

AMTECH SYSTEMS INC
Form 10-Q
May 11, 2010

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: March 31, 2010

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: 0-11412

AMTECH SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Arizona

(State or other jurisdiction of
incorporation or organization)

86-0411215

(I.R.S. Employer
Identification No.)

131 South Clark Drive, Tempe, Arizona
(Address of principal executive offices)

85281
(Zip Code)

Registrant's telephone number, including area code:480-967-5146

Indicate by a 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Shares of Common Stock outstanding as of April 29, 2010: 9,020,727

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AMTECH SYSTEMS, INC. AND SUBSIDIARIES
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PART I FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements

AMTECH SYSTEMS, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(in thousands except share data)

	March 31, 2010 (Unaudited)	September 30, 2009
Assets		
Current Assets		
Cash and cash equivalents	\$ 43,145	\$ 42,298
Restricted cash	5,126	1,496
Accounts receivable		
Trade (less allowance for doubtful accounts of \$348 and \$465 at March 31, 2010 and September 30, 2009, respectively)	8,748	8,409
Unbilled and other	6,213	5,156
Inventories	20,569	13,455
Deferred income taxes	2,650	2,290
Income taxes receivable	120	-
Note receivable	1,009	-
Prepaid expenses and other	2,661	841
Total current assets	90,241	73,945
Property, Plant and Equipment - Net	9,251	8,477
Deferred Income Taxes - Long Term	740	1,140
Intangible Assets - Net	3,359	3,828
Goodwill	4,792	5,136
Other Assets	25	-
Total Assets	\$ 108,408	\$ 92,526

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

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AMTECH SYSTEMS, INC. AND SUBSIDIARIES
 Condensed Consolidated Balance Sheets
 (in thousands except share data)

	March 31, 2010 (Unaudited)	September 30, 2009
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 11,261	\$ 4,181
Current maturities of long-term debt	121	121
Accrued compensation and related taxes	3,293	2,877
Accrued warranty expense	1,334	1,429
Deferred profit	3,891	4,727
Customer deposits	14,486	2,861
Other accrued liabilities	1,434	1,721
Income taxes payable	-	160
Total current liabilities	35,820	18,077
Income Taxes Payable Long-term	490	480
Other Long-Term Obligations	96	164
Total liabilities	36,406	18,721
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock; 100,000,000 shares authorized; none issued	-	-
Common stock; \$0.01 par value; 100,000,000 shares authorized; shares issued and outstanding: 9,020,727 and 8,961,494 at March 31, 2010 and September 30, 2009, respectively	90	90
Additional paid-in capital	71,136	70,403
Accumulated other comprehensive income (loss)	(2,160)	661
Retained Earnings	2,936	2,651
Total stockholders' equity	72,002	73,805
Total Liabilities and Stockholders' Equity	\$ 108,408	\$ 92,526

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

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AMTECH SYSTEMS, INC. AND SUBSIDIARIES
 Condensed Consolidated Statements of Operations
 (Unaudited)
 (in thousands, except per share data)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2010	2009	2010	2009
Revenues, net of returns and allowances	\$ 16,077	\$ 10,904	\$ 31,534	\$ 28,776
Cost of sales	11,369	8,547	22,226	20,333
Gross profit	4,708	2,357	9,308	8,443
Selling, general and administrative	4,061	3,101	8,037	7,585
Impairment and restructuring charges	-	1,682	-	1,682
Research and development, net of grants earned	225	152	722	376
Operating income (loss)	422	(2,578)	549	(1,200)
Interest and other income (expense), net	(76)	(14)	(74)	47
Income (loss) before income taxes	346	(2,592)	475	(1,153)
Income tax expense (benefit)	140	(580)	190	-
Net income (loss)	\$ 206	\$ (2,012)	\$ 285	\$ (1,153)
Earnings (Loss) Per Share:				
Basic earnings (loss) per share	\$ 0.02	\$ (0.22)	\$ 0.03	\$ (0.13)
Weighted average shares outstanding	9,018	9,057	8,995	9,078
Diluted earnings (loss) per share	\$ 0.02	\$ (0.22)	\$ 0.03	\$ (0.13)
Weighted average shares outstanding	9,239	9,057	9,156	9,078

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

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

	Six Months Ended March 31,	
	2010	2009
Operating Activities		
Net income (loss)	\$ 285	\$ (1,153)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	845	747
Write-down of inventory	258	257
Deferred income taxes	(9)	(711)
Impairment of long-lived assets	-	1,054
Non-cash share based compensation expense	570	333
Provision for (reversal of) allowance for doubtful accounts	(20)	103
Changes in operating assets and liabilities:		
Restricted cash	(3,949)	1,756
Accounts receivable	(2,430)	6,082
Inventories	(8,708)	(448)
Accrued income taxes	(441)	420
Prepaid expenses and other assets	(1,991)	(277)
Accounts payable	7,723	(3,429)
Accrued liabilities and customer deposits	12,923	(3,556)
Deferred profit	(501)	349
Net cash provided by operating activities	4,555	1,527
Investing Activities		
Purchases of property, plant and equipment	(2,059)	(838)
Decrease in restricted cash long-term	-	164
Payment for licensing agreement	-	(600)
Investment in note receivable	(1,000)	-
Investment in R2D	-	(164)
Net cash used in investing activities	(3,059)	(1,438)
Financing Activities		
Proceeds from issuance of common stock	155	-
Purchase of common stock under repurchase program	-	(448)
Payments on long-term obligations	(59)	(89)
Excess tax benefit of stock options	9	-
Net cash provided by (used in) financing activities	105	(537)
Effect of Exchange Rate Changes on Cash	(754)	120
Net Increase (Decrease) in Cash and Cash Equivalents	847	(328)