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# Amtech Reports Fiscal 2010 Q4 Record Revenue of \$45.4 Million; Record EPS of \$0.58

Record fiscal 2010 total orders of \$188 million

TEMPE, Ariz.--(BUSINESS WIRE)-- Amtech Systems, Inc. (NASDAQ:ASYS), a global supplier of production and automation systems and related supplies for the manufacture of solar cells, semiconductors, and silicon wafers, today reported record financial results for its fiscal 2010 fourth quarter and year ended September 30, 2010.

## Fourth Quarter and Fiscal Year Financial Highlights:

- Record fourth quarter net revenue of \$45.4 million, up 5% sequentially and 288% from the prior year fourth quarter
- Fourth quarter solar revenue of \$38.6 million, up 3% from \$37.6 million sequentially
- Fourth quarter bookings of \$49.6 million (\$41.3 million solar)
- Record fiscal 2010 bookings of \$188 million (\$162 million solar)
- Quarter-end backlog of \$94 million (\$85 million solar), compared to \$81 million (\$73 million solar) at June 30, 2010
- Fourth quarter gross margin increased to 39%, compared to 37% sequentially
- Operating income of \$8.9 million, compared to operating income of \$6.4 million sequentially
- Net income of \$5.4 million, or \$0.58 per diluted share, compared to net income of \$3.9 million, or \$0.42 per diluted share, sequentially
- Fourth quarter book-to-bill of 1.0:1 (Solar 1.0:1, Semi 1.3:1)
- Record fiscal 2010 net revenue of \$120.0 million, compared to \$53.0 million in fiscal 2009
- Fiscal 2010 solar revenue of \$99.0 million, compared to \$34.8 million in fiscal 2009
- Fiscal 2010 net income of \$9.6 million, or \$1.04 per diluted share, compared to a net loss of \$1.6 million (including \$1.7 million (pre-tax) of impairment and restructuring charges), or a loss of \$0.18 per share, in fiscal 2009
- Ending unrestricted cash increased to \$56.8 million at September 30, 2010, compared to \$42.7 at June 30, 2010

J.S. Whang, Chief Executive Officer of Amtech, commented: "Our fiscal fourth quarter results include record revenue and order bookings, along with very strong bottom line results, that are all improvements over our very strong fiscal third quarter. These results demonstrate our operational capability to manage and service the record-breaking order momentum and profitably manage our rapid growth. We are very pleased with the significant increase in orders for our solar diffusion systems, our core competency, that we are generating from our substantial and growing solar customer base that includes an increasing number of new customers, further expanding our market share. We remain on track to

continue to produce and ship at a high volume in the December quarter. We continue to have a healthy order pipeline and remain focused on successful execution of our solar growth strategy. With \$94 million in backlog and continued order momentum, we expect 2011 to be another record year for Amtech."

Net revenue for the fourth quarter of fiscal 2010 totaled \$45.4 million, up 5% sequentially from \$43.1 million for the preceding quarter, and a 288% increase over net revenue of \$11.7 million for the fourth quarter of fiscal 2009. The increase was driven primarily by higher system shipments to customers in the solar industry.

Total orders in the fourth quarter of fiscal 2010 were \$49.6 million (\$41.3 million solar), up 11% compared to total orders of \$44.7 million (\$37.3 million solar) in the preceding quarter. Total orders in fiscal 2010 were a record \$187.6 million (\$161.5 million solar). At September 30, 2010, the Company's total order backlog was \$94.4 million, compared to total backlog of \$81.1 million at June 30, 2010. Total backlog at September 30, 2010 includes \$85.3 million in solar orders, compared to solar backlog of \$73.8 million at June 30, 2010. The effect of foreign exchange on backlog was \$8.1 million in the fourth quarter and contributed to the sequential increase. 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 2010 increased to 39%, compared to 37% sequentially and 26% in the fourth quarter of fiscal 2009, primarily due to more efficient capacity utilization from higher shipment volumes.

Selling, general and administrative (SG&A) expenses in the fourth quarter of fiscal 2010 were \$7.9 million, or 17% of revenue, compared to \$3.4 million, or 29% of revenue, in the fourth quarter of fiscal 2009, and \$8.2 million, or 19% of revenue, in the preceding quarter. The decrease in SG&A expenses as a percentage of revenue was primarily due to fixed expenses on higher shipment volumes.

Depreciation and amortization in the fourth quarter of fiscal 2010 was \$480,000, compared to \$421,000 in the fourth quarter of fiscal 2009. Included in the fourth quarter fiscal 2010 results is \$230,000 of stock option expense, compared to \$206,000 in the fiscal fourth quarter a year ago.

Income taxes in the fourth quarter of fiscal 2010 were \$3.6 million, reflecting an effective tax rate of approximately 39%.

Net income for the fourth quarter of fiscal 2010 was \$5.4 million, or \$0.58 per diluted share, compared to a net loss of \$201,000, or a loss of \$0.02 per share, for the fourth quarter of fiscal 2009, and net income of \$3.9 million, or \$0.42 per diluted share, in the preceding quarter.

Total cash and cash equivalents at September 30, 2010 increased to \$56.8 million, compared to \$42.7 million at June 30, 2010.

## Outlook

Amtech expects fiscal 2011 full year revenues to surpass \$200 million, a greater than 67% increase from fiscal 2010, with fiscal 2011 first quarter revenues in the range of \$44-\$46

million.

Operating results could be impacted by the timing of system shipments, the net impact of revenue deferral on those shipments, and recognition of revenue based on customer acceptances, all of which can have a significant effect on operating results.

A substantial portion of Amtech's revenues are denominated in Euros. The revenue outlook provided in this press release is based on an assumed exchange rate between the United States Dollar and the Euro. A significant decrease in the value of the Euro in relation to the United States Dollar could cause actual revenues to be lower than anticipated.

#### Conference Call

Amtech Systems will host a conference call and webcast today at 5:00 a.m. Pacific Time (8:00 a.m. ET) to discuss its fiscal 2010 fourth quarter and year-end results. Those wishing to participate in the live call should dial (800) 762-8795 and request the "Amtech" call. From international locations, dial (480) 629-9773. A replay of the call will be available for one week beginning approximately one hour after the call's conclusion by dialing (800) 406-7325 and entering 4384559 followed by the "#" key when prompted for a code. To access the replay from international locations, dial (303) 590-3030 using the same 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/](http://www.amtechsystems.com/).

#### About Amtech Systems, Inc.

Amtech Systems, Inc. manufactures capital equipment, including silicon wafer handling automation, thermal, plasma and etch processing equipment and related consumables used in fabricating solar cells 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 and processing equipment and consumable products currently address the diffusion, oxidation, deposition, PECVD and PSG removal steps used in the fabrication of solar cells, semiconductors, MEMS and the polishing of newly sliced silicon wafers.

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," "goal," "guidance," "intend," "outlook," "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 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.

SELECTED INCOME STATEMENT DATA - CONSOLIDATED

(amounts in thousands, except per share data)

	QUARTERS ENDED		TWELVE MONTHS ENDED	
	September 30, (Unaudited)		September 30,	
	2010	2009	2010	2009
Net revenues	\$ 45,412	\$ 11,669	\$ 120,019	\$ 52,973
Cost of sales	27,761	8,675	77,307	37,954
Gross profit	17,651	2,994	42,712	15,019
Gross margin	39 %	26 %	36 %	28 %
Selling, general and administrative	7,856	3,448	24,075	14,766
Restructuring charge	-	-	610	1,682
Research and development	858	(18 )	2,118	509
Operating Income (loss)	8,937	(436 )	15,909	(1,938 )
Interest and other income (expense), net	97	(85 )	(196 )	(71 )
Income (loss) before income taxes	9,034	(521 )	15,713	(2,009 )
Income tax provision (benefit)	\$ 3,630	\$ (320 )	\$ 6,150	\$ (420 )
Net Income (loss)	\$ 5,404	\$ (201 )	\$ 9,563	\$ (1,589 )
Earnings (loss) Per Share:				
Basic	\$ 0.60	\$ (0.02 )	\$ 1.06	\$ (0.18 )
Diluted	\$ 0.58	\$ (0.02 )	\$ 1.04	\$ (0.18 )
Weighted Average Shares Outstanding:				
Basic	9,077	8,960	9,022	9,019
Diluted	9,376	8,960	9,237	9,019

SELECTED BALANCE SHEET DATA - CONSOLIDATED

(in thousands)

September 30    September 30

	2010	2009
Cash and cash equivalents	\$ 56,764	\$ 42,298
Restricted cash	6,192	1,496
Accounts receivable - net	24,483	13,565
Inventories	24,317	13,455
Deferred income taxes	2,130	2,290
Prepaid and other	2,543	841
Total Current Assets	116,429	73,945
Property, plant and equipment - net	9,577	8,477
Goodwill, intangible assets and other - net	7,435	8,964
Deferred Income Taxes - Long Term	2,660	1,140
Total Assets	\$ 136,101	\$ 92,526
Current liabilities	50,816	18,077
Long-term obligations	1,042	644
Total stockholders' equity	84,243	73,805
Total Liabilities and Stockholders' Equity	\$ 136,101	\$ 92,526

Source: Amtech Systems, Inc.