported revenues and expenses during the reported period in the condensed consolidated financial statements and accompanying notes. The Company's significant accounting estimates and assumptions include, but are not limited to, those used for revenue recognition and deferred revenue, the valuation and recognition of fair value of certain long-term investments, stock-based compensation arrangements, realization of deferred tax assets, uncertain tax positions, assessment for impairment of long-lived assets and long-term investments, allowance for credit losses, inventory valuation, and useful lives of property, plant and equipment.

Management evaluates these estimates and assumptions on a regular basis. Actual results could differ from those estimates and assumptions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank deposits that are unrestricted as to withdrawal and use, and highly liquid investments with an original maturity date of three months or less at the date of purchase. At times, cash deposits may exceed government-insured limits.

The following table presents cash and cash equivalents, according to jurisdiction as of September 30, 2025 and December 31, 2024:

	September 30, 2025	December 31, 2024
United States	$ 117,265	$ 56,308
Mainland China	661,592	94,701
China Hong Kong	278,917	255,853
South Korea	1,068	516
Singapore	67	67
Total	$ 1,058,909	$ 407,445

The amounts in mainland China do not include short-term and long-term time deposits which in aggregate totaled $30,922 and $30,552 at September 30, 2025 and December 31, 2024, respectively.

Cash held in the U.S. exceeds the Federal Deposit Insurance Corporation insurance limits and is subject to risk of loss. No losses have been experienced to date.

Cash amounts held in mainland China are subject to a series of risk control regulatory standards from mainland China bank regulatory authorities. ACM's subsidiaries in mainland China are required to obtain approval from the State Administration of Foreign Exchange ("SAFE") to transfer funds into or out of mainland China. SAFE requires a valid agreement to approve the transfers, which are processed through a bank. Other than these mainland China foreign exchange restrictions, ACM's subsidiaries in mainland China are not subject to any restrictions and limitations on its ability to transfer funds to ACM or among the Company's other subsidiaries. However, cash held in mainland China does exceed applicable insurance limits and is subject to risk of loss, although no such losses have been experienced to date.

ACM California periodically procures goods and services on behalf of ACM Shanghai and ACM Lingang. For these transactions, ACM Shanghai and ACM Lingang make cash payments to ACM California in accordance with applicable transfer pricing arrangements. For the three months ended September 30, 2025 and 2024, cash payments from ACM Shanghai and ACM Lingang to ACM California for the procurement of goods and services were $7,500 and $2,335, respectively. For the nine months ended September 30, 2025 and 2024, cash payments from ACM Shanghai and ACM Lingang to ACM California for the procurement of goods and services were $13,683 and $16,734, respectively. ACM California periodically borrows funds for working capital advances from its direct parent, CleanChip. ACM California repays or renews these intercompany loans in accordance with their terms.

For sales through CleanChip and ACM Research, a certain amount of sales or advanced payments from customers is repatriated back to ACM Shanghai in accordance with applicable transfer pricing arrangements in the ordinary course of business. ACM Research provides services to certain customers located in the U.S., Europe and other regions outside of mainland China to support the evaluation of first tools and provide support for tools under warranty on behalf of ACM Shanghai. For these transactions, ACM Shanghai makes cash payments to ACM Research in accordance with applicable transfer pricing arrangements.

Amounts held in Hong Kong exceed the Hong Kong Deposit Insurance Corporation insurance limits and are subject to risk of loss. No losses have been experienced to date. There are no additional restrictions for the transfer of cash from bank accounts in the U.S., South Korea, Singapore and Hong Kong.

For the nine months ended September 30, 2025 and 2024 , ACM Shanghai paid $29,238, and $28,480, in dividends, net of taxes, to ACM Research, respectively. ACM Shanghai paid a cash dividend of $7,578 and $6,900 to the non-controlling interest shareholders in the nine months ended September 30, 2025 and 2024, respectively.

For the nine months ended September 30, 2025 and 2024, with the exception of sales and services-related transfer-pricing payments in the ordinary course of business, and dividends paid by ACM Shanghai to the stockholders of ACM Shanghai (including ACM Research), no transfers, or distributions have been made between ACM Research and its subsidiaries, including ACM Shanghai, or to holders of ACM Research Class A common stock.

Time Deposits

Time deposits are deposited with banks in mainland China with fixed terms and interest rates which could be withdrawn before maturity and are presented as short-term deposits and long-term deposits in the accompanying condensed consolidated financial statements based on their expected dates of maturity. They are also subject to the risk control regulatory standards described above upon maturity.

For the three months ended September 30, 2025 and 2024, interest income related to time deposits was $270 and $486, respectively. For the nine months ended September 30, 2025 and 2024, interest income related to time deposits was $749 and $1,732, respectively.

Restricted Cash

As of September 30, 2025, all of the Company's restricted cash was held by financial institutions located in mainland China, Hong Kong and South Korea, and mainly represents cash secured to guarantee delivery of tools.

Fair Value Measurement

The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

A fair value hierarchy has been established that prioritizes the inputs to valuation techniques used to measure fair value. The level of an asset or liability in the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities with sufficient volume and frequency of transactions.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active for identical assets or liabilities, or model-derived valuations techniques for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Valuations based on unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities and based on non-binding, broker-provided price quotes and may not have been corroborated by observable market data.

The Company’s financial instruments primarily include its cash, cash equivalents, restricted cash, short term and long term deposits, short-term and long-term investments, other receivables, accounts receivable, accounts payable, and short-term and long-term borrowings. The estimated fair value of cash and cash equivalents, restricted cash, short-term time deposits, accounts receivable, other receivables, accounts payable, and short-term borrowings approximate their respective carrying value due to the short period of time to their maturities. The carrying amounts of long-term time deposits approximate their fair values as the related interest rates currently offered by financial institutions for similar debt instruments of comparable maturities.

All transfers between fair value hierarchy levels are recognized by the Company at the end of each reporting period. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement in its entirety, requires judgment and considers factors specific to the investment. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investment in those instruments.

Assets and liabilities measured at fair value on a recurring basis:

(In thousands, except share, percentage and per share data)

	Quoted Prices in Active Markets for Identical Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of September 30, 2025:				
Assets				
Cash equivalents	$ 99,660	$ —	$ —	$ 99,660
Short-term investments	39,976	—	—	39,976
Available-for-sale debt securities	—	—	7,834	7,834
Total	$ 139,636	$ —	$ 7,834	$ 147,470
As of December 31, 2024:				
Assets				
Cash equivalents	$ 50,967	$ —	$ —	$ 50,967
Short-term investments	19,373	—	—	19,373
Available-for-sale debt securities	—	—	5,366	5,366
Total	$ 70,340	$ —	$ 5,366	$ 75,706

The Company did not have any assets and liabilities measured at fair value on a non-recurring basis as of September 30, 2025. The Company did not recognize any unrealized gains (upward adjustments) or unrealized losses (downward adjustments) resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer for its long-term investments accounted for using measurement alternatives during the three and nine months ended September 30, 2025 and 2024.

Refer to note 10 for fair value information related to the Company’s outstanding long-term borrowings as of September 30, 2025 and December 31, 2024.

(In thousands, except share, percentage and per share data)

Basic and Diluted Net Income per Share of Common Stock

Basic and diluted net income per share of common stock are calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net income	$ 46,398	$ 38,672	$ 107,681	$ 92,163
Less: Net income attributable to non-controlling interests	10,509	7,768	21,652	19,616
Net income available to common stockholders, basic	35,889	30,904	86,029	72,547
Less: Dilutive effect arising from stock-based awards by ACM Shanghai	503	585	884	1,503
Net income available to common stockholders, diluted	$ 35,386	$ 30,319	$ 85,145	$ 71,044
Weighted average shares outstanding, basic	64,381,296	62,500,903	63,876,709	62,017,257
Effect of potentially dilutive share-based awards	4,033,017	4,170,623	3,674,593	4,494,886
Weighted average shares outstanding, diluted	68,414,313	66,671,526	67,551,302	66,512,143
Net income per share of common stock:				
Basic	$ 0.56	$ 0.49	$ 1.35	$ 1.17
Diluted	$ 0.52	$ 0.45	$ 1.26	$ 1.07

Basic and diluted net income per share of common stock is presented using the two-class method, which allocates undistributed earnings to common stock and any participating securities according to dividend rights and participation rights on a proportionate basis. Under the two-class method, basic net income per share of common stock is computed by dividing the sum of distributed and undistributed earnings attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. ACM Research did not have any participating securities outstanding during the three and nine months ended September 30, 2025 and 2024.

ACM Research is authorized to issue Class A and Class B common stock. The two classes of common stock are substantially identical in all material respects, except for voting rights. The net income per share of common stock attributable to each class is the same under the “two-class” method. As such, the two classes of common stock have been presented on a combined basis in the condensed consolidated statements of comprehensive income and in the above computation of net income per share of common stock.

Diluted net income per share of common stock reflects the potential dilution from securities, such as stock options that could share in ACM Research’s earnings. Certain potentially dilutive securities were excluded from the net income per share calculation because the impact would be anti-dilutive. The number of potentially dilutive shares that were not included in the calculation of diluted net income per share in the periods presented where their inclusion would be anti-dilutive were stock options exercisable into shares of the Company’s common stock of 655,861 and 1,218,503 for the three and nine months ended September 30, 2025, respectively and 1,397,590 and 887,985 for the three and nine months ended September 30, 2024, respectively.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist principally of cash and cash equivalents, time deposits, and accounts receivable. The Company deposits and invests its cash and cash equivalents and time deposits with financial institutions that management believes are creditworthy.

The Company is potentially subject to concentrations of credit risks in its revenue and accounts receivable.

- Revenue concentration. For the three months ended September 30, 2025 and 2024, two customers accounted for 38.9% and four customers accounted for 62.3% of revenue, respectively. For the nine months ended September 30, 2025 and 2024, four customers accounted for 46.3% and five customers accounted for 56.3% of revenue, respectively.

- Accounts receivable concentration. As of September 30, 2025 and December 31, 2024, five customers accounted for 66.8% and four customers accounted for 57.1%, respectively, of the Company's accounts receivables. The Company believes that the accounts receivable balances due from these customers do not represent a significant credit risk based on past collection experience.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-09, *Improvements to Income Tax Disclosures (Topic 740)*. The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Retrospective application is permitted. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is impact of this guidance and expects the adoption to result in disclosure changes only.

In December 2024, the FASB issued ASU 2024-03: *Income Statement--Reporting Comprehensive Income--Expense Disaggregation Disclosures (Subtopic 220-40)*, which requires additional disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. In January 2025, the FASB issued ASU 2025-01, which clarifies the effective date of ASU 2024-03. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. This ASU should be applied prospectively with the option to apply the standard retrospectively. The Company is currently in the process of evaluating the disclosure impact.

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*, which provides entities with a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset in developing reasonable and supportable forecasts as part of estimating expected credit losses. ASU 2025-05 is effective for public companies for annual periods beginning after December 15, 2025. Early adoption is permitted. The Company is currently in the process of evaluating the disclosure impact.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software,* which is an update to remove all references to prescriptive and sequential software development stages (referred to as "project stages"). This ASU is effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. The Company is currently evaluating the impact that the adoption of ASU 2025-06 may have on its consolidated financial statements.

(In thousands, except share, percentage and per share data)

NOTE 3 – REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company assesses revenues based upon the nature or type of goods or services it provides and the geographic location of the customer facility. The following tables present disaggregated revenue information:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Single Wafer Cleaning, Tahoe and Semi-Critical Cleaning Equipment	$ 181,570	$ 160,985	$ 466,100	$ 423,676
ECP (front-end and packaging), Furnace and Other Technologies	59,853	34,600	135,499	99,362
Advanced Packaging (excluding ECP), Services & Spares	27,737	8,391	55,280	35,609
Total Revenue By Product Category	$ 269,160	$ 203,976	$ 656,879	$ 558,647

During the three and nine months ended September 30, 2025 and 2024, substantially all of the Group's revenue were derived from customers in mainland China, and therefore no geographical segments are presented.

Contract liabilities balances were as follows as of:

	September 30, 2025	December 31, 2024
Advances from customers	$ 203,506	$ 243,949
Deferred revenue	15,550	8,537
Total contract liabilities	$ 219,056	$ 252,486

Below are revenues recognized from amounts included in contract liabilities at the beginning of the period:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue recognized from amounts included in contract liabilities at the beginning of the periods	$ 20,200	$ 28,077	$ 140,441	$ 114,260

NOTE 4 – ACCOUNTS RECEIVABLE, NET

At September 30, 2025 and December 31, 2024, accounts receivable consisted of the following:

	September 30, 2025	December 31, 2024
Accounts receivable	$ 504,824	$ 405,392
Less: Allowance for credit losses	(27,828)	(18,347)
Total accounts receivable, net	$ 476,996	$ 387,045

(In thousands, except share, percentage and per share data)

The movement of the allowance for credit losses for the nine months ended September 30, 2025 and 2024 is as follows:

	September 30, 2025	September 30, 2024
Allowance for credit losses at beginning of the year	$ (18,347)	$ (4,830)
Provision of credit losses	(9,481)	(5,796)
Write-offs	—	766
Allowance for credit losses at the end of the period	$ (27,828)	$ (9,860)

The Company assesses collectability by reviewing accounts receivable on a general basis where similar characteristics exist and on an individual basis when the Company identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status, the age of the accounts receivable balances, credit quality of the Company's customers based on ongoing credit evaluations, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect the Company's ability to collect from customers.

NOTE 5 – INVENTORIES, NET

At September 30, 2025, and December 31, 2024, inventories consisted of the following:

	September 30, 2025	December 31, 2024
Raw materials	$ 326,182	$ 224,086
Work-in-process	59,498	80,767
Finished goods	290,729	293,131
Total inventory, net	$ 676,409	$ 597,984

Raw materials increased by $102,096 for the nine months ended September 30, 2025 based on the Company's production plans and strategic purchases to mitigate supply chain risk.

At September 30, 2025 and December 31, 2024, the value of finished goods inventory, which is comprised of first-tools at customers' physical locations, for which customers were contractually obligated to take ownership upon acceptance totaled $174,367 and $206,018, respectively.

During the three months ended September 30, 2025 and 2024, the provisions for inventory of $4,228 and $849 were recognized in cost of revenue, respectively. During the nine months ended September 30, 2025 and 2024, the provisions for inventory of $9,853 and $3,858 were recognized in cost of revenue, respectively.

ACM RESEARCH, INC.
Notes to the Condensed Consolidated Financial Statements
(In thousands, except share, percentage and per share data)

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT, NET

At September 30, 2025 and December 31, 2024, property, plant and equipment consisted of the following:

	September 30, 2025	December 31, 2024
Buildings and plants	$ 223,254	$ 139,311
Land	2,099	2,099
Manufacturing equipment	40,866	37,038
Office equipment	7,458	5,815
Transportation equipment	487	396
Leasehold improvement	12,425	11,579
Construction in progress	43,349	97,916
Total cost	329,938	294,154
Less: Total accumulated depreciation	(33,224)	(24,882)
Total property, plant and equipment, net	$ 296,714	$ 269,272

Depreciation expense for the three months ended September 30, 2025 and 2024 was $2,458 and $2,389, respectively. Depreciation expense for the nine months ended September 30, 2025 and 2024 was $8,362 and $7,073, respectively.

Building and plants includes $35,139 for the Lingang housing property which is pledged as security for loans from the China Merchants Bank (note 10).

Construction in progress primarily reflects costs incurred for certain facilities related to improvements of ACM Shanghai's Lingang Development and Production Center.

NOTE 7 – OTHER LONG-TERM ASSETS

	September 30, 2025	December 31, 2024
Prepayments for property, plant and equipment	$ 1,050	$ 32
Lease deposits	914	950
Security deposit for land use right	—	686
Prepayment for investment in Ninebell (note 11)	—	16,737
Others	2,874	2,047
Total other long-term assets	$ 4,838	$ 20,452

(In thousands, except share, percentage and per share data)

NOTE 8 – SHORT-TERM BORROWINGS

At September 30, 2025 and December 31, 2024, short-term borrowings consisted of the following:

	September 30, 2025	December 31, 2024
Line of credit up to RMB 200,000 from China Merchants Bank,		
1) due on February 27, 2025 with an annual interest rate of 2.60%.	$ —	$ 1,322
2) due on February 28, 2025 with an annual interest rate of 2.60%.	—	1,322
3) due on March 1, 2025 with an annual interest rate of 2.60%.	—	1,322
4) due on March 5, 2025 with an annual interest rate of 2.60%.	—	1,322
5) due on March 8, 2025 with an annual interest rate of 2.60%.	—	1,253
6) due on August 27, 2025 with an annual interest rate of 2.60%.	—	1,322
7) due on September 12, 2025 with an annual interest rate of 2.60%.	—	1,322
8) due on March 12, 2026 with an annual interest rate of 2.28%.	1,408	—
9) due on March 12, 2026 with an annual interest rate of 2.28%.	1,408	—
10) due on March 12, 2026 with an annual interest rate of 2.28%	14,078	—
Line of credit up to RMB 400,000 from Bank of China,		
1) due on March 20, 2025 with an annual interest rate of 2.75%.	—	16,706
2) due on September 22, 2025 with an annual interest rate of 2.50%.	—	5,569
3) due on April 14, 2026 with an annual interest rate of 2.3%.	14,078	—
Line of credit up to RMB 100,000 from Citic Bank,		
1) due on June 30, 2026 with an annual interest rate of 2.11%.	14,077	—
Line of credit up to KRW 2,000,000 from Industrial Bank of Korea,		
1) due on December 16, 2025 with an annual interest rate of 4.43%.	—	1,354
Total	$ 45,049	$ 32,814

Certain covenants for the $14,078 short-term facility of Bank of China require ACM Shanghai's year-end outstanding interest-bearing debt not to exceed five times of its annual EBITDA, and to comply with other non-financial covenants, or Bank of China has the right to suspend the facility, or request ACM Shanghai to accelerate repayment or provide credit enhancement.

NOTE 9 – OTHER PAYABLES AND ACCRUED EXPENSES

At September 30, 2025 and December 31, 2024, other payables and accrued expenses consisted of the following:

	September 30, 2025	December 31, 2024
Accrued commissions	$ 25,968	$ 20,180
Accrued warranty	17,289	12,710
Accrued payroll	29,969	21,677
Accrued machine sales fees	10,473	8,840
Accrued Lingang construction fees	20,505	28,103
Individual income tax payable	12,113	11,975
Payable for investments	4,784	4,729
Others	13,931	13,443
Total	$ 135,032	$ 121,657

(In thousands, except share, percentage and per share data)

Warranties

The Company provides standard warranties on its products. The liability amount is based on actual historical warranty spending activity by type of product, customer, and geographic region, modified for any known differences such as the impact of product reliability improvements.

Changes in the Company's accrued warranty were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Balance at the beginning of period	$ 13,544	$ 11,273	$ 12,710	$ 9,834
Additions	3,973	3,193	9,679	8,291
Utilized	(228)	(2,589)	(5,100)	$ (6,248)
Balance at the end of period	$ 17,289	$ 11,877	$ 17,289	$ 11,877

NOTE 10 – LONG-TERM BORROWINGS

At September 30, 2025 and December 31, 2024, long-term borrowings consisted of the following:

	September 30, 2025	December 31, 2024
Loan from China Merchants Bank	$ 18,502	$ 11,475
Loan from Agricultural Bank of China	42,236	13,020
Loans from Bank of China	40,747	28,258
Loan from Bank of Shanghai	—	13,920
Loans from China CITIC Bank	42,177	27,775
Loan from China Everbright Bank	56,167	55,549
Loan from Industrial and Commercial Bank of China	42,164	—
Total borrowings	241,993	149,997
Less: Current portion	(48,637)	(44,472)
Total	$ 193,356	$ 105,525

In June 2025, ACM Shanghai entered into a long-term loan facility of $5,628 from Bank of China and drew down the full amount. Principal repayments shall be made in 6 installments beginning June 2025, with final maturity in June 2028. Certain covenants for the facility require ACM Shanghai's year-end outstanding interest-bearing debt not to exceed five times of its annual EBITDA, and to comply with other non-financial covenants, or Bank of China has the right to suspend the facility, or request ACM Shanghai to accelerate repayment or provide credit enhancement.

(In thousands, except share, percentage and per share data)

In January 2025, ACM Research entered into a long-term loan facility of $281,400 from China CITIC Bank, of which it drew the full amount. Principal repayments shall be made in 6 installments beginning January 2025, with final maturity in January 2028.

In November 2024, ACM Shanghai entered into a long-term loan facility of $42,210 from Industrial and Commercial Bank of China for the purpose of funding its working capital and drew down the full amount. Principal repayment shall be made in 6 installments beginning May 2025, with final maturity in November 2027.

In November 2024, ACM Shanghai entered into a long-term loan facility of $140,700 from Bank of China for its project expenditures and drew down $6,673 under this facility. Principal repayment shall be made in 12 installments until December 2028, with final maturity in June 2034. Certain covenants for the facility require ACM Shanghai's year-end outstanding interest-bearing debt not to exceed five times its annual EBITDA, and to comply with other non-financial covenants, or Bank of China has the right to suspend the facility, or request ACM Shanghai to accelerate repayment or provide credit enhancement.

In August 2024, ACM Shanghai entered into a long-term loan facility, of $140,700, from China Merchants Bank for project expenditures and drew down $8,232 under this facility. Certain covenants for the facility require ACM Shanghai to either repay 50% of the outstanding principal within two months, or repay the loan in accordance with revised payment schedule, if ACM Shanghai does not complete, within three years after the initial drawdown, or before January 2028, a Private Offering with more than RMB 900,000 of proceeds.

In April 2024, ACM Lingang entered into a long-term loan facility of $42,210 from the Agricultural Bank of China. ACM Shanghai drew down $13,161 in 2024 and further drew down $29,049 under this facility in the nine months ended September 30, 2025. Principal repayments shall be made in 18 installments beginning November 2025, with final maturity in April 2034.

As of September 30, 2025 and December 31, 2024, the total carrying amount of long-term loans was $241,993 and $149,997, compared with an estimated fair value of $225,396 and $141,264, respectively. The fair value of the long-term loans is estimated by discounting cash flows using interest rates currently available for debts with similar terms and maturities (Level 2 fair value measurement).

Scheduled principal payments for the outstanding long-term loans, including the current portion, as of September 30, 2025 are as follows:

Year Ending December 31,		
Remainder of 2025	$	15,610
2026		34,506
2027		101,103
2028		47,667
2029 and thereafter		43,107
	$	241,993

NOTE 11 – LONG-TERM INVESTMENTS

On April 22, 2024, ACM Shanghai entered into an investment agreement with Ninebell Co., Ltd. ("Ninebell") to acquire 20% of its equity interests. In December 2024, ACM Shanghai paid total consideration of $16,737. The share certificate was issued on January 1, 2025. After the share purchase transaction closed on January 1, 2025, the Company owned 36.2% equity interests of Ninebell. Subsequent to the Private Offering during 2025, the Company's equity interests in Ninebell decreased to 34.9% as of September 30, 2025.

The Company's long-term investment balance primarily consisted of the following:

(In thousands, except share, percentage and per share data)

	Initial investment dates	Investment entity	Percent ownership by ACM and subsidiaries	Investment purchase price
Equity investee				
Ninebell	September 2017	ACM	20.0%	$ 1,200
Ninebell	January 2025	ACM Shanghai	20.0%	$ 16,737
Wooil Flucon Co., ("Wooil")	August 2022	ACM Singapore	20.0%	$ 1,000
Hefei Shixi ChanhengIntegrated Circuit IndustryVenture Capital FundPartnership (LP) ("Hefei Shixi")	September 2019	ACM Shanghai	10.0%	RMB 30,000 ($4,200)
Shengyi Semiconductor Technology Co., Ltd. ("Shengyi")	June 2019	ACM Shanghai	14.0%	$ 109
Company D	February 2024	ACM Shanghai	14.3%	RMB 30,000 ($4,230)
Investments accounted for using measurement alternative:				
Shengyi	September 2023	ACM Shanghai	1.0%	RMB 6,100 ($900)
Company A	September 2023	ACM Shanghai	4.4%	RMB 30,000 ($4,200)
Company B	November 2023	ACM Shanghai	1.7%	RMB 10,000 ($1,407)
Company C	February 2024	ACM Shanghai	5.0%	RMB 12,500 ($1,760)
Company E	April 2024	ACM Shanghai	0.6%	RMB 10,000 ($1,403)
Company F	December 2024	ACM Shanghai	16.7%	RMB 10,000 ($1,391)
Available for sale debt securities:				
Company G	December 2024	ACM Shanghai	2.9%	RMB 30,000 ($4,179)

The Company's long-term investment balance consisted of the following:

(In thousands, except share, percentage and per share data)

Equity investee:	September 30, 2025	December 31, 2024
Ninebell	$ 29,302	$ 7,862
Wooil	917	936
Shengyi	4,157	2,775
Hefei Shixi	5,366	4,798
Company D	4,221	4,173
Subtotal	**43,963**	**20,544**
Investments accounted for using measurement alternative:		
Shengyi	854	845
Company A	4,221	4,173
Company B	1,407	918
Company C	1,759	1,739
Company E	1,407	1,391
Company F	1,407	1,391
Other	704	696
Subtotal	**11,759**	**11,153**
Available for sale debt securities:		
Company G	6,628	4,173
Others	1,206	1,193
Total	**$ 63,556**	**$ 37,063**

NOTE 12 – SHORT-TERM INVESTMENTS

At September 30, 2025 and December 31, 2024, the components of short-term investments were as follows:

	September 30, 2025	December 31, 2024
Short-term investments listed in Shanghai Stock Exchange		
Cost	$ 17,935	$ 17,731
Market value	39,976	19,373

For the three and nine months ended September 30, 2025 and 2024, the net gains (losses) recognized on equity securities were as follows:

(In thousands, except share, percentage and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Unrealized gain (loss) recognized on short-term investments still held at September 30	$ 18,656	$ 413	$ 20,304	$ (1,151)
Net gains realized on short-term investments	—	171	54	444
Total net gain (loss) recognized on short-term investments	$ 18,656	$ 584	$ 20,358	$ (707)

For the three and nine months ended September 30, 2025, the Company received dividends of $0 and $54 from short-term investments.

For the three and nine months ended September 30, 2024, the Company recognized a realized gain of $171 and $444 in proceeds from the sale of short-term investments.

NOTE 13 – RELATED PARTY BALANCES AND TRANSACTIONS

Ninebell

Ninebell is an equity investee of ACM and ACM Shanghai (note 11) and is the Company's principal supplier of robotic delivery system subassemblies used in single-wafer cleaning equipment. The Company purchases equipment from Ninebell for production in the ordinary course of business. The Company pays for a portion of the equipment in advance and is obligated to pay the remaining amounts upon receipt of the product.

Shengyi

Shengyi is an equity investee of ACM Shanghai (note 11) and is one of the Company's component suppliers in mainland China. The Company purchases components from Shengyi for production in the ordinary course of business. The Company incurs a service fee related to installation and hook-up fees which is recorded within cost of revenue on the Company's condensed consolidated statements of comprehensive income. The Company pays for a portion of the raw materials in advance and is obligated to pay the remaining amount upon receipt of the product.

All related party outstanding balances are short-term in nature and are expected to be settled in cash.

The following tables reflect related party transactions in the Company's condensed consolidated financial statements:

Advances to related party	**September 30, 2025**	**December 31, 2024**
Ninebell	$ 176	$ 1,024
Shengyi	751	—
Total	$ 927	$ 1,024

Accounts payable	**September 30, 2025**	**December 31, 2024**
Ninebell	$ 14,931	$ 10,830
Shengyi	8,392	5,303
Total	$ 23,323	$ 16,133

(In thousands, except share, percentage and per share data)

Purchase of materials	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Ninebell	$ 17,839	$ 13,791	$ 44,852	$ 41,721
Shengyi	5,541	1,485	11,527	4,826
Total	$ 23,380	$ 15,276	$ 56,379	$ 46,547

Service fee charged by	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Shengyi	$ 291	$ 125	$ 2,190	$ 352

NOTE 14 – COMMON STOCK

ACM is authorized to issue 150,000,000 shares of Class A common stock and 5,307,816 shares of Class B common stock, each with a par value of $0.0001. Each share of Class A common stock is entitled to one vote, and each share of Class B common stock is entitled to twenty votes and is convertible at any time into one share of Class A common stock. Shares of Class A common stock and Class B common stock are treated equally, identically and ratably with respect to any dividends declared by the Board of Directors of ACM unless such Board of Directors declares different dividends to the Class A common stock and Class B common stock, which is subject to approval from a majority of common stockholders.

At September 30, 2025 and December 31, 2024, the number of shares of Class A common stock issued and outstanding was 59,854,640 and 57,938,885, respectively.

At September 30, 2025 and December 31, 2024, the number of shares of Class B common stock issued and outstanding was 5,021,811 and 5,021,811, respectively.

NOTE 15 – STOCK-BASED COMPENSATION

During the nine months ended September 30, 2025, the Company issued option grants for 242,000 shares to employees and board members under its 2016 Omnibus Incentive Plan. The share-based awards are accounted for as equity awards, are only subject to service vesting conditions, and vest over a period of 4 years for employees and 0.25 year for board members. The Company did not grant any non-employee stock options during the nine months ended September 30, 2025.

The fair value of options granted to employees is estimated on the grant date using the Black-Scholes valuation with following assumptions:

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Fair value of share of common stock(1)	$24.33-$29.18	$23.02-$31.92
Expected term in years(2)	5.50-6.25	5.81-6.25
Volatility(3)	82.78%-83.28%	84.87%-85.48%
Risk-free interest rate(4)	4.03%-4.25%	4.23%-4.49%
Expected dividend(5)	—%	—%

(1) Fair value of Class A common stock value was closing market price of the Class A common stock on the grant date.
(2) Expected term of share options is based on the average of the vesting period and the contractual term for each grant.
(3) Volatility is calculated based on the historical volatility of ACM in the period equal to the expected term of each grant.

(In thousands, except share, percentage and per share data)

(4) Risk-free interest rate is based on the yields of U.S. Treasury securities with maturities similar to the expected term of the share options in effect at the time of grant.
(5) Expected dividend is assumed to be nil as ACM has no history or expectation of paying a dividend on its Class A common stock.

The following table summarizes the components of stock-based compensation expense included in the condensed consolidated statements of comprehensive income:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Stock-based compensation expense:				
Cost of revenue	$ 253	$ 447	$ 1,138	$ 2,020
Sales and marketing expense	1,601	2,594	5,854	8,645
Research and development expense	1,915	3,373	7,270	12,082
General and administrative expense	3,793	5,467	12,887	18,045
Total stock-based compensation expense	$ 7,562	$ 11,881	$ 27,149	$ 40,792

NOTE 16 – INCOME TAXES

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period during which such rates are enacted.

The Company considers all available evidence to determine whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become realizable. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carry-forward periods) and projected taxable income in assessing the realizability of deferred tax assets. In making such judgments, significant weight is given to evidence that can be objectively verified.

As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets.

The Company accounts for uncertain tax positions in accordance with the authoritative guidance on income taxes under which the Company may only recognize or continue to recognize tax positions that meet a more likely than not threshold. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as a component of the provision for income taxes.

The Company had total unrecognized tax benefits of $16,774 as of September 30, 2025 and December 31, 2024. The Company does not expect any reversal of unrecognized tax benefits in the next 12 months. The Company will recognize interest and penalties, when they occur, related to uncertain tax provisions as a component of tax expense. For the nine months ended September 30, 2025 and 2024, $3,379 and $677 of interest and penalties were recognized, respectively.

The Company's effective tax rate differs from statutory rates of 21% for U.S. federal income tax purposes and 25% for Chinese income tax purposes due to the effects of the valuation allowance and certain permanent differences from book-tax differences, including stock based compensation, deemed dividend income under Subchapter F of the U.S. Internal Revenue Code of 1986, as amended (Subpart F), global intangible low-taxed income (GILTI) inclusions, and R&D super deduction. As a result, the Company recorded income tax expense of $6,733 and $17,712 during the nine months ended September 30, 2025 and 2024, respectively. The decrease in the Company's effective income tax rate for the nine months ended September 30, 2025 compared to the same period of the prior year was primarily due to a lower estimated effective tax rate for ACM Shanghai and other factors.

Under the change in Section 174 made by the Tax Cuts and Jobs Act of 2017 which became effective on January 1, 2022, the Company is required to capitalize, and subsequently amortize R&D expenses over fifteen years for research activities conducted outside of the U.S. The capitalization of overseas R&D expenses results in a significant increase in the Company’s global intangible low-taxed income inclusion.

The Company files income tax returns in the United States and state and foreign jurisdictions. All tax returns will remain open for examination by the federal and state authorities for three and four years, respectively, from the date of utilization of any net operating loss or credits. Certain tax years are subject to foreign income tax examinations by tax authorities until the statute of limitations expire.

The Company's four mainland China subsidiaries, ACM Shanghai, ACM Wuxi, ACM Beijing, and ACM Lingang, are liable for mainland China corporate income taxes at the rates of 15%, 25%, 25% and 25%, respectively. Pursuant to the Corporate Income Tax Law of mainland China, the Company's mainland China subsidiaries generally would be liable for mainland China corporate income taxes at a rate of 25%. According to Guoshuihan 2009 No. 203, an entity certified as an “advanced and new technology enterprise” is entitled to a preferential income tax rate of 15%. ACM Shanghai was certified as an “advanced and new technology enterprise” in 2012 and again in 2016, 2018, 2021, and 2024 effective until December 31, 2026.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

As of September 30, 2025, the Company had $2,126 of open capital commitments to construction contracts.

Covenants in ACM Lingang’s Grant Contract for State-owned Construction Land Use Right in Shanghai City (Category of R&D Headquarters and Industrial Projects) with the China (Shanghai) Pilot Free Trade Zone Lingang Special Area Administration require, among other things, that ACM Lingang pay liquidated damages in the event that within 6 years after the land use right is obtained in July 2020, the Company does not (i) generate a minimum specified amount of annual sales of products manufactured on the granted land or (ii) pay to mainland China at least RMB 157.6 million ($22,000) in annual total taxes (including value-added taxes, corporate income tax, personal income taxes, urban maintenance and construction taxes, education surcharges, stamp taxes, and vehicle and shipping taxes) as a result of operations in connection with the granted land.

Legal Matters

In the normal course of business, the Company is subject to contingencies, including legal proceedings, investigations, and environmental claims arising out of the normal course of business that relate to a wide range of matters, including among others, contracts breach liability. The Company records accruals for such contingencies based upon the assessment of the probability of occurrence and, where determinable, an estimate of the liability. Management may consider many factors in making these assessments including past history, scientific evidence and the specifics of each matter. Some of these contingencies involve claims that are subject to substantial uncertainties and un-estimable damages.

In 2025, ACM's subsidiary, ACM Korea, received inquiries from the Seoul Customs Office regarding certain goods produced and shipped by ACM Korea to overseas markets. ACM Korea is fully cooperating, and has responded to follow-up requests for additional information. The investigation is on-going and in its preliminary stages, and as such, this matter is subject to uncertainties and further developments as it proceeds. Although the Company cannot predict the outcome of this, or any other related governmental inquiries or proceedings that may occur, the Company does not believe at this time it will have a material effect on its consolidated financial condition or results of operations.

The Company’s management has evaluated all other proceedings and claims that existed as of September 30, 2025. In the opinion of management, except with respect to the ACM Korea customs matter described above, no provision for liability nor disclosure was required as of September 30, 2025 related to any claim against the Company because: (a) there is not a reasonable possibility that a loss exceeding amounts already recognized (if any) may be incurred with respect to such claim; (b) a reasonably possible loss or range of loss cannot be estimated; or (c) such estimate is immaterial.

(In thousands, except share, percentage and per share data)

As of September 30, 2025, the Company had no material outstanding legal proceedings.

NOTE 18 – SEGMENT INFORMATION

The Company identifies operating segments according to how the business activities are managed and evaluated. The Company's chief operating decision maker ("CODM") has been identified as ACM's Chief Executive Officer. The Company's operating segments include ACM Research and ACM Shanghai. As the Company is engaged in the development, manufacture and sale of capital equipment to global semiconductor manufacturers, and each of the operating segments share similar economic and other qualitative characteristics, the results of the Company's operating segments are aggregated into one reportable segment.

The CODM assesses financial performance for the Company and decides how to allocate resources based on consolidated revenue, gross margin and income from operations. The CODM considers forecasts and actual results on a regular basis when assessing the operating results and making resource decisions. The allocation decisions include top down targets for research and development, sales and marketing, and general and administration expenses, and also specific budgets for research and development on new product initiatives, or sales and marketing to target specific customer or geographic regions.

Significant expenses within income from operations, as well as within net income, include consolidated cost of revenue, sales and marketing, research and development, and general and administrative, and which are each separately presented in the Company's condensed consolidated statements of comprehensive income. Other segment items within net income include interest income, interest expense, income (loss) from equity method investments and other expense, net, which are each separately presented on the Company's condensed consolidated statements of comprehensive income.

Revenue by geographic location is determined by the location of customers' facilities to which products were shipped. Long-lived assets consist primarily of property, plant and equipment, and right-of-use assets and are attributed to the geographic location in which the respective asset is located.

Long-lived assets by geographic region were as follows:

	September 30, 2025	December 31, 2024
Long-lived assets by geography:		
Mainland China	$ 304,318	$ 287,888
South Korea	8,806	10,358
United States	9,160	8,973
Total	**$ 322,284**	**$ 307,219**

NOTE 19 – STATUTORY SURPLUS RESERVE

In accordance with mainland China's Foreign Enterprise Law, ACM Shanghai, ACM Lingang, and ACM Wuxi are required to make appropriation to reserve funds, comprising the statutory surplus reserve and discretionary surplus reserve, based on after-tax net income in accordance with generally accepted accounting principles of mainland China ("mainland China GAAP").

Appropriations to the statutory surplus reserve are required to be at least 10% of the after-tax net income determined in accordance with mainland China GAAP until the reserve is equal to 50% of the entities' registered capital. The amount is calculated annually at the end of each calendar year. The balances of statutory reserve funds was $30,514 as of both

September 30, 2025 and December 31, 2024, and is presented as statutory surplus reserve on the Company’s condensed consolidated balance sheets.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes and other financial information included elsewhere in this report and our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, or our Annual Report. The following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed in Part I, Item 1A. "Risk Factors" in our Annual Report, as well as those discussed below and elsewhere in this report, particularly in the section titled "Item 1A – Risk Factors" in Part II below.

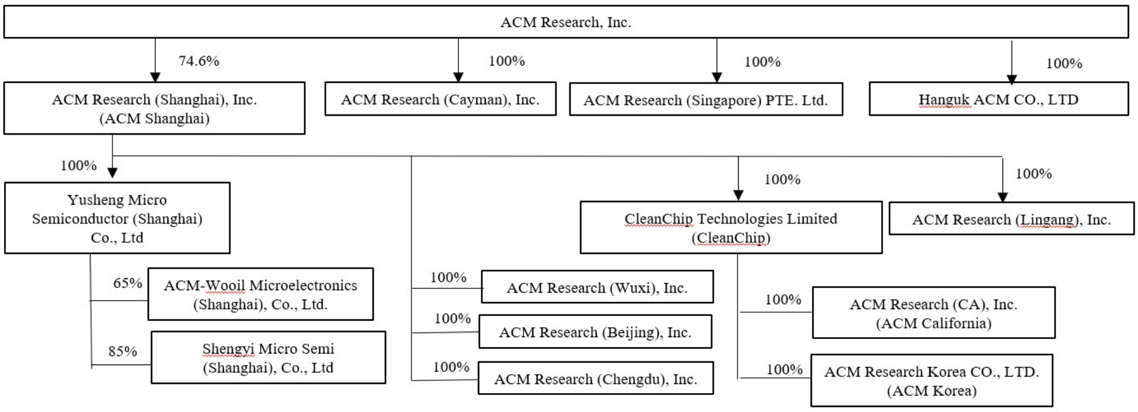
ACM Research, Inc., or ACM Research, is a Delaware corporation founded in California in 1998 to supply capital equipment developed for the global semiconductor industry. Since 2005, ACM Research has conducted its business operations principally through its subsidiary ACM Research (Shanghai), Inc., or ACM Shanghai, a limited liability corporation formed by ACM Research in the People's Republic of China, or mainland China, in 2005. Unless the context requires otherwise, references in this report to "our Company," "our," "us," "we" and similar terms refer to ACM Research, Inc. and its subsidiaries, including ACM Shanghai, collectively.

Our principal corporate office is located in Fremont, California. We conduct a substantial majority of our product development, manufacturing, support and services in mainland China through ACM Shanghai. We perform, through a subsidiary of ACM Shanghai, additional product development and subsystem production in South Korea, and we conduct, through ACM Research, sales and marketing activities focused on sales of ACM Shanghai products in North America, Europe and certain regions in Asia outside mainland China.

ACM Research is not a mainland China operating company, and we do not conduct our operations in mainland China through the use of a variable interest entity, or VIE, or any other structure designed for the purpose of avoiding mainland China legal restrictions on direct foreign investments in mainland China-based companies. ACM Research has a direct ownership interest in ACM Shanghai as the result of its holding 74.6% of the outstanding shares of ACM Shanghai. Stockholders of ACM Research may never directly own equity interests in ACM Shanghai. We do not believe that our corporate structure or any other matters relating to our business operations require that we obtain any permissions or approvals from the China Securities Regulatory Commission, the Cyberspace Administration of China, or any other mainland China central government authority in order to continue to list shares of Class A common stock of ACM Research on the Nasdaq Global Select Market. This determination was based on the aforementioned facts and mainland China Company Law, mainland China Securities Law, cybersecurity regulations and other relevant laws, regulations and regulatory requirements in mainland China currently in effect. However, if this determination proves to be incorrect, then it could have a material adverse effect on ACM Research. See "Item IA. Risk Factors—Risks Related to International Aspects of Our Business—If any mainland China central government authority were to determine that existing mainland China laws or regulations require that ACM Shanghai obtain the authority's permission or approval to continue the listing of ACM Research's Class A common stock in the United States or if those existing mainland China laws and regulations, or interpretations thereof, were to change to require such permission or approval, or if we inadvertently conclude that permissions or approvals are not required, ACM Shanghai may be unable to obtain the required permission or approval or may only be able to obtain such permission or approval on terms and conditions that impose material new restrictions and limitations on operation of ACM Shanghai, either of which could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects and on the trading price of ACM Research Class A common stock, which could decline in value or become worthless" in our Report on Form 10-K for the year ended December 31, 2024.

In addition, in the ordinary course of business, ACM Shanghai is required to obtain certain operating permits and licenses necessary for us to operate in mainland China, including business licenses, certifications relating to quality management standards, import and export-related qualifications from customs, as well as environmental and construction permits, licenses and approvals relating to construction projects. We believe ACM Shanghai has all such required permits and licenses. However, from time to time mainland China government issues new regulations, which may require additional actions on the part of ACM Shanghai to comply. If ACM Shanghai does not, or is unable to, obtain any such additional permits or licenses, ACM Shanghai may be subjected to restrictions and penalties imposed by the relevant mainland China regulatory authorities, and it could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects and on the trading price of ACM Research Class A common stock, which could decline in value or become worthless.

The following chart depicts our corporate organization as of September 30, 2025:



A detailed description of how cash is transferred through our organization is set forth under “Note 2 – Summary of Significant Accounting Policies – Cash and Cash Equivalents” to our condensed consolidated financial statements included in this report.

The U.S. Holding Foreign Companies Accountable Act, or the HFCA Act, requires that the Public Company Accounting Oversight Board, or the PCAOB, determine whether it is unable to inspect or completely investigate registered public accounting firms located in a non-U.S. jurisdiction because of a position taken by one or more authorities in any non-U.S. jurisdiction. Under current regulations, if ACM Research were to be included on the U.S. Securities and Exchange Commission’s (“SEC”) "Conclusive list of issuers identified under the HFCA Act" for two consecutive years due to our independent auditor being located in a jurisdiction that does not allow for PCAOB inspections, the SEC would prohibit trading in our securities and this ultimately could cause our securities to be delisted in the U.S., and their value may significantly decline or become worthless. See “Item 1A. Risk Factors—Risks Related to International Aspects of Our Business—We could be adversely affected if we are unable to comply with legislation and regulations regarding improved access to audit and other information and audit inspections of accounting firms, including registered public accounting firms, such as our prior and current audit firms, operating in mainland China” in our Report on Form 10-K for the year ended December 31, 2024 for more information.

Effective on December 2, 2024, the U.S. Department of Commerce’s Bureau of Industry and Security (“BIS”) promulgated a final rule naming a number of companies to the BIS Entity List (the "BIS Entity List"). Among the 140 companies added to the BIS Entity List were two subsidiaries of ACM Research, ACM Shanghai, located in the People’s Republic of China, and ACM Korea, a direct subsidiary of ACM Shanghai, which is located in South Korea, and other related entities. In general terms, the new BIS Entity List designations prohibit any party worldwide from furnishing hardware, software, or technologies that are subject to U.S. export controls jurisdiction, directly or indirectly to ACM Shanghai or ACM Korea without obtaining authorization. See “Item 1A. Risk Factors—Regulatory Risks—Our operations in mainland China and South Korea, including the import of components, technology, and activities of U.S. personnel therein, may be further impacted by the addition of ACM Shanghai, ACM Korea and related entities to the BIS Entity List” in our Report on Form 10-K for the year ended December 31, 2024, for more information.

On November 15, 2024, the U.S. Department of the Treasury published a final rule implementing a framework for the regulation of outbound foreign investment from the United States. The new program, known as the Outbound Investment Security Program (“OISP”) was codified in the United States Code of Federal Regulations at 31 C.F.R. Part 850, effective as of January 2, 2025. The OISP marks a shift in U.S. economic policy, as historically the United States government declined to restrict outbound investment from the United States for national security reasons. Going forward, the investment activities of multinational companies, including ACM Research are subject to both Committee on Foreign Investment in the United States (“CFIUS”) and OISP requirements, which together will limit cross-border investment opportunities, especially as they relate to China. See “Item 1A. Risk Factors—Regulatory Risks—The U.S. Government has implemented an outbound investment review mechanism, which may prevent us from taking advantage of investment opportunities outside the United States that could otherwise be advantageous to our stockholders" in our Report on Form 10-K for the year ended December 31, 2024, for more information.

In addition to the matters discussed above, we are also subject to a number of legal and operational risks associated with our corporate structure, including, as the result of a substantial portion of our operations being conducted in mainland China. Consequences of any of those risks could result in a material adverse change in our operations or cause the value of ACM Research Class A common stock to significantly decline in value or become worthless. Please carefully read the information included in "Item 1A. Risk Factors" in our Report on Form 10-K for the year ended December 31, 2024, in particular, the risk factors addressing the following issues:

• If any mainland China central government authority were to determine that existing mainland China laws or regulations require that ACM Shanghai obtain the authority's permission or approval to continue the listing of ACM Research's Class A common stock in the United States or if those existing mainland China laws and regulations, or interpretations thereof, were to change to require such permission or approval, or if we inadvertently conclude that such permissions or approvals are not required, ACM Shanghai may be unable to obtain the required permission or approval or may only be able to obtain such permission or approval on terms and conditions that impose material new restrictions and limitations on operations of ACM Shanghai, either of which could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects and on the trading price of ACM Research Class A common stock, which could decline in value or become worthless.
• Mainland China central government authorities may intervene in, or influence, ACM Shanghai's mainland China-based operations at any time, and those authorities' rules and regulations in mainland China can change quickly with little or no advance notice.
• The mainland China central government may determine to exert additional control over offerings conducted overseas or foreign investment in mainland China-based issuers, which could result in a material change in operations of ACM Shanghai and cause significant declines in the value of ACM Research Class A common stock, or make them worthless.

Past statements and regulatory actions by mainland China central government authorities with respect to the use of VIEs and to data security and anti-monopoly concerns have not affected our ability to conduct our business operations in mainland China. For further information, see "Item 1A. Risk Factors—Risks Related to International Aspects of Our Business" in our Report on Form 10-K for the year ended December 31, 2024, for more information.

Overview

We supply advanced, innovative capital equipment developed for the global semiconductor industry. Fabricators of advanced integrated circuits, or chips, can use our wet-cleaning and other front-end processing tools in numerous steps to improve product yield, even at increasingly advanced process nodes. We have designed these tools for use in fabricating foundry, logic and memory chips, including dynamic random-access memory, or DRAM, and 3D NAND-flash memory chips. We also develop, manufacture and sell a range of advanced packaging tools to wafer assembly and packaging customers.

Since 2009 we have delivered more than 1,350 tools to our customers, more than 1,155 of which were repeat orders or acceptances upon contractual performance obligations having been met and thereby generated revenue for us. The balance of the delivered tools is subject to the customer's acceptance of the tool upon the tool's satisfaction of applicable contractual requirements or subject to the customer's subsequent discretionary commitment to purchase the tool. To date, substantially all of our sales of equipment for semiconductor-manufacturing have been to customers located in Asia, and we anticipate that a substantial majority of our revenue from these products will continue to come from customers located in this region for the foreseeable future. We have begun to add to our efforts to further address customers in North America, Western Europe and Southeast Asia, by expanding our direct sales teams and increasing our global marketing activities.

We estimate, based on third-party reports and on customer and other information, that our current product portfolio addresses approximately $20 billion of the 2025 global wafer fab equipment, or WFE, market. By product line, we estimate an approximately $7.0 billion market opportunity is addressed by our wafer cleaning equipment, $5.1 billion by our Plasma-Enhanced Chemical Vapor Deposition, or PECVD, equipment, $2.9 billion by our Track equipment, $2.6 billion by our furnace equipment, $1.4 billion by our electro-chemical plating, or ECP, equipment, and more than $1.2 billion by our stress-free polishing, advanced packaging, wafer processing, and other processing equipment.

Gartner estimates the total worldwide semiconductor Wafer Fab Equipment ("WFE") market grew by 8.6% from $102.8 billion in 2023 to $111.6 billion in 2024, and estimates will increase by 4.7% to $116.8 billion in 2025. Gartner estimates China WFE grew by 21.1%, from $33.3 billion in 2023 to $40.4 billion in 2024, and is expected to decrease by 17.1% to $33.5 billion in 2025.[1]

Recent Developments

ACM Shanghai Completed Private Offering

During the three months ended September 30, 2025, ACM Research's principal operating subsidiary, ACM Shanghai issued 38,601,326 ordinary shares at RMB 116.11 per share, raising net proceeds of RMB 4.4 billion (approximately US $623.0 million) after deducting offering-related expenses ("Private Offering"). The proceeds are intended to be used for research and development, capital expenditures and working capital. It is unlikely that any of such proceeds will be distributed to ACM Research. Following the Private Offering, ACM Research's equity interest in ACM Shanghai is now 74.6%.

ACM Shanghai Dividend & Share Repurchase

During the three months ended September 30, 2025, ACM Research's principal operating subsidiary, ACM Shanghai, paid a cash dividend for a net total of approximately RMB 264.9 million (approximately USD $36.8 million) to the stockholders of ACM Shanghai, including ACM Research, which owned 81.1% of the outstanding shares of ACM Shanghai at the time. ACM Research intends to use the net proceeds for working capital and general corporate purposes. The cash portion of the dividend paid by ACM Shanghai to non-controlling interests was $7.6 million (note 2).

During the nine months ended September 30, 2025, ACM Shanghai repurchased 443,400 of its shares traded on the Shanghai Stock Exchange for total consideration of $7.0 million. These shares have not been cancelled.

Mainland China Government Research and Development Funding

Since 2008, ACM Shanghai has received various government grants for the development and commercialization of certain technologies, and the development of the R&D and production center in the Lingang Special Area of Shanghai.

The governmental grants contain certain operating conditions, and we are required to complete a government due diligence process once the project is complete. The grants therefore are recorded as long-term liabilities upon receipt, although we are not required to return any funds received by ACM Shanghai.

Grant amounts are recognized in our condensed consolidated statements of comprehensive income as follows:

- Government subsidies relating to current expenses are recorded as reductions of those expenses in the periods in which the current expenses are recorded. Such subsidies included in our condensed consolidated statements of comprehensive income were $1.7 million and $0.1 million, in the three months ended September 30, 2025 and 2024, respectively, and $2.5 million and $0.7 million in the nine months ended September 30, 2025 and 2024, respectively. We received $1.4 million cash funding from government subsidies in the three and nine months ended September 30, 2025. However, we did not receive any cash funding from government subsidies for the three and nine months ended September 30, 2024.
- Government subsidies related to depreciable assets are credited to income over the useful lives of the related assets for which the grant was received. Government subsidies related to VAT reduction are credited to income in the period received. Such subsidies included in our condensed consolidated statements of comprehensive income were less than $0.1 million and $0.1 million, in the three months ended September 30, 2025 and 2024, respectively, and $0.7 million and $1.9 million in the nine months ended September 30, 2025 and 2024, respectively.

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[1] The information contains statistical data and estimates, including forecasts, that are based on information provided by Gartner®, "Forecast: Semiconductor Capital Spending, Wafer Fab Equipment and Capacity, Worldwide, 2Q25 Update, Bob Johnson et al., 29 July 2025."

Recent Accounting Pronouncements

A discussion of recent accounting pronouncements is included in our Report on Form 10-K for the year ended December 31, 2024 and is updated in note 2 to the condensed consolidated financial statements included in this report.

Net Income Attributable to Non-Controlling Interests

In 2019 ACM Shanghai sold a total number of shares representing 8.3% of its outstanding ACM Shanghai shares, after which ACM Research held the remaining 91.7% of ACM Shanghai’s outstanding shares. In 2021 ACM Shanghai sold a total number of shares representing an additional 10% of its outstanding ACM Shanghai shares in its STAR IPO, after which ACM Research held the remaining 82.5% of ACM Shanghai’s outstanding shares. ACM Research's ownership has since declined to 74.6% due to the Private Offering. As a result, we reflect the portion of our net income allocable to the minority holders of ACM Shanghai shares as net income attributable to non-controlling interests.

Critical Accounting Policies and Estimates

In preparing our condensed consolidated financial statements in conformity with GAAP, we make assumptions, judgments and estimates in applying our accounting policies that can have a significant impact on our revenue, operating income and net income, as well as on the value of certain assets and liabilities on our condensed consolidated balance sheets. We base our assumptions, judgments and estimates on historical experience and various other factors that we believe to be reasonable under the circumstances. At least quarterly, we evaluate our assumptions, judgments and estimates and make changes as deemed necessary. Actual results could differ materially from these estimates under different assumptions or conditions.

We believe that the assumptions, judgments and estimates involved in the accounting for the following accounting policies have the greatest potential impact on our condensed consolidated financial statements, and we therefore consider these to be our critical accounting estimates. For information on our significant accounting policies, see note 2 in the notes to our condensed consolidated financial statements in Part I, Item 1 of this report and in note 2 to the Consolidated Financial Statements in Part II, Item 8 in our Report on Form 10-K for the year ended December 31, 2024, which describes the significant accounting policies and methods used in the preparation of the our financial statements. There have been no material changes to the critical accounting estimates included in our Form 10-K for the year ended December 31, 2024.

Results of Operations

The following table sets forth our results of operations for the periods presented, as percentages of revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	58.0	48.6	54.3	49.7
Gross margin	42.0	51.4	45.7	50.3
Operating expenses:				
Sales and marketing	8.3	7.7	9.2	8.4
Research and development	14.7	13.6	15.4	13.9
General and administrative	8.3	8.4	7.9	8.8
Total operating expenses	31.3	29.7	32.5	31.1
Income from operations	10.7	21.7	13.2	19.2
Interest income, net	0.5	0.9	0.8	0.8
Realized gain on short-term investments	—	0.1	—	0.1
Unrealized gain (loss) on short-term investments	6.9	0.2	3.1	(0.2)
Other expense, net	(1.3)	(2.5)	(0.6)	(0.1)
Income from equity method investments	1.4	0.6	1.0	—
Income before income taxes	18.2	21.0	17.5	19.8
Income tax expense	(1.0)	(2.0)	(1.0)	(3.2)
Net income	17.2	19.0	16.5	16.6
Less: Net income attributable to non-controlling interests	3.9	3.8	3.3	3.5
Net income attributable to ACM Research, Inc.	13.3 %	15.2 %	13.2 %	13.1 %

Comparison of Three Months Ended September 30, 2025 and 2024

Revenue

	Three Months Ended September 30,		% Change	Absolute Change
	2025	2024	2025 v 2024	2025 v 2024
	(Dollars in thousands)			
Single wafer cleaning, Tahoe and semi-critical cleaning equipment	$ 181,570	$ 160,985	12.8 %	$ 20,585
ECP (front-end and packaging), furnace and other technologies	59,853	34,600	73.0 %	25,253
Advanced packaging (excluding ECP), services & spares	27,737	8,391	230.6 %	19,346
Total Revenue by Product Category	$ 269,160	$ 203,976	32.0 %	$ 65,184

The increase in revenue for three months ended September 30, 2025 as compared to the same period in 2024 reflects higher sales of single wafer cleaning, Tahoe and semi-critical cleaning equipment, ECP (front-end and packaging), furnace and other technologies, and Advanced packaging (excluding ECP), services and spares. We attribute the increase to a longer term commitment by our mainland China-based customers to increase production capacity to achieve a greater share of the global semiconductor market together with the market share changes and product cycles.

Cost of Revenue and Gross Margin

	Three Months Ended September 30,		% Change	Absolute Change
	2025	2024	2025 v 2024	2025 v 2024
	(Dollars in thousands)			
Cost of revenue	$ 156,011	$ 99,142	57.4 %	$ 56,869
Gross profit	113,149	104,834	7.9 %	8,315
Gross margin	42.0 %	51.4 %		(940) bps

Cost of revenue and gross profit increased due to the increased sales volume, and a decrease in gross margin. The change in gross margin versus the prior-year period was primarily due to revenue mix between product categories and a higher provision for inventory. Gross margin may vary from period to period, primarily related to the level of utilization, the timing and mix of revenue, the impact of foreign currency fluctuations, inventory provisions and other adjustments. We expect gross margin to be between 42.0% and 48.0% for the foreseeable future.

Operating Expenses

	Three Months Ended September 30,		% Change	Absolute Change
	2025	2024	2025 v 2024	2025 v 2024
	(Dollars in thousands)			
Sales and marketing expense	$ 22,311	$ 15,759	41.6 %	$ 6,552
Research and development expense	39,651	27,837	42.4 %	11,814
General and administrative expense	22,264	17,054	30.6 %	5,210
Total operating expenses	$ 84,226	$ 60,650	38.9 %	$ 23,576

Sales and marketing expense increased due to a $5.1 million increase in commissions, professional services, travel and entertainment, outside services and other expenses and a $2.5 million increase in personnel costs, offset by a $1.0 million decrease in stock-based compensation.

Sales and marketing expense consists primarily of:

- compensation of personnel associated with pre-sale and after-sale services and support and other sales and marketing activities, including stock-based compensation;
- sales commissions paid to independent sales representatives;
- fees paid to sales consultants;
- cost of trade shows;
- costs of tools built for promotional purposes for potential new customers;
- travel and entertainment; and
- rent and utilities.

We expect that, for the foreseeable future, sales and marketing expenses will increase in dollars, as we incur additional costs associated with growing our customer base in mainland China and regions outside of mainland China.

Research and development expense increased due to an increase of $8.4 million in costs of components for tools built for product development purposes, an increase of $4.0 million in personnel and travel and entertainment costs, and a net increase of $0.9 million in depreciation, outside services and other costs, offset by a decrease of $1.5 million in stock-based compensation.

Research and development expense represented 14.7% and 13.6% of our revenue in the three months ended September 30, 2025 and 2024, respectively. Excluding grant amounts received from mainland China governmental authorities (see "Mainland China Government Research and Development Funding"), gross research and development expense totaled $41.4 million, or 15.4% of total revenue, in the three months ended September 30, 2025 as compared to $27.9 million, or 13.7% of revenue, in the corresponding period in 2024.

Research and development expense consists primarily of:

- compensation of personnel associated with our research and development activities, including stock based compensation;
- costs of components and other research and development supplies;
- costs of tools built for product development purposes;
- travel expense associated with the research of technical requirements for product development purposes and testing of concepts under consideration;
- amortization of costs of software used for research and development purposes; and
- rent and utilities.

We expect that, for the foreseeable future, research and development expenses will increase in dollars, as we incur additional costs to expand our product portfolio to address additional production steps and expand our research and development team to new regions.

General and administrative expense increased primarily reflecting a $2.7 million net increase in personnel costs, professional services costs, and other costs related to general and administrative expenses and a $4.2 million increase in allowance for credit losses offset by a $1.7 million decrease in stock-based compensation.

General and administrative expense consists primarily of:

- compensation of executive, accounting and finance, human resources, information technology, and other administrative personnel, including stock-based compensation;
- professional fees, including accounting and corporate legal and defense fees;
- other corporate expenses including insurance;
- allowance for credit losses; and
- rent and utilities.

We expect that, for the foreseeable future, general and administrative expenses will increase in dollars, as we incur additional costs associated with growing our business, operating ACM Research, as a public company in the United States and operating ACM Shanghai as a public company in mainland China.

Interest income, Interest expense, and Other expense, net

	Three Months Ended September 30,		% Change	Absolute Change
	2025	2024	2025 v 2024	2025 v 2024
	(Dollars in thousands)			
Interest income	$ 3,100	$ 2,967	4.5 %	$ 133
Interest expense	(1,851)	(1,208)	53.2 %	(643)
Interest income, net	$ 1,249	$ 1,759	(29.0)%	$ (510)
Other expense, net	$ (3,411)	$ (5,164)	(33.9)%	$ 1,753

Interest income consists of interest earned on our cash and cash equivalents, restricted cash accounts, and time deposits and interest expense is incurred on our borrowings. The change in interest income is a result of changes in balances of cash, cash equivalents, time deposits, while the change in interest expense is due to borrowings, together with changes in interest rates on the respective balances.

Other expense, net primarily reflects (a) loss recognized from the impact of exchange rates on our working-capital which was $(4.0) million for the three months ended September 30, 2025 compared to $(5.4) million recognized from the impact of exchange rates on our working capital for the three months ended September 30, 2024, and (b) government subsidies, as described under "Mainland China Government Research and Development Funding" above, and other factors.

Gain on short-term investment, and income from equity method investments

	Three Months Ended September 30,		% Change	Absolute Change
	2025	2024	2025 v 2024	2025 v 2024
	(Dollars in thousands)			
Realized gain on short term investments	$ —	$ 171	100.0 %	$ (171)
Unrealized gain on short term investments	18,656	413	4,417.2 %	18,243
Income from equity method investments	3,670	1,316	178.9 %	2,354

Realized gain on short-term investments includes dividends received during the period. The unrealized gain on short-term investments is based on a change in the market value of ACM Shanghai's short-term investments (note 12). Income from equity investments is due to an increase of net income from investments in affiliates (note 13).

Income Tax Expense

The following presents components of income tax expense for the indicated periods:

	Three Months Ended September 30,	
	2025	2024
	(Dollars in thousands)	
Income tax expense	$ (2,689)	$ (4,007)

The tax expense for the three months ended September 30, 2025 primarily resulted from tax effect of a decrease in our effective income tax rate applied to operating profit for the period. The decrease in our effective income tax rate for the nine months ended September 30, 2025 compared to the same period of the prior year was primarily due to a lower estimated effective tax rate for ACM Shanghai and other factors.

Our effective tax rate differs from statutory rates of 21% for U.S. federal income tax purposes and 25% for mainland China income tax purposes due to the effects of the valuation allowance and certain permanent differences as it pertains to book-tax differences in the treatment of stock-based compensation and non-U.S. research expenses. Our four mainland China subsidiaries, ACM Shanghai, ACM Wuxi, ACM Beijing, and ACM Lingang, are liable for mainland China corporate income taxes at the rates of 15%, 25%, 25%, and 25%, respectively. Pursuant to the Corporate Income Tax Law of mainland China, our mainland China subsidiaries generally would be liable for mainland China corporate income taxes at a rate of 25%. According to Guoshuihan 2009 No. 203, an entity certified as an "advanced and new technology enterprise" is entitled to a preferential income tax rate of 15%. ACM Shanghai was certified as an "advanced and new technology enterprise" in 2012 and again in 2016, 2018, 2021,and 2024 effective until December 31, 2026.

Net Income Attributable to Non-Controlling Interests

	Three Months Ended September 30,			
	2025	2024	% Change 2025 v 2024	Absolute Change 2025 v 2024
		(Dollars in thousands)		
Net income attributable to non-controlling interests	$ 10,509	$ 7,768	35.3 %	$ 2,741

As of September 30, 2025, ACM Research owns 74.6% of ACM Shanghai's (note 1) outstanding shares, which is reflected in our condensed consolidated financial statements. We reflect the portion of net income allocable to the non-controlling interest holders of ACM Shanghai shares as net income attributable to non-controlling interests.

Foreign currency translation adjustment

	Three Months Ended September 30,			
	2025	2024	% Change 2025 v 2024	Absolute Change 2025 v 2024
		(Dollars in thousands)		
Foreign currency translation adjustment	$ 9,899	$ 17,089	(42.1)%	$ (7,190)

The foreign currency translation adjustment is primarily based on the net effect of RMB to dollar exchange rate fluctuations for the period on the converted value of ACM Shanghai's RMB-denominated balances to U.S. dollar equivalents.

Comprehensive income attributable to non-controlling interests

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	% Change 2025 v 2024	Absolute Change 2025 v 2024
	(Dollars in thousands)			
Comprehensive income attributable to non-controlling interests	$ 13,017	$ 10,842	20.1 %	$ 2,175

Comprehensive income attributable to non-controlling interests was comparable period over period.

Comparison of Nine Months Ended September 30, 2025 and 2024

Revenue

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024	% Change 2025 v 2024	Absolute Change 2025 v 2024
	(Dollars in thousands)			
Single wafer cleaning, Tahoe and semi-critical cleaning equipment	$ 466,100	$ 423,676	10.0 %	$ 42,424
ECP (front-end and packaging), furnace and other technologies	135,499	99,362	36.4 %	36,137
Advanced packaging (excluding ECP), services & spares	55,280	35,609	55.2 %	19,671
Total Revenue by Product Category	$ 656,879	$ 558,647	17.6 %	$ 98,232

The increase in revenue reflects higher sales of single wafer cleaning, Tahoe and semi-critical cleaning equipment, and ECP (front-end and packaging), furnace and other technologies and Advanced packaging (excluding ECP), services and spares. We attribute the increase to a longer-term commitment by our mainland China-based customers to increase production capacity to achieve a greater share of the global semiconductor market together with the market share changes and product cycles.

Cost of Revenue and Gross Margin

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024	% Change 2025 v 2024	Absolute Change 2025 v 2024
	(Dollars in thousands)			
Cost of revenue	$ 356,719	$ 277,908	28.4 %	$ 78,811
Gross profit	300,160	280,739	6.9 %	19,421
Gross margin	45.7 %	50.3 %		(460 bps)

Cost of revenue and gross profit increased due to the increased sales volume, partly offset by a decrease in gross margin. The decrease in gross margin versus the prior-year period was primarily due to revenue mix between product categories, and a higher provision for inventory.

Operating Expenses

	Nine Months Ended September 30,			
	2025	2024	% Change 2025 v 2024	Absolute Change 2025 v 2024
	(Dollars in thousands)			
Sales and marketing expense	$ 60,756	$ 47,067	29.1 %	$ 13,689
Research and development expense	100,971	77,723	29.9 %	23,248
General and administrative expense	52,039	48,940	6.3 %	3,099
Total operating expense	$ 213,766	$ 173,730	23.0 %	$ 40,036

Sales and marketing expense increased due to a $7.9 million in increased personnel costs, an increase of $4.8 million in outside services and other expenses, an increase of $3.5 million for commissions and travel and entertainment, and a $0.3 million increase in promotional tools, offset by a $2.8 million decrease in stock-based compensation.

Research and development expense increased due to a $15.5 million increase in costs of components for tools built for product development purposes, a $9.1 million increase in personnel costs, and a net increase of $3.4 million in depreciation, outside services and other R&D-related costs, offset by a decrease of $4.8 million in stock-based compensation.

Research and development expense represented 15.4% and 13.9% of our revenue in the nine months ended September 30, 2025 and 2024, respectively. Excluding grant amounts received from mainland China governmental authorities (see "Mainland China Government Research and Development Funding"), gross research and development expense totaled $103.5 million, or 15.8% of total revenue, in the nine months ended September 30, 2025 as compared to $78.4 million, or 14.0% of revenue, in the corresponding period in 2024.

General and administrative expense increased primarily reflecting a $6.0 million increase in personnel and professional services costs, and a $3.6 million increase in allowance for credit losses, partially offset by a $1.4 million decrease in other costs related to general and administrative expenses, and a $5.2 million decrease in stock-based compensation.

Interest income, Interest expense and Other expense, net

	Nine Months Ended September 30,			
	2025	2024	% Change 2025 v 2024	Absolute Change 2025 v 2024
	(Dollars in thousands)			
Interest income	$ 10,452	$ 7,122	46.8 %	$ 3,330
Interest expense	(5,166)	(2,923)	76.7 %	(2,243)
Interest income, net	$ 5,286	$ 4,199	25.9 %	$ 1,087
Other expense, net	$ (4,019)	$ (727)	452.8 %	$ (3,292)

The change in interest income is a result of changes in balances of cash, cash equivalents, time deposits, while the change in interest expense is due to borrowings, together with changes in interest rates on the respective balances.

Other expense, net primarily reflects (a) loss recognized from the impact of exchange rates on our working-capital which was $(4.6) million for the nine months ended September 30, 2025 compared to $(2.6) million for the nine months ended September 30, 2024, and (b) government subsidies, as described under "Mainland China Government Research and Development Funding" above, and other factors.

Gain (loss) on short-term investments, and income from equity method investments

	Nine Months Ended September 30,		% Change	Absolute Change
	2025	2024	2025 v 2024	2025 v 2024
	(Dollars in thousands)			
Realized gain on short-term investments	$ 54	$ 444	(87.8)%	$ (390)
Unrealized gain (loss) on short-term investments	20,304	(1,151)	(1864.0)%	21,455
Income from equity method investments	6,395	101	6231.7 %	6,294

Realized gain on short-term investments includes dividends and net gains from sales of short-term investments during the period. The unrealized gain (loss) is based on a change in market value of ACM Shanghai's short-term investments (note 12). Income from equity investments is derived from net income from investments in affiliates (note 13).

Income Tax Expense

The following presents components of income tax expense for the indicated periods:

	Nine Months Ended September 30,	
	2025	2024
	(in thousands)	
Income tax expense	$ (6,733)	$ (17,712)

The tax expense for the nine months ended September 30, 2025 primarily resulted from the tax effect of a decrease in our effective income tax rate applied to a decrease in operating profit for the period. The decrease in our effective income tax rate for the nine months ended September 30, 2025 compared to the same period of the prior year was primarily due to a lower estimated effective tax rate for ACM Shanghai and other factors.

Net Income Attributable to Non-Controlling Interests

	Nine Months Ended September 30,		% Change	Absolute Change
	2025	2024	2025 v 2024	2025 v 2024
	(Dollars in thousands)			
Net income attributable to non-controlling interests	$ 21,652	$ 19,616	10.4 %	2,036

Foreign currency translation adjustment

	Nine Months Ended September 30,			
	2025	2024	% Change 2025 v 2024	Absolute Change 2025 v 2024
	(Dollars in thousands)			
Foreign currency translation adjustment	$ 15,554	$ 10,376	49.9 %	5,178

The foreign currency translation adjustment is primarily based on the net effect of RMB to dollar exchange rate fluctuations for the period on the converted value of ACM Shanghai's RMB-denominated balances to U.S. dollar equivalents.

Comprehensive income attributable to non-controlling interests

	Nine Months Ended September 30,			
	2025	2024	% Change 2025 v 2024	Absolute Change 2025 v 2024
	(Dollars in thousands)			
Comprehensive income attributable to non-controlling interests	$ 25,224	$ 21,458	17.6 %	$ 3,766

Comprehensive income attributable to non-controlling interests for the nine months ended September 30, 2025 increased by $3.8 million as compared to the same period in 2024, reflecting a change in net income attributable to the non-controlling interests for the period together with the impact of foreign exchange rate fluctuations on the cumulative balance.

Liquidity and Capital Resources

During the first nine months of 2025, we funded our technology development and operations principally through our beginning global cash balances, including the cash balances at ACM Shanghai, borrowings by ACM Shanghai from local financial institutions, and our loan from China CITIC Bank. Cash and cash equivalents, restricted cash, and time deposits were as follows:

	September 30, 2025	December 31, 2024
	(In thousands)	
Cash and cash equivalents, restricted cash, and time deposits:		
Cash and cash equivalents and restricted cash	$ 1,067,339	$ 411,310
Short-term time deposits	30,922	17,277
Long-term time deposits	—	13,275
Total	$ 1,098,261	$ 441,862

The $656.4 million increase in cash and time deposits was primarily driven by $738.1 million net cash provided by financing activities, and a $5.6 million increase from the effect of the exchange rate on cash, cash equivalents, restricted cash and non-cash items, offset by $44.2 million of cash used in operations, and $43.0 million of net cash used in investing activities, excluding the change in net cash related to time deposits.

Our future working capital needs beyond the next twelve months will depend on many factors, including the rate of our business and revenue growth, the payment schedules of our customers, the timing and magnitude of our capital expenditures, and the timing of investment in our research and development as well as sales and marketing costs. We believe our existing cash and cash equivalents, time deposits, cash flow from operating activities, and bank borrowings will be sufficient to meet our anticipated cash needs for at least the next 12 months from the issuance of this report.

ACM Shanghai has historically participated in certain mainland China government-sponsored grant and subsidy programs, as described under "—Mainland China Government Research and Development Funding" and "—Contractual Obligations" and we expect that ACM Shanghai will continue to take advantage of these programs when they are available and fit with our business strategy. ACM Shanghai generally applies for these grants and subsidies through the applicable mainland China government agency's defined processes. Periodically, the public relations department researches the availability of these grants and subsidies through mainland China government agencies with whom ACM Shanghai files business surveys and taxes. Management of ACM Shanghai then assesses which grants and subsidies for which ACM Shanghai may be eligible and submits the relevant application. The decision to award the grant to ACM Shanghai is made by the relevant mainland China government agencies based on suitability and the merits of the application. Neither ACM Research, nor ACM Shanghai or any of our other subsidiaries, has any direct relationship with any mainland China government agency, and our anticipated cash needs for the next twelve months neither anticipate, nor require, receipt of any mainland China government grants or subsidies.

To the extent our cash and cash equivalents, cash flow from operating activities and short-term bank borrowings are insufficient to fund our future activities in accordance with our strategic plan, we may determine to raise additional funds through public or private debt or equity financings or additional bank credit arrangements. We also may need to raise additional funds in the event we determine in the future to effect one or more acquisitions of businesses, technologies and products. If additional funding is necessary or desirable, we may not be able to obtain bank credit arrangements or to obtain an equity or debt financing on terms acceptable to us or at all.

Restrictions under mainland China laws and regulations as well as restrictions under ACM Shanghai's bank loan agreements, may significantly restrict ACM Shanghai's ability to transfer a portion of ACM Shanghai's net assets to ACM Research, other subsidiaries of ACM Research and to holders of ACM Research Class A common stock. See "Item 1A. Risk Factors – Regulatory Risks – Mainland China's currency exchange control and government restrictions on investment repatriation may impact our ability to transfer funds outside of mainland China, which could materially and adversely affect our ability to grow, make investments or acquisitions that could benefit our business, otherwise fund and conduct our business, or pay dividends on our common stock" in our Report on Form 10-K for the year ended December 31, 2024.

For the nine months ended September 30, 2025 and 2024, with the exception of sales and services-related transfer-pricing payments in the ordinary course of business, and dividends paid by ACM Shanghai to the stockholders of ACM Shanghai (including ACM Research), no transfers or distributions have been made between ACM Research, and its subsidiaries, including ACM Shanghai, or to holders of ACM Research Class A common stock.

Our cash and cash equivalents at September 30, 2025 were held for working capital purposes and other potential investments. ACM Shanghai, our only direct mainland China subsidiary, is, however, subject to mainland China restrictions on distributions to equity holders. The use of proceeds raised by the STAR Market IPO and Private Offering, without further approvals, are limited to specific usage. Our accounts receivable balance fluctuates from period to period, which affects our cash flow from operating activities. Fluctuations vary depending on cash collections, client mix, and the timing of shipment and acceptance of our tools.

ACM Research has never declared or paid cash dividends on our capital stock. ACM Research intends to retain all available funds and any future earnings to support the operation of and to finance the growth and development of our business and do not anticipate paying any cash dividends in the foreseeable future.

Cash Flow (Used in) Provided by Operating Activities. Net cash (used in) provided by operating activities during the nine months ended September 30, 2025 and 2024 consisted of:

	Nine Months Ended September 30,	
	2025	2024
	(In thousands)	
Net Income	$ 107,681	$ 92,163
Non-cash operating lease cost	3,338	2,848
Provision for inventory	9,853	3,858
Provision for credit losses	9,481	5,796
Depreciation and amortization	10,460	7,073
Income from equity method investments	(6,395)	(101)
Unrealized (gain) loss on short-term investments	(20,304)	1,151
Deferred income taxes	(11,713)	6,969
Stock-based compensation	27,149	40,792
Dividends from unconsolidated affiliates	64	731
Realized gain on short-term investment	—	(444)
Others	1,092	1,063
Net changes in operating assets and liabilities	(174,950)	(98,044)
Net cash flow (used in) provided by operating activities	$ (44,244)	$ 63,855

Significant net changes in operating asset and liability accounts primarily include the following:

- uses of cash: a $80.7 million increase in inventories, net, a $91.3 million net increase in accounts receivable, net, a $43.3 million decrease in advances from customers, and a $14.1million increase in other receivables and other assets.

- sources of cash: a $44.5 million increase in accounts payable and related party accounts payable, a $9.9 million net increase in other liabilities which includes long-term operating lease liabilities, other long-term liabilities, other payables and accrued expenses, and deferred revenue.

Cash Flow Used in Investing Activities. Net cash used in investing activities, excluding the change in net cash related to time deposits, for the nine months ended September 30, 2025 was ($43.0) million, primarily consisting of purchase of property, plant and equipment, and intangible assets for ($43.3 million), and $(0.5) million for purchase of long-term investments, net of a $0.7 million deposit return for land use right.

Cash Flow Provided by Financing Activities. Net cash provided by financing activities for the nine months ended September 30, 2025 was $738.1 million, primarily consisting of $623.0 million in net proceeds from Private Offering by ACM Shanghai, $101.6 million in net proceeds from short-term and long-term borrowing (notes 8 and 10), and $27.9 million in proceeds from exercise of stock options, partly offset by $(7.0) million used for the repurchase of shares held by ACM Shanghai, and $(7.6) million payment of ACM Shanghai dividend.

We and ACM Shanghai, together with the subsidiaries of ACM Shanghai, have short-term and long-term borrowings with the following banks:

Lender	Agreement Date	Maturity Date	Annual Interest Rate	Maximum Borrowing Amount(1)	Amount Outstanding at September 30, 2025
				(in thousands)	
China CITIC Bank (2)	July 2023	Repayable by installments and the last installments repayable in December 2025	3.45%	RMB200,000	RMB99,765
				$ 28,140	$ 14,037
China CITIC Bank (2)	January 2025	Repayable by installments and the last installments repayable in January 2028	3.60%	RMB200,000	RMB199,980
				$ 28,140	$ 28,140
China Everbright Bank	December 2024	September 2027	2.60%	RMB600,000	RMB399,207
				$ 84,420	$ 56,167
China Merchants Bank	August 2024	March 2026	2.28%	RMB200,000	RMB120,069
				$ 28,140	$ 16,894
Bank of China	September 2025	September 2026	2.30%-2.62%	RMB400,000	RMB342,195
				$ 56,280	$ 48,147
Industrial and Commercial Bank of China	November 2024	November 2027	2.35%	RMB300,000	RMB299,676
				$ 42,210	$ 42,164
China Merchants Bank	August 2024	August 2034	2.95%	RMB1,000,000	RMB58,550
				$ 140,700	$ 8,238
Bank of China	November 2024	November 2035	2.70%	RMB1,000,000	RMB47,452
				$ 140,700	$ 6,678
China Merchants Bank (3)	November 2020	Repayable by installments and the last installments repayable in November 2030	3.65%	RMB128,500	RMB72,949
				$ 18,080	$ 10,264
Agricultural Bank of China	April 2024	Repayable by installments and the last installments repayable in April 2034	2.53%-2.78%	RMB300,000	RMB300,187
				$ 42,210	$ 42,236
Bank of Shanghai	June 2025	June 2026	2.11%	RMB100,000	NIL

				$ 14,070	$ —
China CITIC Bank	August 2023	September 2026	2.11%	RMB100,000	RMB100,053
				$ 14,070	$ 14,077
			Total US Dollars	$ 637,160	$ 287,042

(1) Converted from RMB to dollars as of September 30, 2025.

(2) These China CITIC bank facility agreements are with ACM Research, Inc.

(3) The loan from China Merchants Bank is secured by a pledge of the property of ACM Lingang and guaranteed by ACM Shanghai, as described above under “—Contractual Obligations.”

Loan Covenants

In 2025, ACM Shanghai secured long-term loan facilities with China Merchants Bank (note 10) for ACM Shanghai’s project expenditures. The facilities contain certain covenants, which require ACM Shanghai to either repay 50% of the outstanding principal within two months, or repay the loan in accordance with an accelerated payment schedule, if ACM Shanghai does not complete, within three years after then initial drawdown, or before January 2028, a Private Offering with more than RMB 900 million of proceeds.

In 2025, ACM Shanghai secured long-term loan facilities with the Bank of China (note 10) and in April 2025, ACM Shanghai secured a short-term loan facility with the Bank of China for ACM Shanghai’s project expenditures (notes 6 and 8). The facility requires ACM Shanghai’s year-end outstanding interest-bearing debt not to exceed five times of its annual EBITDA, and to comply with other non-financial covenants, or Bank of China has the right to suspend the facility, or request ACM Shanghai to accelerate repayment or provide credit enhancement.

Contractual Obligations

Grant Contract for State-owned Construction Land Use Right in Shanghai City

In 2020 ACM Shanghai, through its wholly-owned subsidiary ACM Lingang, entered into a Grant Contract for State-owned Construction Land Use Right in Shanghai City (Category of R&D Headquarters and Industrial Projects), or the Grant Agreement, with the China (Shanghai) Pilot Free Trade Zone Lin-gang Special Area Administration, or the Grantor. ACM Lingang obtained rights to use approximately 43,000 square meters (10.6 acres) of land in the East China Silicon Hub of Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone, or the Land Use Right, for a period of fifty years, commencing on the date of delivery of the land in July 2020, which we refer to as the Delivery Date. In exchange for its land use rights, ACM Lingang paid aggregate grant fees of RMB 61.7 million ($9.5 million), or the Grant Fees, and a performance deposit of RMB 12.3 million ($1.9 million), related to the achievement of the certain performance milestones. As of September 30, 2025, ACM Lingang had officially achieved the milestones, and the performance deposit has been refunded in full (note 7).

In addition to the milestones, covenants in the Grant Agreement require that, among other things, ACM Lingang will be required to pay liquidated damages in the event that within seven years after the Delivery Date, or prior to July 9, 2027, it does not (i) generate a minimum specified amount of annual sales of products manufactured on the granted land or (ii) pay at least RMB 157.6 million ($22.2 million) in annual total taxes (including value-added taxes, corporate income tax, personal income taxes, urban maintenance and construction taxes, education surcharges, stamp taxes, and vehicle and shipping taxes) as a result of operations in connection with the granted land.

If the total tax revenue of the project fails to reach, but is no less than, 80% of the standard amount agreed under the Grant Agreement, ACM Lingang shall pay 20% of the actual shortfall amount of the tax revenue as liquidated damages. If the total tax revenue of the project fails to reach 80% of the standard agreed under the Grant Agreement within 1 month after the agreed date of reaching target production, the Grantor is entitled to terminate the Grant Agreement, take back the Land Use Right, and shall refund the Grant Fees for the remaining land use term to ACM Lingang.

If the Grant Agreement is terminated because of breach of any terms above, the Grantor shall take back the buildings, fixtures and auxiliary facilities on the land area and provide ACM Lingang with corresponding compensation according to the residual value of the buildings, fixtures and auxiliary facilities when they are taken back.

How We Evaluate Our Operations

We present information below with respect to four measures of financial performance:

- We define shipments of tools to include (a) a repeat shipment to a customer of a type of tool that the customer has previously accepted, for which we recognize revenue upon shipment or delivery, and (b) a first-time shipment of a first tool to a customer on an approval basis, for which we may recognize revenue in the future if contractual conditions are met, or if a purchase order is received.
- We define “adjusted EBITDA” as net income excluding interest (net), income tax benefit (expense), depreciation and amortization, unrealized (gain) loss on short-term investments, and stock-based compensation. We define adjusted EBITDA to also exclude restructuring costs, although we have not incurred any such costs to date.
- We define “free cash flow” as net cash provided by operating activities less purchases of property and equipment (net of proceeds from disposals) and purchase of short-term and long-term investments.
- We define “adjusted operating income (loss)” as our income (loss) from operations excluding stock-based compensation.

These financial measures are not based on any standardized methodologies prescribed by accounting principles generally accepted in the United States, or GAAP, and are not necessarily comparable to similarly titled measures presented by other companies.

We have presented shipments, adjusted EBITDA, free cash flow and adjusted operating income (loss) because they are key measures used by our management and board of directors to understand and evaluate our operating performance, to establish budgets and to develop operational goals for managing our business. We believe that these financial measures help identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude. In particular, we believe that the exclusion of the expenses eliminated in calculating adjusted EBITDA and adjusted operating income (loss) can provide useful measures for period-to-period comparisons of our core operating performance and that the exclusion of property and equipment purchases from operating cash flow can provide a usual means to gauge our capability to generate cash. Accordingly, we believe that these financial measures provide useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects, and allowing for greater transparency with respect to key financial metrics used by our management in its financial and operational decision-making.

Shipments, adjusted EBITDA, free cash flow and adjusted operating income (loss) are not prepared in accordance with GAAP, and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP.

Shipments

We consider shipments a key operating metric as it reflects the total value of products delivered to customers and prospective customers by our productive assets.

Shipments consist of two components:

- a shipment to a customer of a type of tool that the customer has previously accepted, for which we recognize revenue when the tool is delivered; and
- a shipment to a customer of a type of tool that the customer is receiving and evaluating for the first time, in each case a first tool, for which we may recognize revenue at a later date, subject to the customer’s acceptance of the tool upon the tool’s satisfaction of applicable contractual requirements or subject to the customer’s subsequent discretionary commitment to purchase the tool.

First tool shipments can be made to either an existing customer that has not previously accepted that specific type of tool in the past ─ for example, a delivery of a SAPS V tool to a customer that previously had received only SAPS II tools ─ or to a new customer that has never purchased any tool from us.

Shipments in the nine months ended September 30, 2025 totaled $626.2 million, as compared to $709.6 million for the same period in 2024. Repeat tool shipments in the nine months ended September 30, 2025 totaled $336.4 million, as compared to $353.5 million for same period in 2024. First tool shipments in the nine months ended September 30, 2025 totaled $289.8 million, as compared to $356.2 million for the same period in 2024.

The dollar amount attributed to a first tool shipment is equal to the consideration we expect to receive if any and all contractual requirements are satisfied and the customer accepts the tool, or if the customer subsequently determines in its discretion to purchase the tool. There are a number of limitations related to the use of shipments in evaluating our business, including that customers have significant, or in some cases total, discretion in determining whether to accept or purchase our tools after evaluation and their decision not to accept or purchase delivered tools is likely to result in our inability to recognize revenue from the delivered tools. "First tool" shipments reflect the value of incremental new products under evaluation delivered to our customers or prospective customers for a given period and is used as an internal key metric to reflect future potential revenue opportunity. The cumulative cost of "first tool" shipments under evaluation at customers which have not been accepted by the customer is carried at cost and reflected in finished goods inventory (see note 5 to the condensed consolidated financial statements included in this report). "First tool" shipments exclude deliveries to customers for which ACM Research does not have a basis to expect future revenue.

Adjusted EBITDA

There are a number of limitations related to the use of adjusted EBITDA rather than net income (loss), which is the nearest GAAP equivalent. Some of these limitations are:

- adjusted EBITDA excludes depreciation and amortization and, although these are non-cash expenses, the assets being depreciated or amortized may have to be replaced in the future;
- we exclude stock-based compensation expense from adjusted EBITDA and adjusted operating income (loss), although (a) it has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy and (b) if we did not pay out a portion of our compensation in the form of stock-based compensation, the cash salary expense included in operating expenses would be higher, which would affect our cash position;
- the expenses and other items that we exclude in our calculation of adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from adjusted EBITDA when they report their operating results;
- adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- adjusted EBITDA does not reflect interest expense, or the requirements necessary to service interest or principal payments on debt;
- adjusted EBITDA does not reflect income tax expense (benefit) or the cash requirements to pay taxes;
- adjusted EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments; and
- adjusted EBITDA includes expense reductions and non-operating other income attributable to mainland China governmental grants, which may mask the effect of underlying developments in net income, including trends in current expenses and interest expense, and free cash flow includes mainland China governmental grants, the amount and timing of which can be difficult to predict and are outside our control.

The following table reconciles net income, the most directly comparable GAAP financial measure, to adjusted EBITDA:

	Nine Months Ended September 30,			
	2025	2024	% Change 2025 v 2024	Absolute Change 2025 v 2024
	(Dollars in thousands)			
Adjusted EBITDA Data:				
Net Income	$ 107,681	$ 92,163	16.8%	$ 15,518
Interest income, net	(5,286)	(4,199)	25.9%	(1,087)
Income tax expense	6,733	17,712	(62.0%)	(10,979)
Depreciation and amortization	10,460	7,073	47.9%	3,387
Stock based compensation	27,149	40,792	(33.4%)	(13,643)
Unrealized (gain) loss on short-term investments	(20,304)	1,151	(1864.0%)	(21,455)
Adjusted EBITDA	$ 126,433	$ 154,692	(18.3%)	$ (28,259)

We do not exclude from adjusted EBITDA expense reductions and non-operating other income attributable to mainland China governmental grants because we consider and incorporate the expected amounts and timing of those grants in incurring expenses and capital expenditures. If we did not receive the grants, our cash expenses therefore would be lower, and our cash position would not be affected, to the extent we have accurately anticipated the amounts of the grants. For additional information regarding our mainland China grants, please see "—Mainland China Government Research and Development Funding."

Free Cash Flow

The following table reconciles net cash provided by (used in) operating activities, the most directly comparable GAAP financial measure, to free cash flow:

	Nine Months Ended September 30,			
	2025	2024	% Change 2025 v 2024	Absolute Change 2025 v 2024
	(Dollars in thousands)			
Free Cash Flow Data:				
Net cash (used in) provided by operating activities	$ (44,244)	$ 63,855	(169.3%)	$ (108,099)
Purchase of property and equipment	(42,473)	(71,047)	(40.2%)	28,574
Purchase of short-term and long-term investments	(478)	(8,769)	(94.5%)	8,291
Free cash flow	$ (87,195)	$ (15,961)	446.3%	$ (71,234)

The decrease in free cash flow for the nine months ended September 30, 2025 as compared to the same period in 2024 reflected the factors driving net cash used in operating activities, a decrease of purchases of property and equipment, and long-term investment. Consistent with our methodology for calculating adjusted EBITDA, we do not adjust free cash flow for the effects of mainland China government subsidies, because we take those subsidies into account in incurring expenses and capital expenditures. We do not adjust free cash flow for the effects of time-deposits, which for our internal purposes are considered as largely similar to cash.

Adjusted Operating Income

Adjusted operating income excludes stock-based compensation from income from operations. Although stock-based compensation is an important aspect of the compensation of our employees and executives, determining the fair value of certain of the stock-based instruments we utilize involves judgment and estimation and the expense recorded may bear little resemblance to the actual value realized upon the vesting or future exercise of the related stock-based awards. Furthermore, unlike cash compensation, the value of stock options, which is an element of our ongoing stock-based compensation expense, is determined using a complex formula that incorporates factors. Management believes it is useful to exclude stock-based compensation in order to better understand the long-term performance of our core business and to facilitate comparison of our results to those of peer companies. The use of non-GAAP financial measures excluding stock-based compensation has limitations, however. If we did not pay out a portion of our compensation in the form of stock-based compensation, the cash salary expense included in operating expenses would be higher and our cash holdings would be less. The following tables reflect the exclusion of stock-based compensation, or SBC, from line items comprising income from operations:

	Nine Months Ended September 30,					
	2025			2024		
	Actual (GAAP)	SBC	Adjusted (Non-GAAP)	Actual (GAAP)	SBC	Adjusted (Non-GAAP)
	(in thousands)					
Revenue	$ 656,879	$ -	$ 656,879	$ 558,647	$ -	$ 558,647
Cost of revenue	(356,719)	(1,138)	(355,581)	(277,908)	(2,020)	(275,888)
Gross profit	300,160	(1,138)	301,298	280,739	(2,020)	282,759
Operating expenses:						
Sales and marketing	(60,756)	(5,854)	(54,902)	(47,067)	(8,645)	(38,422)
Research and development	(100,971)	(7,270)	(93,701)	(77,723)	(12,082)	(65,641)
General and administrative	(52,039)	(12,887)	(39,152)	(48,940)	(18,045)	(30,895)
Income (loss) from operations	$ 86,394	$ (27,149)	$ 113,543	$ 107,009	$ (40,792)	$ 147,801

Item 3. Quantitative and Qualitative Disclosures About Market Risks

Our market risks and the ways we manage them are summarized in the section captioned "Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report. There have been no material changes in the first nine months of 2025 to our market risks or to our management of such risks.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, or the Exchange Act, as of September 30, 2025. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that our management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2025, our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings or may be subject to claims arising in the ordinary course of our business. Although the results of these proceedings and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a material adverse effect on our business, operating results, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

There were no material changes to the risk factors discussed in Item 1A. “Risk Factors” of Part I in our Annual Report for the fiscal year ended December 31, 2024, as amended and supplemented by the information in “Item 1A. Risk Factors” of Part II in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025. In addition to the other information set forth in this report, you should carefully consider those risk factors, which could materially affect our business, financial condition and future operating results. Those risk factors are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may have a material adverse effect on our business, financial condition and operating results.

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

During the nine months ended September 30, 2025, ACM Research issued, pursuant to the exercise of stock options at a per share exercise price of $0.50 per share, an aggregate of 349,743 shares of Class A common stock that were not registered under the Securities Act of 1933, as amended. We believe the offer and sale of those shares were exempt from registration under the Securities Act of 1933, as amended, by virtue of Section 4(a)(2) thereof (or Regulation D promulgated thereunder) because they did not involve a public offering. The recipients of the shares acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were recorded with respect to the shares. The recipients of the shares were accredited investors under Rule 501 of Regulation D:

Sale Date	Exercised Shares (Net)
1/3/2025	26,884
2/4/2025	18,525
2/26/2025	9,782
3/3/2025	27,241
3/3/2025	24,519
3/3/2025	205,952
4/1/2025	4,892
4/7/2025	4,876
5/6/2025	27,072
7/2/2025	27,268
7/16/2025	4,915
Total	381,926

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

None

Item 5. Other Information

On September 4, 2025, Howard Chen, Legal Counsel, adopted a Rule 10b5-1 trading arrangement (the “Chen Plan”) that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act. The Chen Plan allows for the contemporaneous exercise of options and sale of up to 50,000 shares of Class A Common Stock, at specific market prices, commencing on December 5, 2025, and continuing until (i) all such options are exercised and the underlying shares are sold, (ii) November 13, 2026, or (iii) such date that the Chen Plan is otherwise terminated according to its terms, whichever comes first.

On August 28, 2025, Fuping Chen, Vice President, Sales—China of ACM Research (Shanghai), Inc., adopted a Rule 10b5-1 trading arrangement (the “Fuping Chen Plan”) that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act. The Fuping Chen Plan allows for the contemporaneous exercise of options and sale of up to 120,000 shares of Class A Common Stock, at specific market prices, commencing on December 2, 2025, and continuing until (i) all such options are exercised and the underlying shares are sold, (ii) November 20, 2026, or (iii) such date that the Fuping Chen Plan is otherwise terminated according to its terms, whichever comes first.

On August 27, 2025, Mark McKechnie, Chief Financial Officer, adopted a Rule 10b5-1 trading arrangement (the “McKechnie Plan”) that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act. The McKechnie Plan allows for the contemporaneous exercise of options and sale of up to 129,801 shares of Class A Common Stock, at specific market prices, commencing on December 4, 2025, and continuing until (i) all such options are exercised and the underlying shares are sold, (ii) May 10, 2027, or (iii) such date that the McKechnie Plan is otherwise terminated according to its terms, whichever comes first.

On August 13, 2025, Haiping Dun, Board Member of ACM Research, adopted a Rule 10b5-1 trading arrangement (the “Dun Plan”) that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act. The Dun Plan allows for the contemporaneous exercise of options and sale of up to 30,000 shares of Class A Common Stock, at specific market prices, commencing on March 9, 2026, and continuing until (i) all such options are exercised and the underlying shares are sold, (ii) August 13, 2027, or (iii) such date that the Dun Plan is otherwise terminated according to its terms, whichever comes first.

On August 13, 2025, Lisa Feng, Chief Financial Officer of ACM Shanghai, adopted a Rule 10b5-1 trading arrangement (the “Feng Plan”) that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act. The Feng Plan allows for the contemporaneous exercise of options and sale of up to 30,000 shares of Class A Common Stock, at specific market prices, commencing on November 12, 2025, and continuing until (i) all such options are exercised and the underlying shares are sold, (ii) November 13, 2026, or (iii) such date that the Feng Plan is otherwise terminated according to its terms, whichever comes first.

Item 6. Exhibits

The following exhibits are filed as part of this report:

Exhibit No.	Description
31.01	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.02	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.01	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in exhibit 101)

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.

	ACM RESEARCH, INC.	
Date: November 6, 2025	By:	/s/ Mark McKechnie
		Mark McKechnie
		Chief Financial Officer, Executive Vice President and Treasurer
		(Principal Financial Officer)

Exhibit 31.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David H. Wang, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ACM Research, 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 quarterly 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.

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 6, 2025

David H. Wang

Chief Executive Officer and President

(Principal Executive Officer)

Exhibit 31.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark McKechnie, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ACM Research, 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 quarterly 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.

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 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 6, 2025

Mark McKechnie

Chief Financial Officer, Executive Vice President and Treasurer

(Principal Financial Officer)

Exhibit 32.01

CERTIFICATION PURSUANT TO 18 U.S.C. 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of ACM Research, Inc. for the quarterly period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his or her knowledge on the date hereof:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ACM Research, Inc. for the period presented therein.

Date: November 6, 2025

David H. Wang

Chief Executive Officer and President

(Principal Executive Officer)

Date:November 6, 2025

Mark McKechnie

Chief Financial Officer, Executive Vice President and Treasurer

(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.