

AMTECH SYSTEMS INC
Form 10-Q
February 09, 2017
Table of Contents

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: December 31, 2016

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 86-0411215
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

131 South Clark Drive, Tempe, Arizona 85281
(Address of principal executive offices) (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 (§232.405 of this chapter) 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

Accelerated filer

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

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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 January 30, 2017: 13,179,535

AMTECH SYSTEMS, INC. AND SUBSIDIARIES
TABLE OF CONTENTS

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Condensed Consolidated Financial Statements</u>	
<u>Condensed Consolidated Balance Sheets</u>	3
<u>December 31, 2016 (Unaudited) and September 30, 2016</u>	
<u>Condensed Consolidated Statements of Operations (Unaudited)</u>	4
<u>Three Months Ended December 31, 2016 and 2015</u>	
<u>Condensed Consolidated Statements of Comprehensive Loss (Unaudited)</u>	5
<u>Three Months Ended December 31, 2016 and 2015</u>	
<u>Condensed Consolidated Statements of Cash Flows (Unaudited) Three Months Ended December 31, 2016 and 2015</u>	6
<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	7
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	22
<u>Overview</u>	23
<u>Results of Operations</u>	23
<u>Liquidity and Capital Resources</u>	26
<u>Off-Balance Sheet Arrangements</u>	28
<u>Contractual Obligations</u>	28
<u>Critical Accounting Policies</u>	28
<u>Impact of Recently Issued Accounting Pronouncements</u>	28
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	29
<u>Item 4. Controls and Procedures</u>	30
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	31
<u>Item 1A. Risk Factors</u>	31
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	31
<u>Item 3. Defaults Upon Senior Securities</u>	31
<u>Item 4. Mine Safety Disclosures</u>	31
<u>Item 5. Other Information</u>	32
<u>Item 6. Exhibits</u>	33
<u>SIGNATURES</u>	34

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

AMTECH SYSTEMS, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(in thousands, except share data)

	December 31, September 30, 2016 2016 (Unaudited)	
Assets		
Current Assets		
Cash and cash equivalents	\$ 23,638	\$ 27,655
Restricted cash	3,250	893
Accounts receivable		
Trade (less allowance for doubtful accounts of \$1,787 and \$3,730 at December 31, 2016, and September 30, 2016, respectively)	23,146	17,642
Unbilled and other	7,094	8,634
Inventories	20,853	23,223
Refundable income taxes	—	260
Other	3,804	4,617
Total current assets	81,785	82,924
Property, Plant and Equipment - Net	15,290	15,960
Deferred Income Taxes - Long Term	200	200
Other Assets - Long Term	1,049	1,095
Investments	2,890	3,032
Intangible Assets - Net	3,915	4,100
Goodwill	10,789	11,119
Total Assets	\$ 115,918	\$ 118,430
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 14,986	\$ 15,397
Current maturities of long-term debt	1,010	1,134
Accrued compensation and related taxes	6,232	5,710
Accrued warranty expense	879	795
Deferred profit	3,812	4,709
Customer deposits	6,920	7,055
Other accrued liabilities	1,577	2,164
Income taxes payable	960	1,100
Total current liabilities	36,376	38,064
Long-term Debt	9,105	9,097
Income Taxes Payable - Long Term	6,050	5,930
Total Liabilities	51,531	53,091
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: 13,179,535 and 13,179,355 at December 31, 2016, and September 30, 2016, respectively	132	132
Additional paid-in capital	111,952	111,631
Accumulated other comprehensive loss	(9,721)	(8,876)
Retained deficit	(35,883)	(35,830)

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Total stockholders' equity	66,480	67,057
Noncontrolling interest	(2,093) (1,718
Total equity	64,387	65,339
Total Liabilities and Stockholders' Equity	\$ 115,918	\$ 118,430

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

3

Table of Contents

AMTECH SYSTEMS, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

(Unaudited)

(in thousands, except per share data)

	Three Months Ended December 31,	
	2016	2015
Revenues, net of returns and allowances	\$29,135	\$22,074
Cost of sales	20,692	16,119
Gross profit	8,443	5,955
Selling, general and administrative	6,996	7,596
Research, development and engineering	1,627	2,288
Operating loss	(180)	(3,929)
Loss from equity method investment	(143)	(17)
Interest expense and other income, net	81	(202)
Loss before income taxes	(242)	(4,148)
Income tax provision	90	300
Net loss	(332)	(4,448)
Add: net loss attributable to noncontrolling interest	279	433
Net loss attributable to Amtech Systems, Inc.	\$(53)	\$(4,015)