

December 11, 2013



Amtech Reports Fourth Quarter and Fiscal 2013 Results

TEMPE, Ariz., Dec. 11, 2013 /PRNewswire/ -- Amtech Systems, Inc. (NASDAQ: ASYS), a global supplier of production and automation systems and related supplies for the manufacture of solar cells, semiconductors, and sapphire and silicon wafers, today reported results for its fourth quarter and fiscal year ending September 30, 2013.

Fourth Quarter 2013 Financial Highlights:

- Net revenue of \$6.9 million
- Bookings of \$8.4 million
- Backlog of \$26.8 million at September 30, 2013
- Net loss of \$1.7 million, or \$0.18 per share
- Unrestricted cash of \$37.2 million at September 30, 2013

Fiscal Year 2013 Financial Highlights:

- Net revenue of \$34.8 million
- Solar revenue of \$17.4 million
- Bookings of \$43.6 million
- Net loss of \$20.1 million, or \$2.11 per share

Mr. Fokko Pentinga, Chief Executive Officer of Amtech, commented, "even though fiscal 2013 was a challenging year, progress was made at Amtech. We continued to restructure our global operations and intensified our efforts on developing new products and higher efficiency technology solutions to gain a competitive edge over our competitors. We introduced a new solar tool, a PECVD system, which doubles our served available market, and we received our first production order. Also, in June 2013, we announced the receipt of a multi-million dollar order for our advance diffusion and PECVD equipment to be used in Nexolon USA's facility in Texas."

"Although demand is soft, activity in the market has increased. Discussions with current and potential customers further validate that our technologies strongly position Amtech as a global technology solutions company. We are increasingly optimistic that the second half of 2014 will reflect a renewed demand for our products."

Net revenue for the fourth quarter of fiscal 2013 totaled \$6.9 million compared to \$10.4 million in the previous quarter and \$10.9 million in the fourth quarter of fiscal 2012. The change reflects lower shipments due to the continued unfavorable market conditions within the solar and semiconductor industries, partially offset by favorable recognition of previously-deferred revenue resulting from increased customer acceptances.

Total customer orders were \$8.4 million (\$0.1 million solar) in the fourth quarter of fiscal

2013, compared to total orders of \$5.6 million (\$2.1 million solar) in the same period a year ago.

At September 30, 2013, the Company's total order backlog was \$26.8 million, including \$17.1 million in solar orders and deferred revenue. The effect of foreign exchange on backlog during the September quarter was a positive \$0.6 million. Backlog includes deferred revenue and customer orders that are expected to ship within the next 12 months.

Gross margin in the fourth quarter of fiscal 2013 was 46%, reflecting a high percentage of net revenue resulting from recognition of previously-deferred revenue. The portion of revenue recognized upon customer acceptance generally has a significantly higher gross margin percentage. In the same quarter a year ago, and in the third quarter of fiscal 2013, gross margin was negative, due primarily to significant inventory write-downs.

Selling, general and administrative (SG&A) expenses in the fourth quarter of fiscal 2013 were \$3.2 million compared to \$5.4 million in the preceding quarter, a 41% reduction. The decrease in SG&A expenses was due, in part, to lower stock compensation expense. In the June quarter of fiscal 2013, stock compensation expense was higher due to the acceleration of vesting and cancellation of certain stock options. Additionally, the fourth quarter reflects lower commissions and shipping costs related to lower revenues as well as cost reductions resulting from corporate-wide cost control initiatives.

Research and Development (R&D) expense was \$1.5 million in the fourth quarter compared to \$1.9 million in preceding quarter, primarily due to cost controls on the Company's solar projects.

Depreciation and amortization in the fourth quarter of fiscal 2013 was \$0.7 million compared to \$0.6 million in the third quarter of 2013.

Net loss for the fourth quarter of fiscal 2013 was \$1.7 million, or \$0.18 per share, compared to a net loss of \$12.1 million, or \$1.27 per share, in the preceding quarter and a net loss of \$14.1 million or \$1.49 per share in the fourth quarter of fiscal 2012.

Total unrestricted cash and cash equivalents at September 30, 2013 were \$37.2 million, compared to \$38.8 million at June 30, 2013, reflecting a large tax payment, partially offset by a significant customer deposit.

Conference Call

Amtech Systems will host a conference call and webcast today at 5:00 pm ET to discuss fourth quarter fiscal 2013 financial results. Those in the USA wishing to participate in the live call should dial (877) 317-6789. Internationally, dial (412) 317-6789. Request "Amtech" when connected to the operator. A replay of the call will be available one hour after the end of the conference through December 19, 2013 at 9:00 AM ET. To access the replay please dial US toll free (877) 344-7529 and enter code 10037881. Internationally, dial (412) 317-0088 and use the same code. A live and archived web cast of the conference call can be accessed in the investor relations section of Amtech's website at www.amtechsystems.com.

About Amtech Systems, Inc.

Amtech Systems, Inc. manufactures capital equipment, including silicon wafer handling

automation, thermal processing equipment and related consumables used in fabricating solar cells, LED and semiconductor devices. 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 solar cells, computers, telecommunications devices, automotive products, consumer goods, and industrial automation and control systems. The Company's wafer handling, thermal processing and consumable products currently address the diffusion, oxidation, and deposition steps used in the fabrication of solar cells, LEDs, semiconductors, MEMS and the polishing of newly sliced silicon, sapphire and silicon carbide wafers.

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this press release is forward-looking in nature. All statements in this press release, or made by management of Amtech Systems, Inc. and its subsidiaries ("the Company" or "Amtech"), other than statements of historical fact, are hereby identified as "forward-looking statements" (as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended). In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "would," "expects," "plans," "anticipates," "intends," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. Examples of forward-looking statements include statements regarding Amtech's future financial results, operating results, business strategies, projected costs, products under development, competitive positions and plans and objectives of the Company and its management for future operations.

We cannot guarantee that any forward-looking statement will be realized, although we believe that the expectations reflected in the forward-looking statements are reasonable. Achievement of future results is subject to risks, uncertainties and potentially inaccurate assumptions. The Form 10-K that we filed with the Securities and Exchange Commission for the year-ended September 30, 2013 listed various important factors that could affect Amtech's future operating results and financial condition and could cause actual results to differ materially from historical results and expectations based on forward-looking statements made in this document or elsewhere by Amtech or on its behalf. These factors can be found under the heading "Risk Factors" in the Form 10-K and investors should refer to them. Because it is not possible to predict or identify all such factors, any such list cannot be considered a complete set of all potential risks or uncertainties. Except as required by law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events, or otherwise.

Contacts:

Amtech Systems, Inc.
Bradley C. Anderson
Chief Financial Officer
(480) 967-5146
irelations@Amtechsystems.com

Christensen
Investor Relations
Patty Bruner
(480) 201-6075
pbruner@christensenir.com

Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	Quarters Ended		Years Ended	
	September 30,		September 30,	
	2013 (unaudited)	2012 (unaudited)	2013	2012
Revenues, net of returns and allowances	\$ 6,925	\$ 10,945	\$ 34,798	\$ 81,539
Cost of sales	3,766	8,648	26,833	59,511
Write-down of inventory	-	6,702	3,652	10,380
Losses on inventory purchase commitments	-	2,455	-	2,455
Gross profit (loss)	3,159	(6,860)	4,313	9,193
Selling, general and administrative	3,151	4,354	16,830	23,055
Research and development	1,539	3,947	6,594	13,694
Impairment and restructuring charges	-	4,745	883	5,428
Operating loss	(1,531)	(19,905)	(19,994)	(32,984)
Interest and other income (expense), net	(40)	(129)	147	66
Loss before income taxes	(1,571)	(20,035)	(19,847)	(32,918)
Income tax provision (benefit)	580	(3,670)	1,860	(5,320)
Net loss	(2,151)	(16,365)	(21,707)	(27,598)
Add: net loss attributable to noncontrolling interest	469	2,254	1,638	4,567
Net loss attributable to Amtech Systems, Inc.	\$ (1,682)	\$ (14,111)	\$ (20,069)	\$ (23,031)
Loss Per Share:				
Basic loss per share attributable to Amtech shareholders	\$ (0.18)	\$ (1.49)	\$ (2.11)	\$ (2.43)
Weighted average shares outstanding	9,543	9,479	9,529	9,471
Diluted loss per share attributable to Amtech shareholders	\$ (0.18)	\$ (1.49)	\$ (2.11)	\$ (2.43)
Weighted average shares outstanding	9,543	9,479	9,529	9,471

AMTECH SYSTEMS, INC.
(NASDAQ: ASYS)
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Condensed Consolidated Balance Sheets
(in thousands)

September 30, September 30,

Assets	2013		2012	
Current Assets				
Cash and cash equivalents	\$	37,197	\$	46,726
Restricted cash		5,134		4,644
Accounts receivable				
Trade (less allowance for doubtful accounts of \$638 and \$517 at September 30, 2013 and September 30, 2012, respectively)		4,829		7,486
Unbilled and other		3,194		10,807
Inventories		22,001		25,670
Deferred income taxes		1,330		3,460
Refundable income taxes		7,580		-
Other		2,930		2,650
Total current assets		84,195		101,443
Property, Plant and Equipment - Net		11,066		12,387
Deferred Income Taxes - Long Term		1,260		470
Other Assets - Long Term		2,443		2,271
Intangible Assets - Net		3,502		4,096
Goodwill		8,481		8,355
Total Assets	\$	110,947	\$	129,022
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Liabilities and Stockholders' Equity				
Current Liabilities				
Accounts payable	\$	5,472	\$	5,780
Accrued compensation and related taxes		3,778		5,311
Accrued warranty expense		1,454		2,687
Deferred profit		3,067		10,236
Customer deposits		11,253		3,958
Other accrued liabilities		10,140		7,499
Income taxes payable		6,170		7,140
Total current liabilities		41,334		42,611
Income Taxes Payable Long-term		2,810		2,360
Total Liabilities		44,144		44,971
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Stockholders' Equity				
Common stock; \$0.01 par value; 100,000,000 shares authorized;				
shares issued and outstanding: 9,550,809 and 9,483,588 at September 30, 2013				
and September 30, 2012, respectively		96		95
Additional paid-in capital		79,610		77,377
Accumulated other comprehensive loss		(4,556)		(6,817)
Retained earnings (deficit)		(8,004)		12,065
Total stockholders' equity		67,146		82,720
Noncontrolling interest		(343)		1,331
Total Equity		66,803		84,051
Total Liabilities and Stockholders' Equity	\$	110,947	\$	129,022

AMTECH SYSTEMS, INC.
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Condensed Consolidated Statements of Cash Flows
(in thousands)

	Year Ended September 30,	
	2013	2012
Operating Activities		
Net loss	\$ (21,707)	\$ (27,598)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,667	2,858
Write-down of inventory	3,652	10,380
Loss on inventory purchase commitments	-	2,455
Provision for allowance for doubtful accounts	169	300
Deferred income taxes	1,368	3,781
Impairment of long-lived assets	-	5,428
Non-cash share based compensation expense	2,472	1,763
Changes in operating assets and liabilities:		
Change in restricted cash	(326)	1,781
Accounts receivable	10,629	23,700
Inventories	(221)	(2,130)
Accrued income taxes	(7,818)	(15,543)
Prepaid expenses and other assets	(360)	4,677
Accounts payable	(495)	(2,807)
Accrued liabilities and customer deposits	7,489	(5,387)
Deferred profit	(7,472)	(16,096)
Net cash used in operating activities	<u>(9,953)</u>	<u>(12,438)</u>
Investing Activities		
Purchases of property, plant and equipment	(178)	(1,306)
Other	-	(236)
Net cash used in investing activities	<u>(178)</u>	<u>(1,542)</u>
Financing Activities		
Proceeds from issuance of common stock, net	26	3
Repurchase of common stock	-	(4,080)
Payments on long-term obligations	-	(31)
Excess tax deficiency of stock compensation	(264)	-
Net cash used in financing activities	<u>(238)</u>	<u>(4,108)</u>
Effect of Exchange Rate Changes on Cash	<u>840</u>	<u>(2,568)</u>
Net Decrease in Cash and Cash Equivalents	(9,529)	(20,656)
Cash and Cash Equivalents, Beginning of Year	46,726	67,382
Cash and Cash Equivalents, End of Year	\$ 37,197	\$ 46,726

SOURCE Amtech Systems, Inc.