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Amtech Systems Reports Fiscal 2007 First Quarter Financial Results

TEMPE, Ariz., Feb. 14 /PRNewswire-FirstCall/ -- Amtech Systems, Inc. (Nasdaq: ASYS), a global supplier of production and automation systems and related supplies for the semiconductor, solar cell, silicon wafer, and microelectromechanical system (MEMS) industries, today reported results for its fiscal 2007 first quarter ended December 31, 2006.

First Quarter Financial Highlights:

- * Net Revenue of \$9.5 million, a 19% increase over fiscal 2006 first quarter
- * Solar revenue totaled \$2.6 million, compared to \$1.0 million in the prior year quarter
- * Quarter-end backlog of \$18.2 million, including \$5.3 million in solar orders
- * Quarter-end book to bill of 1.4, versus 1.3 in prior year
- * Net income of \$6,000, or \$0.00 per diluted share, versus net income of \$471,000, or \$0.16 in fiscal 2006 first quarter
- * Cash and cash equivalents of \$5.2 million as of December 31, 2006

"Our strong order backlog reached \$18.2 million, up sequentially from \$13.6 million last quarter," said J.S. Whang, President and Chief Executive Officer of Amtech. "This total includes \$5.3 million in solar orders that is in addition to the \$3.5 million we announced in late January, so our current solar order backlog totals nearly \$9 million. We expect these orders to ship within fiscal year 2007. "

At December 31, 2006, the Company's order backlog was \$18.2 million, compared to \$17.7 million a year ago. Last year's backlog included a \$5.2 million multi-furnace order to one semiconductor customer. Excluding this order, the Company's backlog was up substantially over last year on a normalized basis. Backlog includes deferred revenue and customer orders that are expected to ship within the next 12 months.

Net revenue for the first quarter of fiscal 2007 totaled \$9.5 million, an increase of 19% from total revenue of \$7.9 million in the first quarter of fiscal 2006. The increase primarily reflects increased revenues from the semiconductor and solar equipment segment, with most of that increase comprised of shipments to the solar cell industry.

The gross margin decline from the year ago quarter is primarily the result of a concentration of shipments of higher margin semiconductor automation systems and etching machines in the year ago quarter. Amtech continues to focus on operational improvements and the increase in selling, general and administrative expense reflects personnel and consulting costs related to executing the Company's growth strategy and improving operational and reporting efficiencies, as well as managing our increasing compliance obligations.

Net income for the first quarter of fiscal 2007 was \$6,000, or \$0.00 per diluted share, compared to net income of \$471,000, or \$0.16 per diluted share, for the first quarter of 2006.

Mr. Whang continued: "We are very pleased to recently complete a successful public offering of our common stock, generating proceeds, net of the underwriter's discount of \$17.2 million to support the planned expansion of our solar and semiconductor businesses and anticipated investment to expand our product line and total available market opportunity. Going forward, we believe we are well positioned to continue the strong market momentum we are generating and capitalize on the growth opportunities ahead."

Second Quarter Outlook

For the second quarter of fiscal 2007, the Company anticipates revenue to be in the range of \$9.5 to \$11 million. Operating results for the second quarter of fiscal 2007 will be impacted by the net effect of additional revenue deferral on shipments made in the quarter and recognition of revenue based on customer acceptances, the timing of which can have a significant effect on operating income.

Due to the nature of the capital equipment markets that we serve, revenues, gross margins and operating results have historically fluctuated on a quarterly basis. Our contracts typically include holdbacks of 10-20% of our revenue, which are recognized at the time of customer acceptance.

Conference Call

Amtech Systems will host a conference call and webcast today at 2:00 p.m. Pacific Time (5:00 p.m. ET) to discuss its fiscal 2007 first quarter results. Those wishing to participate in the live call should dial (800) 240- 7305 and request the "Amtech" call. A replay of the call will be available for one week beginning approximately one hour after the call's conclusion by dialing (800) 405-2236 and entering 11084022 followed by the "#" key when prompted for a code. A live and archived web cast of the conference call can be accessed from the investors section of Amtech's website at www.amtechsystems.com or at www.mkr-group.com (under featured events).

About Amtech Systems, Inc.

Amtech manufactures capital equipment, including silicon wafer handling automation, thermal semiconductor processing equipment and related consumables used in fabricating semiconductor devices and solar cells. Semiconductors, or semiconductor chips, are fabricated on silicon wafer substrates, sliced from ingots, and are part of the circuitry, or electronic components, of many products including computers, telecommunications devices, automotive products, consumer goods, and industrial automation and control systems. Amtech's semiconductor handling, thermal processing and consumable products currently address the polishing of newly sliced silicon wafers and reclaimed test wafers and the oxidation and deposition steps used in the fabrication of semiconductors, MEMS and solar cells.

Statements contained in this press release that are not historical facts may be forward-looking statements within the meaning of the Private Litigation Reform Act. Such statements may use words such as "proposed," "anticipate," "believe," "estimate," "expect," "intend," "predict," "project" and similar expressions as they relate to Amtech Systems, Inc. or our management. When we make forward-looking statements, we are basing them on our management's beliefs and assumptions, using information currently available to us.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, these forward-looking statements are subject to risks, uncertainties and assumptions including the risk that this offering does not close and the risks discussed in our filings with the Securities and Exchange Commission. If one or more of these risks materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Any forward-looking statements contained in this press release reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. We have no intention, and disclaim any obligation, to update or revise any forward-looking statements, whether as a result of new information, future results or otherwise.

This earnings release should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2006, as amended, and its Quarterly Report on Form 10-Q for the quarter ended December 31, 2006.

SELECTED INCOME STATEMENT DATA - CONSOLIDATED
(amounts in thousands, except per share data)

	QUARTERS ENDED	
	December 31 (Unaudited)	
	2006	2005
Net revenues	\$9,451	\$7,915
Cost of sales	7,059	5,378
Gross profit	2,392	2,537
Gross margin	25%	32%
Selling, general and administrative	2,219	1,889
Research and development	118	170
Operating Income	55	478
Interest and other income (expense), net	21	43
Income before income taxes	76	521
Income tax provision	\$70	\$50
Net Income (loss)	\$6	\$471
Earnings Per Share:		
Basic	\$.00	\$.16
Diluted	\$.00	\$.14
Weighted Average Shares Outstanding:		
Basic	3,476	2,708
Diluted	3,511	3,387

SELECTED BALANCE SHEET DATA - CONSOLIDATED
(in thousands)

	December 31	September 30
	2006	2006
Cash and Equivalents	\$5,213	\$6,433
Accounts Receivable - Net	8,408	7,394

Inventories	6,051	4,979
Deferred Income Taxes	360	--
Prepaid and Other	887	414
Total Current Assets	20,919	19,220
Property, Plant and Equipment - Net	2,339	2,382
Goodwill and Other Assets - Net	1,939	1,961
Total Assets	\$25,197	\$23,563
Current Liabilities	8,593	7,337
Long-Term Obligations	876	617
Total Stockholders' Equity	15,728	15,609
	\$25,197	\$23,563

SOURCE Amtech Systems, Inc.