
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 06, 2024

Amtech Systems, Inc.

(Exact name of Registrant as Specified in Its Charter)

Arizona
(State or Other Jurisdiction
of Incorporation)

000-11412
(Commission File Number)

86-0411215
(IRS Employer
Identification No.)

58 S. River Drive, Suite 370
Tempe, Arizona
(Address of Principal Executive Offices)

85288
(Zip Code)

Registrant's Telephone Number, Including Area Code: (480) 967-5146

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ASYS	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On August 7, 2024, Amtech Systems, Inc. (the “Registrant” or the “Company”) announced by press release its results of operations for the third quarter ended June 30, 2024. A copy of the press release is included as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

The information contained in this Current Report, including the accompanying Exhibit 99.1, is furnished pursuant to Item 2.02 of Form 8-K and shall not be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing. The information in this Current Report, including the accompanying Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.

CFO Transition

Amtech Systems, Inc. (the “Company”) announced that Lisa Gibbs has submitted her resignation as Chief Financial Officer and Board member, effective as of the close of business on August 7, 2024, to assume an executive role at another company. Ms. Gibbs’ decision to step down is not the result of any dispute or disagreement with the Company on any matter relating to its accounting or financial policies or procedures or its financial statements or disclosure. In connection with Ms. Gibbs’ departure, the Company has agreed to pay Ms. Gibbs a bonus, \$150,000 of which is payable following the filing of the Company’s 10-Q for the quarterly period ended June 30, 2024 and \$30,000 is payable following the Company’s filing of its Form 10-K for the fiscal year ending September 30, 2024.

On August 6, 2024, the Board, based on the recommendation of the Audit Committee, approved the appointment of Wade M. Jenke as the Company’s new Chief Financial Officer effective August 8, 2024. Mr. Jenke, age 41, joined the Company on August 5, 2024. Prior to joining the Company, Mr. Jenke served as Chief Financial Officer of EMS Group, a business unit of ASSA ABLOY Opening Solutions from January 2018 to July 2024. From September 2016 to December 2018, Mr. Jenke served as Vice President of Finance and Director of Accounting at HES Inc. From June 2012 to August 2016, Mr. Jenke served as HES Inc.’s Senior Manager of Finance and Cost Analysis. Mr. Jenke received his B.S. and MBA from Arizona State University.

Mr. Jenke has no arrangements or understandings with any other person pursuant to which he was appointed as the Chief Financial Officer, and no family relationship with any director or executive officer of the Company or any person nominated or chosen by the Company to become a director or executive officer.

Mr. Jenke does not have any direct or indirect interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Mr. Jenke entered into an offer letter with the Company, effective August 8, 2024, in connection with his appointment as Chief Financial Officer of the Company. Under the terms of the offer letter, Mr. Jenke (i) will receive an annual base salary of \$280,000, (ii) is eligible to receive a target annual performance-based incentive bonus of \$140,000 upon the achievement of established individual and company operational goals paid in 60% cash and 40% restricted stock, and (iii) will receive 30,000 stock options. Such options will vest in three equal increments on the 1-year, 2-year and 3-year anniversary dates of the grants and have a 10-year life.

Mr. Jenke will also be entitled to (i) participate in all employee benefit programs, plans and arrangements (including, without limitation, the 401(k) plan with discretionary company match, group medical, life, disability, dental and vision coverage), and (ii) four (4) weeks of paid vacation time per year and one (1) week of sick leave per year (earned over his first year of employment).

Mr. Jenke’s offer letter is an at-will agreement.

A copy of the press release announcing Ms. Gibbs departure and Mr. Jenke’s appointment as CFO is included as Exhibit 99.2 to this Current Report and is incorporated herein by reference.

Amendment to Daigle Stock Option Award Agreement

On August 6, 2024, the Compensation Committee approved an amendment to Mr. Daigle’s stock option award agreement to permit Mr. Daigle the right to exercise vested options following his termination of service for the term of such option grants, subject to certain exceptions set forth in such amendment.

Item 9.01 Financial Statements and Exhibits.

d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	<u>Press release dated August 7, 2024</u>
<u>99.2</u>	<u>Press release dated August 7, 2024</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMTECH SYSTEMS, INC.

Date: August 7, 2024

By: /s/ Lisa D. Gibbs
Name: Lisa D. Gibbs
Title: Vice President and Chief Financial Officer



Amtech Reports Third Quarter 2024 Results

TEMPE, Ariz., August 7, 2024 -- Amtech Systems, Inc. ("Amtech") (NASDAQ: ASYS), a manufacturer of equipment and consumables for semiconductor fabrication and packaging, today reported results for its third quarter ended June 30, 2024.

Third Quarter Fiscal 2024 Financial and Operational Results:

- Net revenue of \$26.7 million
- GAAP operating income of \$0.8 million
- Net cash position of \$8.9 million
- Non-GAAP operating income of \$1.5 million ⁽¹⁾
- GAAP net income of \$0.4 million
- Non-GAAP net income of \$1.1 million ⁽¹⁾
- Customer orders of \$18.8 million
- Backlog of \$31.8 million

(1) See GAAP to non-GAAP reconciliation in schedules following this release.

"In the third quarter we continued to align our cost structure with current market conditions and lay the foundation for meaningful operating leverage as our markets recover. Revenue of \$26.7 million exceeded the high-end of our guidance range, and we achieved adjusted EBITDA of \$2.3 million. This is the third consecutive quarter of positive adjusted EBITDA and operating cash flow. I am pleased that we are seeing the financial benefits of the approximately \$7 million of annualized operating cost reductions taken over the past few quarters," commented Mr. Bob Daigle, Chief Executive Officer of Amtech.

GAAP and Non-GAAP Financial Results

(in millions, except per share amounts)

	Q3		Q2		Q3		9 Months		9 Months	
	FY 2024		FY 2024		FY 2023		2024		2023	
Revenues, net	\$	26.7	\$	25.4	\$	30.7	\$	77.1	\$	85.6
Gross profit	\$	9.8	\$	8.5	\$	11.0	\$	26.4	\$	32.8
<i>Gross margin</i>		36.5 %		33.2 %		35.7 %		34.3 %		38.3 %
Non-GAAP gross profit ⁽¹⁾	\$	9.8	\$	8.6	\$	11.0	\$	27.7	\$	32.8
<i>Non-GAAP gross margin ⁽¹⁾</i>		36.5 %		33.9 %		35.7 %		36.0 %		38.3 %
GAAP operating income (loss)	\$	0.8	\$	1.4	\$	(1.1)	\$	(6.8)	\$	(3.3)
<i>GAAP operating margin</i>		3.1 %		5.4 %		-3.6 %		-8.8 %		-3.8 %
Non-GAAP operating income (loss) ⁽¹⁾	\$	1.5	\$	0.2	\$	0.4	\$	1.5	\$	2.9
<i>Non-GAAP operating margin ⁽¹⁾</i>		5.6 %		0.7 %		1.2 %		1.9 %		3.3 %
GAAP net income (loss)	\$	0.4	\$	1.0	\$	(1.0)	\$	(8.0)	\$	(0.6)
GAAP net income (loss) per diluted share	\$	0.03	\$	0.07	\$	(0.07)	\$	(0.56)	\$	(0.04)
Non-GAAP net income (loss) ⁽¹⁾	\$	1.1	\$	(0.2)	\$	0.3	\$	0.3	\$	2.2
Non-GAAP net income (loss) per diluted share ⁽¹⁾	\$	0.08	\$	(0.01)	\$	0.02	\$	0.02	\$	0.16

(1) See GAAP to non-GAAP reconciliation in schedules following this release.

Net revenues increased 5% sequentially and decreased 13% from the third quarter of fiscal 2023. The sequential increase is primarily due to increased sales of our reflow and wafer cleaning equipment, and higher parts and services revenue. The decrease from prior year is primarily attributable to lower sales across most of our product portfolio due to a slow-down in the broader semiconductor market.

In the third quarter of fiscal 2024, GAAP gross margin increased sequentially compared to the same prior year period. On a sequential basis, GAAP gross margin in our Semiconductor segment was positively affected by product mix attributed to increased revenues for reflow equipment, parts and services. GAAP gross margin in our Materials and Substrate segment decreased on a sequential basis due primarily to a less favorable product mix of consumables and equipment. Compared to the same prior year period, GAAP gross margin was relatively consistent between periods.

Selling, General & Administrative (“SG&A”) expenses decreased by approximately \$40,000 on a sequential basis and decreased \$2.1 million compared to the prior year period. The sequential decrease is due primarily to reductions in labor-related expenses, partially offset by increased commissions and shipping expenses on higher sales. Compared to the same prior year period, the decrease is due primarily to lower labor and labor-related expenses as a result of our cost reduction initiatives, as well as lower shipping expenses on lower revenues.

Research, Development and Engineering expenses decreased \$0.2 million sequentially and decreased \$1.1 million compared to the same prior year period, with the sequential decrease due primarily to the timing of purchases related to specific projects in both segments, and the decrease from prior year attributable to development efforts in our Material & Substrate segment that did not recur.

GAAP operating income was \$0.8 million, compared to GAAP operating income of \$1.4 million in the second quarter of fiscal 2024 and GAAP operating loss of \$1.1 million in the same prior year period.

Non-GAAP operating income was \$1.5 million, compared to non-GAAP operating income of \$0.2 million in the second quarter of fiscal 2024 and non-GAAP operating income of \$0.4 million in the same prior year period.

GAAP net income for the third quarter of fiscal 2024 was \$0.4 million, or 3 cents per share. This compares to GAAP net income of \$1.0 million, or 7 cents per share, for the preceding quarter and GAAP net loss of \$1.0 million, or 7 cents per share, for the third quarter of fiscal 2023.

Non-GAAP net income for the third quarter of fiscal 2024 was \$1.1 million, or 8 cents per share. This compares to non-GAAP net loss of \$0.2 million, or 1 cent per share, for the preceding quarter and non-GAAP net income of \$0.3 million, or 2 cents per share, for the third quarter of fiscal 2023.

Unrestricted cash and cash equivalents at June 30, 2024, were \$13.2 million, compared to \$13.1 million at September 30, 2023. Debt payments during the three months ended June 30, 2024 were \$0.3 million. Net cash as of June 30, 2024 was \$8.9 million compared to \$2.4 million as of September 30, 2023.

In discussing financial results for the three and nine months ended June 30, 2024 and 2023 and the three months ended June 30, 2024, in this press release, the Company refers to certain financial measures that are adjusted from the financial results prepared in accordance with United States generally accepted accounting principles ("GAAP"). All non-GAAP amounts exclude certain adjustments for stock compensation expense, severance expense, expenses related to the discontinued product line, gain on the sale of our Arizona headquarters, moving expenses, amortization of acquired intangible assets, acquisition expenses, and income tax benefit related to our acquisition of Entrepix, Inc. A tabular reconciliation of financial measures prepared in accordance with GAAP to the non-GAAP financial measures is included at the end of this press release.

Outlook

Operating results can be significantly impacted, positively or negatively, by the timing of orders, system shipments, logistical challenges, and the financial results of semiconductor manufacturers. Additionally, the semiconductor equipment industries can be cyclical and inherently impacted by changes in market demand. Actual results may differ materially in the weeks and months ahead.

For the fourth fiscal quarter ending September 30, 2024, we expect revenues in the range of \$22 - 25 million with adjusted EBITDA nominally positive. Although the near-term outlook for revenue and earnings remains challenging, we remain confident that the future prospects are strong for both our consumables and equipment serving advanced mobility and advanced packaging applications. We took actions during the first and second quarters of fiscal 2024, which will reduce Amtech's structural costs by approximately \$7 million annually and better align product pricing with value. These steps should significantly improve results and enhance profitability through market cycles.

A portion of Amtech's results is denominated in Renminbis, a Chinese currency. The outlook provided in this press release is based on an assumed exchange rate between the United States Dollar and the Renminbi. Changes in the value of the Renminbi in relation to the United States Dollar could cause actual results to differ from expectations.

Conference Call

Amtech Systems will host a conference call at 5:00 pm ET on Wednesday, August 7, 2024 to discuss our fiscal third quarter financial results. The call will be available to interested parties by dialing 1-800-717-1738. For international callers, please dial +1-646-307-1865. A live webcast of the conference call will be available in the Investor Relations section of Amtech's website at: <https://www.amtechsystems.com/investors/events>.

A replay of the webcast will be available in the Investor Relations section of the company's website at <http://www.amtechsystems.com/conference.htm> shortly after the conclusion of the call and will remain available for approximately 30 calendar days.

About Amtech Systems, Inc.

Amtech Systems, Inc. is a leading, global manufacturer of thermal processing, wafer cleaning and chemical mechanical polishing (CMP) capital equipment and related consumables used in semiconductor, advanced mobility and renewable energy manufacturing applications. We sell process equipment and services used in the fabrication of semiconductor devices, such as silicon carbide (SiC), silicon power, electronic assemblies and modules to semiconductor device and module manufacturers worldwide, particularly in Asia, North America and Europe. Our strategic focus is on growth opportunities which leverage our strengths in thermal and substrate processing. Amtech's products are recognized under the leading brand names BTU International, Entrepix, Inc., PR Hoffman™ and Intersurface Dynamics, Inc.

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 ("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, and the Private Securities Litigation Reform Act of 1995). The forward-looking statements in this press release relate only to events or information as of the date on which the statements are made in this press release. Examples of forward-looking statements include statements regarding Amtech's future financial results, operating results, business strategies, projected costs, products under development, competitive positions, plans and objectives of Amtech and its management for future operations, efforts to improve operational efficiencies and effectiveness and profitably grow our revenue, and enhancements to our technologies and expansion of our product portfolio. In some cases, forward-looking statements can be identified by terminology such as "may," "plan," "anticipate," "seek," "will," "expect," "intend," "estimate," "believe," "continue," "predict," "potential," "project," "should," "would," "could", "likely," "future," "target," "forecast," "goal," "observe," and "strategy" or the negative of these terms or other comparable terminology used in this press release or by our management, which are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. The Form 10-K that Amtech filed with the Securities and Exchange Commission (the "SEC") for the year-ended September 30, 2023, listed various important factors that could affect the Company'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 in our subsequently filed Quarterly Reports on Form

10-Qs, 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:

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Chief Financial Officer

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AMTECH SYSTEMS, INC.
(NASDAQ: ASYS)
(Unaudited)

Summary Financial Information
(in thousands, except percentages)

	Three Months Ended			Nine Months Ended June 30,	
	June 30, 2024	March 31, 2024	June 30, 2023	2024	2023
Amtech Systems, Inc.					
Revenues, net	\$ 26,749	\$ 25,433	\$ 30,740	\$ 77,102	\$ 85,608
GAAP gross profit	\$ 9,758	\$ 8,451	\$ 10,985	\$ 26,428	\$ 32,758
Non-GAAP gross profit	\$ 9,758	\$ 8,626	\$ 10,985	\$ 27,725	\$ 32,758
GAAP gross margin	36 %	33 %	36 %	34 %	38 %
Non-GAAP gross margin	36 %	34 %	36 %	36 %	38 %
GAAP operating income (loss)	\$ 816	\$ 1,363	\$ (1,119)	\$ (6,755)	\$ (3,280)
Non-GAAP operating income	\$ 1,498	\$ 188	\$ 368	\$ 1,476	\$ 2,860
New orders	\$ 18,814	\$ 19,771	\$ 26,217	\$ 61,690	\$ 85,712
Backlog	\$ 31,837	\$ 44,316	\$ 61,315	\$ 31,837	\$ 61,315
Semiconductor Segment					
Revenues, net	\$ 18,038	\$ 17,441	\$ 19,841	\$ 53,006	\$ 58,775
GAAP gross profit	\$ 6,313	\$ 5,040	\$ 6,707	\$ 17,513	\$ 21,810
Non-GAAP gross profit	\$ 6,313	\$ 5,040	\$ 6,707	\$ 17,513	\$ 21,810
GAAP gross margin	35 %	29 %	34 %	33 %	37 %
Non-GAAP gross margin	35 %	29 %	34 %	33 %	37 %
GAAP operating income	\$ 1,690	\$ 896	\$ 1,042	\$ 3,666	\$ 4,861
Non-GAAP operating income	\$ 1,703	\$ 896	\$ 1,042	\$ 3,790	\$ 4,861
New orders	\$ 10,801	\$ 12,061	\$ 18,293	\$ 39,990	\$ 63,983
Backlog	\$ 27,673	\$ 39,455	\$ 53,219	\$ 27,673	\$ 53,219
Material and Substrate Segment					
Revenues, net	\$ 8,711	\$ 7,992	\$ 10,899	\$ 24,096	\$ 26,833
GAAP gross profit	\$ 3,445	\$ 3,411	\$ 4,278	\$ 8,915	\$ 10,948
Non-GAAP gross profit	\$ 3,445	\$ 3,586	\$ 4,278	\$ 10,212	\$ 10,948
GAAP gross margin	40 %	43 %	39 %	37 %	41 %
Non-GAAP gross margin	40 %	45 %	39 %	42 %	41 %
GAAP operating income (loss)	\$ 1,621	\$ 900	\$ 481	\$ (5,321)	\$ 1,411
Non-GAAP operating income	\$ 1,802	\$ 1,300	\$ 1,506	\$ 3,556	\$ 4,077
New orders	\$ 8,013	\$ 7,710	\$ 7,924	\$ 21,700	\$ 21,729
Backlog	\$ 4,164	\$ 4,861	\$ 8,096	\$ 4,164	\$ 8,096

AMTECH SYSTEMS, INC.
(NASDAQ: ASYS)
(Unaudited)

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2024	2023	2024	2023
Revenues, net	\$ 26,749	\$ 30,740	\$ 77,102	\$ 85,608
Cost of sales	16,991	19,755	49,825	52,850
Intangible asset impairment	—	—	849	—
Gross profit	9,758	10,985	26,428	32,758
Selling, general and administrative	8,209	10,300	25,028	30,924
Research, development and engineering	693	1,804	3,202	4,714
Gain on sale of fixed assets	—	—	(2,197)	—
Goodwill impairment	—	—	6,370	—
Intangible asset impairment	—	—	430	—
Severance expense	40	—	350	400
Operating income (loss)	816	(1,119)	(6,755)	(3,280)
Interest income	2	17	35	356
Interest expense	(107)	(185)	(498)	(342)
Foreign currency gain (loss)	182	456	(5)	(59)
Other	2	15	11	19
Income (loss) before income tax provision	895	(816)	(7,212)	(3,306)
Income tax provision (benefit)	457	211	738	(2,739)
Net income (loss)	<u>\$ 438</u>	<u>\$ (1,027)</u>	<u>\$ (7,950)</u>	<u>\$ (567)</u>
Income (Loss) Per Share:				
Net income (loss) per basic share	<u>\$ 0.03</u>	<u>\$ (0.07)</u>	<u>\$ (0.56)</u>	<u>\$ (0.04)</u>
Net income (loss) per diluted share	<u>\$ 0.03</u>	<u>\$ (0.07)</u>	<u>\$ (0.56)</u>	<u>\$ (0.04)</u>
Weighted average shares outstanding:				
Basic	<u>14,209</u>	<u>14,058</u>	<u>14,198</u>	<u>14,031</u>
Diluted	<u>14,254</u>	<u>14,058</u>	<u>14,198</u>	<u>14,031</u>

AMTECH SYSTEMS, INC.
(NASDAQ: ASYS)
(Unaudited)

Consolidated Balance Sheets
(in thousands, except share data)

	June 30, 2024	September 30, 2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 13,183	\$ 13,133
Accounts receivable (less allowance for credit losses of \$89 and \$146 at June 30, 2024 and September 30, 2023, respectively)	24,292	26,474
Inventories	28,753	34,845
Income taxes receivable	91	632
Other current assets	4,074	6,105
Total current assets	70,393	81,189
Property, Plant and Equipment - Net	12,362	9,695
Right-of-Use Assets - Net	17,559	11,217
Intangible Assets - Net	4,178	6,114
Goodwill	21,261	27,631
Deferred Income Taxes - Net	115	101
Other Assets	1,191	1,074
Total Assets	\$ 127,059	\$ 137,021
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	\$ 8,330	\$ 10,815
Accrued compensation and related taxes	1,762	3,481
Accrued warranty expense	749	965
Other accrued liabilities	1,348	1,551
Current maturities of finance lease liabilities and long-term debt	4,064	2,265
Current portion of long-term operating lease liabilities	1,856	2,623
Contract liabilities	9,291	8,018
Total current liabilities	27,400	29,718
Finance Lease Liabilities and Long-Term Debt	177	8,422
Long-Term Operating Lease Liabilities	16,129	8,894
Income Taxes Payable	1,582	1,575
Other Long-Term Liabilities	53	47
Total Liabilities	45,341	48,656
Commitments and Contingencies		
Shareholders' 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: 14,208,795 and 14,185,977 at June 30, 2024 and September 30, 2023, respectively	142	142
Additional paid-in capital	128,146	126,963
Accumulated other comprehensive loss	(1,575)	(1,695)
Retained deficit	(44,995)	(37,045)
Total Shareholders' Equity	81,718	88,365
Total Liabilities and Shareholders' Equity	\$ 127,059	\$ 137,021

AMTECH SYSTEMS, INC.
(NASDAQ: ASYS)
(Unaudited)

Consolidated Statements of Cash Flows
(in thousands)

	Nine Months Ended June 30,	
	2024	2023
Operating Activities		
Net loss	\$ (7,950)	\$ (567)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,310	3,435
Write-down of inventory	1,367	1,233
Goodwill impairment	6,370	—
Intangible asset impairment	1,279	—
Deferred income taxes	(13)	(3,430)
Non-cash share-based compensation expense	1,155	528
Gain on sale of property, plant and equipment	(2,197)	—
Provision for allowance for credit losses	(21)	109
Changes in operating assets and liabilities:		
Accounts receivable	2,204	2,391
Inventories	4,695	(4,724)
Other assets	4,205	1,775
Accounts payable	(1,965)	(1,586)
Accrued income taxes	548	(1,947)
Accrued and other liabilities	(4,298)	(2,993)
Contract liabilities	1,274	(1,374)
Net cash provided by (used in) operating activities	8,963	(7,150)
Investing Activities		
Purchases of property, plant and equipment	(5,310)	(1,922)
Proceeds from the sale of property, plant and equipment	2,700	6
Acquisition, net of cash and cash equivalents acquired	—	(34,938)
Net cash used in investing activities	(2,610)	(36,854)
Financing Activities		
Proceeds from the exercise of stock options	28	539
Payments on long-term debt	(6,668)	(949)
Borrowings on long-term debt	—	12,000
Net cash (used in) provided by financing activities	(6,640)	11,590
Effect of Exchange Rate Changes on Cash and Cash Equivalents	337	(155)
Net Increase (Decrease) in Cash and Cash Equivalents	50	(32,569)
Cash and Cash Equivalents, Beginning of Period	13,133	46,874
Cash and Cash Equivalents, End of Period	<u>\$ 13,183</u>	<u>\$ 14,305</u>

AMTECH SYSTEMS, INC.
(NASDAQ: ASYS)
(Unaudited)

Reconciliation of GAAP to Non-GAAP Financial Measures
(in thousands, except per share data)

	Three Months Ended			Nine Months Ended June 30,	
	June 30, 2024	March 31, 2024	June 30, 2023	2024	2023
Amtech Systems, Inc. Gross Profit:					
GAAP gross profit	\$ 9,758	\$ 8,451	\$ 10,985	\$ 26,428	\$ 32,758
Write-down of inventory related to polishing equipment	-	175	-	448	-
Intangible asset impairment	-	-	-	849	-
Non-GAAP gross profit	<u>\$ 9,758</u>	<u>\$ 8,626</u>	<u>\$ 10,985</u>	<u>\$ 27,725</u>	<u>\$ 32,758</u>
GAAP gross margin	36 %	33 %	36 %	34 %	38 %
Non-GAAP gross margin	36 %	34 %	36 %	36 %	38 %
Semiconductor Segment Gross Profit:					
GAAP gross profit	\$ 6,313	\$ 5,040	\$ 6,707	\$ 17,513	\$ 21,810
Write-down of inventory related to polishing equipment	-	-	-	-	-
Intangible asset impairment	-	-	-	-	-
Non-GAAP gross profit	<u>\$ 6,313</u>	<u>\$ 5,040</u>	<u>\$ 6,707</u>	<u>\$ 17,513</u>	<u>\$ 21,810</u>
GAAP gross margin	35 %	29 %	34 %	33 %	37 %
Non-GAAP gross margin	35 %	29 %	34 %	33 %	37 %
Material and Substrate Segment Gross Profit:					
GAAP gross profit	\$ 3,445	\$ 3,411	\$ 4,278	\$ 8,915	\$ 10,948
Write-down of inventory related to polishing equipment	-	175	-	448	-
Intangible asset impairment	-	-	-	849	-
Non-GAAP gross profit	<u>\$ 3,445</u>	<u>\$ 3,586</u>	<u>\$ 4,278</u>	<u>\$ 10,212</u>	<u>\$ 10,948</u>
GAAP gross margin	40 %	43 %	39 %	37 %	41 %
Non-GAAP gross margin	40 %	45 %	39 %	42 %	41 %

AMTECH SYSTEMS, INC.
(NASDAQ: ASYS)
(Unaudited)

Reconciliation of GAAP to Non-GAAP Financial Measures
(in thousands, except per share data)

	Three Months Ended			Nine Months Ended June 30,	
	June 30, 2024	March 31, 2024	June 30, 2023	2024	2023
Amtech Systems, Inc. Operating Income (Loss):					
GAAP operating income (loss)	\$ 816	\$ 1,363	\$ (1,119)	\$ (6,755)	\$ (3,280)
Gain on sale of fixed assets	-	(2,197)	-	(2,197)	-
Building move expense	-	231	-	231	-
Acquisition expenses	-	-	272	-	3,242
Write-down of inventory related to polishing equipment	-	175	-	448	-
Amortization of acquired intangible assets	154	154	1,025	595	1,970
Stock compensation expense	488	350	190	1,155	528
Goodwill impairment	-	-	-	6,370	-
Intangible asset impairment	-	-	-	1,279	-
Severance expense	40	112	-	350	400
Non-GAAP operating income	<u>\$ 1,498</u>	<u>\$ 188</u>	<u>\$ 368</u>	<u>\$ 1,476</u>	<u>\$ 2,860</u>
GAAP operating margin	3.1 %	5.4 %	(3.6)%	(8.8)%	(3.8)%
Non-GAAP operating margin	5.6 %	0.7 %	1.2 %	1.9 %	3.3 %
Semiconductor Segment Operating Income:					
GAAP operating income	\$ 1,690	\$ 896	\$ 1,042	\$ 3,666	\$ 4,861
Severance expense	13	-	-	124	-
Non-GAAP operating income	<u>\$ 1,703</u>	<u>\$ 896</u>	<u>\$ 1,042</u>	<u>\$ 3,790</u>	<u>\$ 4,861</u>
Material and Substrate Segment Operating Income (Loss):					
GAAP operating income (loss)	\$ 1,621	\$ 900	\$ 481	\$ (5,321)	\$ 1,411
Acquisition expenses	-	-	-	-	696
Write-down of inventory related to polishing equipment	-	175	-	448	-
Amortization of acquired intangible assets	154	154	1,025	595	1,970
Goodwill impairment	-	-	-	6,370	-
Intangible asset impairment	-	-	-	1,279	-
Severance expense	27	71	-	185	-
Non-GAAP operating income	<u>\$ 1,802</u>	<u>\$ 1,300</u>	<u>\$ 1,506</u>	<u>\$ 3,556</u>	<u>\$ 4,077</u>

AMTECH SYSTEMS, INC.
(NASDAQ: ASYS)
(Unaudited)

Reconciliation of GAAP to Non-GAAP Financial Measures
(in thousands, except per share data)

	Three Months Ended			Nine Months Ended June 30,	
	June 30, 2024	March 31, 2024	June 30, 2023	2024	2023
Consolidated Net Income (Loss):					
GAAP net income (loss)	\$ 438	\$ 970	\$ (1,027)	\$ (7,950)	\$ (567)
Gain on sale of fixed assets	-	(2,197)	-	(2,197)	-
Building move expense	-	231	-	231	-
Acquisition expenses	-	-	272	-	3,242
Write-down of inventory related to polishing equipment	-	175	-	448	-
Amortization of acquired intangible assets	154	154	1,025	595	1,970
Stock compensation expense	488	350	190	1,155	528
Goodwill impairment	-	-	-	6,370	-
Intangible asset impairment	-	-	-	1,279	-
Severance expense	40	112	-	350	400
Income tax provision related to acquisition	-	-	(182)	-	(3,346)
Non-GAAP net income (loss)	<u>\$ 1,120</u>	<u>\$ (205)</u>	<u>\$ 278</u>	<u>\$ 281</u>	<u>\$ 2,227</u>
Net (Loss) Income per Diluted Share:					
GAAP net income (loss) per diluted share	\$ 0.03	\$ 0.07	\$ (0.07)	\$ (0.56)	\$ (0.04)
Gain on sale of fixed assets	-	(0.15)	-	(0.15)	-
Building move expense	-	0.02	-	0.01	-
Acquisition expenses	-	-	0.02	-	0.23
Write-down of inventory related to polishing equipment	-	0.01	-	0.03	-
Amortization of acquired intangible assets	0.01	0.01	0.07	0.04	0.14
Stock compensation expense	0.03	0.02	0.01	0.08	0.04
Goodwill impairment	-	-	-	0.45	-
Intangible asset impairment	-	-	-	0.09	-
Severance expense	0.01	0.01	-	0.02	0.03
Income tax provision related to acquisition	-	-	(0.01)	-	(0.24)
Non-GAAP net income (loss) per diluted share	<u>\$ 0.08</u>	<u>\$ (0.01)</u>	<u>\$ 0.02</u>	<u>\$ 0.02</u>	<u>\$ 0.16</u>

AMTECH SYSTEMS, INC.
(NASDAQ: ASYS)
(Unaudited)

Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA
(in thousands, except per share data)

	Three Months Ended June 30, 2024	Nine Months Ended June 30, 2024
Amtech Systems, Inc. EBITDA:		
GAAP net income (loss)	\$ 438	\$ (7,950)
Interest income	(2)	(35)
Interest expense	107	498
Income tax provision	457	738
Depreciation and amortization expense	738	2,310
EBITDA	1,738	(4,439)
Gain on sale of fixed assets	-	(2,197)
Building move expense	-	231
Write-down of inventory related to polishing equipment	-	448
Stock compensation expense	488	1,155
Goodwill impairment	-	6,370
Intangible asset impairment	-	1,279
Severance expense	40	350
Adjusted EBITDA	<u>\$ 2,266</u>	<u>\$ 3,197</u>



Amtech Systems Announces CFO Transition

TEMPE, Ariz., August 7, 2024 -- Amtech Systems, Inc. ("Amtech") (NASDAQ: ASYS), a manufacturer of equipment and consumables for semiconductor fabrication and packaging, today announced that Lisa Gibbs has submitted her resignation as Chief Financial Officer and Board member, effective close of business on August 7, 2024, to assume an executive role at another company. Amtech also announced the appointment of Wade Jenke as Chief Financial Officer, effective August 8, 2024, succeeding Lisa Gibbs in the role.

Mr. Jenke brings more than fifteen years of financial and operational experience. Most recently he served as business unit CFO of the EMS Group at ASSA ABLOY AB, a \$13 billion USD publicly traded company based in Sweden. In this role, Mr. Jenke oversaw the financial organization for five companies within the business group, having over 450 employees with several global locations. Prior to that, he served in a number of senior financial roles within ASSA ABLOY and BAE Systems, spanning public financial reporting, FP&A, cost accounting and manufacturing accounting. He has also led back-end acquisition integrations, automations, and ERP implementations.

"I would like to thank Lisa for her partnership and significant contribution to Amtech over the past eight years, a period with significant shifts in company strategy and the external environment. Lisa is an accomplished financial leader, and I wish her great success in her new role." said Mr. Bob Daigle, Chief Executive Officer of Amtech.

Mr. Daigle continued, "Wade has an impressive track record of financial and operational leadership at large publicly traded companies. I am excited to welcome him to our team. Wade's skillset and background are ideally suited to our efforts to further optimize our operations and create greater shareholder value in the quarters and years ahead."

"I am privileged to join Bob and the Amtech team at this exciting time," said Mr. Jenke. "Amtech's leadership position in attractive, high growth end-markets is a testament to the strength of its people and strategy, and I look forward to working closely with the team as we continue to strengthen our position in the market and drive future growth."

About Amtech Systems, Inc.

Amtech Systems, Inc. is a leading, global manufacturer of equipment and consumables for semiconductor fabrication and packaging. We sell process equipment and services used in the fabrication of semiconductor devices, such as silicon carbide (SiC), silicon power, electronic assemblies and modules to semiconductor device and module manufacturers worldwide,

particularly in Asia, North America and Europe. Our strategic focus is on growth opportunities which leverage our strengths in thermal and substrate processing. Amtech's products are recognized under the leading brand names BTU International, Entrepix, Inc., PR Hoffman™ and Intersurface Dynamics, Inc.

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