

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarter Ended:  
June 30, 1995

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  
incorporation or organization)

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

131 South Clark Drive

Tempe, Arizona 85281

(Address of Principal Executive Offices)

(Zip Code)

(602) 967-5146

(Registrant's telephone number,  
including area code)

N/A

Former name, former address and former  
fiscal year, if changed since last report

Indicate by check mark whether the Registrant (i) has filed all reports  
required 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 (ii) has been subject to such filing  
requirements for the past 90 days.

Yes    X        No  
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Indicate the number of shares outstanding of each of the issuer's classes  
of common stock as of the close of the period covered by this report.

2,154,101 Shares

PART I. FINANCIAL INFORMATION

AMTECH SYSTEMS, INC.  
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS - ASSETS

	JUNE 30, 1995	SEPTEMBER 30, 1994
	-----	-----
	(UNAUDITED)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,818,702	\$ 736,984
Short-term investments	3,063,556	343,992

Accounts receivable, less allowance for doubtful accounts of \$55,000 in 1995 and \$45,000 in 1994	1,829,835	1,541,945
Inventories	642,551	331,935
Deferred income taxes	131,000	129,000
Prepaid expenses and other	44,891	12,875
	-----	-----

Total current assets	7,530,535	3,096,731
	-----	-----

PROPERTY AND EQUIPMENT,  
AT COST:

Leasehold improvements	128,548	124,956
Machinery and equipment	426,459	276,109
Furniture and fixtures	532,972	601,549
	-----	-----
	1,087,979	1,002,614

Less: accumulated depreciation and amortization	(478,173)	(485,426)
	-----	-----

Property and equipment - net	609,806	517,188
	-----	-----

PURCHASE PRICE IN EXCESS OF NET ASSETS ACQUIRED	86,812	91,303
	-----	-----

OTHER ASSETS	59,352	269,700
	-----	-----

	\$ 8,286,505	\$ 3,974,922
	=====	=====

See accompanying Notes to Condensed Financial Statements.

AMTECH SYSTEMS, INC.  
AND SUBSIDIARIES

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CONSOLIDATED BALANCE SHEETS  
LIABILITIES AND STOCKHOLDERS' INVESTMENT  
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	JUNE 30, 1995	SEPTEMBER 30, 1994
	-----	-----
	(UNAUDITED)	
CURRENT LIABILITIES:		
Accounts payable	\$ 376,033	\$ 297,767
Accrued liabilities:		
Compensation and related taxes	355,215	250,844
Warranty and installation expenses	69,932	114,390
Other	448,638	114,102
Income taxes payable	136,000	75,000
	-----	-----
Total current liabilities	1,385,818	852,103
	-----	-----

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' INVESTMENT (Note 5):  
Preferred stock, no specified  
terms; 100,000,000 shares

authorized; none issued

Common stock, \$.01 par value; 100,000,000 shares authorized; 2,154,101 shares outstanding at June 30, 1995 and 945,351 shares outstanding at September 30, 1994	21,541	9,454
Additional paid-in capital	7,877,622	4,260,703
Retained earnings (accumulated deficit)	(1,052,769)	(1,147,338)
Equity adjustment from foreign currency translation	54,293	--
	-----	-----
Total stockholders' investment	6,900,687	3,122,819
	-----	-----
	\$ 8,286,505	\$ 3,974,922
	=====	=====

See accompanying Notes to Condensed Financial Statements.

AMTECH SYSTEMS, INC.  
AND SUBSIDIARIES

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CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 1995 AND 1994  
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	THREE MONTHS ENDED JUNE 30,		NINE MONTHS ENDED JUNE 30,	
	1995	1994	1995	1994
	-----	-----	-----	-----
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
SEMICONDUCTOR EQUIPMENT:				
Net product sales	\$1,379,603	\$1,206,567	\$4,816,947	\$3,384,745
Cost of product sales	869,368	739,578	3,235,567	2,031,485
	-----	-----	-----	-----
Gross margin	510,235	466,989	1,581,380	1,353,260
Selling and general	385,005	337,869	1,200,259	842,222
Photo-CVD project (Note 2)	--	--	--	355,405
Other research & development	29,990	13,229	164,386	34,814
	-----	-----	-----	-----
Operating profit	95,240	115,891	216,735	120,819
	-----	-----	-----	-----
TECHNICAL CONTRACT PERSONNEL:				
Net revenues	1,055,718	1,935,083	3,370,462	4,693,964
Cost of revenue	927,639	1,725,805	2,970,130	4,236,636
	-----	-----	-----	-----
Gross margin	128,079	209,278	400,332	457,328
Selling and general	119,660	104,690	350,871	297,640
	-----	-----	-----	-----
Operating profit	8,419	104,588	49,461	159,688
	-----	-----	-----	-----
CORPORATE EXPENSES	67,969	54,385	249,176	203,556
	-----	-----	-----	-----
INCOME FROM OPERATIONS	35,690	166,094	17,020	76,951
Interest income	74,788	13,479	152,549	42,359
	-----	-----	-----	-----
INCOME BEFORE INCOME TAXES	110,478	179,573	169,569	119,310
PROVISION FOR INCOME TAXES	43,000	80,000	75,000	72,000
	-----	-----	-----	-----
NET INCOME	\$ 67,478	\$ 99,573	\$ 94,569	\$ 47,310
	=====	=====	=====	=====

INCOME PER SHARE:								
Primary	\$	.03	\$	.10	\$	.05	\$	.05
Fully diluted	\$	.03	\$	.10	\$	.05	\$	.05

WEIGHTED AVERAGE								
OUTSTANDING SHARES:								
Primary		2,188,417		965,074		1,845,736		965,074
Fully diluted		2,560,520		965,074		2,101,034		965,074

See accompanying Notes to Condensed Financial Statements.

AMTECH SYSTEMS, INC.  
AND SUBSIDIARIES

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CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS ENDED JUNE 30, 1995 AND 1994  
-----

	NINE MONTHS ENDED JUNE 30,	
	1995	1994
	-----	-----
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Net income	\$ 94,569	\$ 47,310
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	102,860	49,690
Deferred tax benefit	(2,000)	(15,000)
Write-downs of receivables and inventory	63,000	26,838
Gain on sale of assets	(426)	--
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	(279,508)	33,703
Increase in inventories and prepaid expenses	(339,187)	(140,850)
Decrease (increase) in other assets	201,773	(193,208)
Increase in accounts payable	67,786	49,577
Increase (decrease) in income taxes payable	61,000	(69,000)
Increase in accrued liabilities	363,665	73,653
	-----	-----
Net cash provided by (used in) operating activities	333,532	(137,287)
	-----	-----
INVESTING ACTIVITIES		
Net maturities (purchases) of short-term investments	(2,719,564)	105,830
Proceeds from asset sale	10,000	--
Purchases of property and equipment	(206,510)	(253,778)
	-----	-----
Net cash used in investing activities	(2,916,074)	(147,948)
	-----	-----
FINANCING ACTIVITIES		
Net proceeds from public offering	3,623,382	--
Compensation paid with common stock	5,624	--
	-----	-----
Net cash provided by financing activities	3,629,006	--
	-----	-----
Effect of exchange rate changes on cash	35,254	--
	-----	-----
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,081,718	(285,235)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	736,984	1,001,765
	-----	-----

CASH AND CASH EQUIVALENTS,

END OF PERIOD	\$ 1,818,702	\$ 716,530
	=====	=====

See accompanying Notes to Condensed Financial Statements.

AMTECH SYSTEMS, INC.  
AND SUBSIDIARIES

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CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS ENDED JUNE 30, 1995 AND 1994  
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

	1995	1994
	-----	-----
Cash paid during the period for:		
Income taxes, net of (refunds)	\$ 16,000	\$ 156,000

See accompanying Notes to Condensed Financial Statements.

AMTECH SYSTEMS, INC.  
AND SUBSIDIARIES

NOTES TO CONDENSED FINANCIAL STATEMENTS

JUNE 30, 1995

(1) BASIS OF PRESENTATION

The accompanying consolidated financial statements include the accounts of Amtech Systems, Inc. and its subsidiaries, Tempres Systems, Inc. and Echelon Service Company, hereinafter referred to as the Company. All significant intercompany accounts and transactions have been eliminated in consolidation.

(2) INTERIM REPORTING

The accompanying consolidated financial statements are unaudited; however, these financial statements contain all adjustments which are, in the opinion of management, necessary to a fair presentation of the financial position of the Company as of June 30, 1995 and September 30, 1994 and the results of its operations for the three and nine months ended June 30, 1995 and 1994, and its cash flows for the nine months ended June 30, 1995 and 1994.

The accounting policies followed by the Company are set forth in Note 2 to the financial statements in the Company's Annual Report on Form 10-K for the year ended September 30, 1994, which is incorporated herein by reference.

During March 1994, the Company entered into a research and development contract with and paid \$355,405 to the University of California at Santa Cruz (the "University"). The University is to develop designs and specifications for a prototype model of a product embodying the Company's patented photo CVD (chemical vapor deposition) process and to conduct a study in an attempt to prove the feasibility and demonstrate the practical application of the Company's technology. Because recovery of the cost of that contract is dependent upon the outcome of the study and future development of a commercial product, the payment was recorded as research and development expense in fiscal 1994.

Inventories as of June 30, 1995 and September 30, 1994 included work-in-process of \$204,870 and \$51,602, respectively. The remaining inventory consists of purchased parts and completed sub-assemblies.

The results of operations for the three and nine months ended June 30, 1995 and 1994, are not necessarily indicative of the results to be expected for the full year.

(3) RECLASSIFICATIONS

Certain reclassifications have been made to the amounts for the three

and nine month periods of fiscal 1994 to conform to the presentation of the fiscal 1995 amounts.

(4) INCOME TAXES

Income taxes were calculated by applying the estimated effective tax rate for the fiscal year to the income before income taxes.

(5) STOCKHOLDERS' INVESTMENT

On December 22, 1994, the Company completed a secondary public offering of 1,207,500 shares of its \$.01 par value common stock and redeemable warrants for an equal number of shares. The sale was in the form of units which were comprised of three (3) shares and three (3) redeemable warrants each, and which were sold to the public at a price of \$11.25 per unit. The gross proceeds from the public sale amounted to \$4,528,125. Each redeemable warrant entitles the holder to acquire one share of common stock at an exercise price of \$5.50 per share until December 15, 1999. The redeemable warrants are subject to the Company's right of redemption, under certain circumstances, at \$.05 each during the period in which they are exercisable. The Company also sold a warrant to the underwriter entitling the underwriter to purchase 35,000 units at a price of \$13.50 each. The net proceeds to the Company were approximately \$3,623,000.

During June 1995, the market price of the common stock exceeded the \$5.50 exercise price of the redeemable warrants. Should the market price of the common stock remain higher than the exercise price of the redeemable warrants through the end of the fiscal year, they will be treated as if they had been exercised and the average number of outstanding shares will be increased according to the treasury stock method.

AMTECH SYSTEMS, INC. AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND WORKING CAPITAL. During the nine months ended June 30, 1995, working capital increased by \$3,900,000 to \$6,145,000 from \$2,245,000, a 174% increase. Also, the ratio of current assets to current liabilities increased to 5.4:1 from 3.6:1. These changes resulted primarily from the net proceeds of the public offering discussed in Note 5 to Condensed Financial Statements for the nine months ended June 30, 1995. The Company does not have any long or short-term debt, and stockholders' investment is 83% of total capitalization.

LIQUIDITY AND CAPITAL RESOURCES. As of June 30, 1995, the Company's cash and cash equivalents amounted to \$1,819,000, an increase of \$1,082,000, or 147%, since September 30, 1994. The Company also had short-term investments of \$3,064,000 at June 30, 1995, compared with \$344,000 as of September 30, 1994. The primary sources of cash during the nine months ended June 30, 1995 were the \$3,623,000 of proceeds from the public offering and the \$334,000 of net cash provided by operating activities. The primary uses of cash during that period were the \$2,720,000 of net purchases of short-term investments and \$207,000 of purchases of property and equipment.

During 1995, another \$100,000 is expected to be expended in completing the furnace to be used for customer demonstrations and the marketing of horizontal diffusion furnaces. That cost is expected to be capitalized and depreciated over a five year period. Because the furnace product is based upon existing technology and know-how, no material development costs are expected to be incurred in connection with this project. The Company continues to seek out opportunities for product development or possible product or business acquisitions.

In August 1994, the Company paid approximately \$90,000 for certain machinery and equipment, of the former Tempress B.V., purchased from a third party. The Company used those assets to start the Company's diffusion furnace business in The Netherlands on September 26, 1994, under the name Tempress Systems, Inc. Assuming this operation grows as planned, additional funds will be used to fund its working capital requirements, as has been the case during the first nine months of fiscal 1995.

The \$4,882,000 of cash and short-term investments as of June 30, 1995, are a readily available source of liquidity. The Company's present liquidity and capital resources are believed to be adequate for its present operations. Assuming the results of the photo-assisted CVD feasibility study are favorable, a substantial portion of those funds will be required to develop the photo-assisted CVD technology discussed in Note 2 to the Condensed Financial Statements and to manufacture and market the resultant product, if any. Approximately \$3,200,000 is expected to be applied to such development. However, the estimated development costs do not include the cost required for the expansion of facilities for the manufacture of the new product. Funds for that

expansion, if any, are expected to be obtained from the cash flow from operations and other possible sources of financing. There is no assurance of the availability or sufficiency of such sources.

The semiconductor equipment order backlog was approximately \$1,314,000, as of June 30, 1995, as compared to \$700,000 as of June 30, 1994. Orders are generally shipped within one to six months of receipt.

#### RESULTS OF OPERATIONS.

THREE MONTHS ENDED JUNE 30,  
1995 vs. 1994

#### SEMICONDUCTOR EQUIPMENT.

The semiconductor equipment revenues increased 14% to \$1,380,000 in the third quarter of fiscal 1995 from \$1,207,000 in the third quarter of fiscal 1994. Tempress shipments from the Netherlands account for the increase.

Gross margin increased 9% from \$467,000 in the third quarter of fiscal 1994 to \$510,000 in the third quarter of fiscal 1995. The Company benefited from increased margins on sales of Amtech's U.S. product line. This was partially offset, as Tempress shipments fell below the break-even point, as the second systems order is not scheduled to ship until the fourth fiscal quarter. Gross margin as a percentage of revenue declined to 37% from 39% in the preceding year. The decrease in the gross margin percentage is primarily due to Tempress' low sales volume relative to its fixed costs of engineering and manufacturing. The 37% gross margin percentage for the quarter ended June 30, 1995 is an improvement over the 33% realized during the second fiscal quarter.

Selling and general costs were \$47,000 higher in the three months ended June 30, 1995 than they were in the third quarter of fiscal 1994, representing primarily the additional overheads of the Netherlands operation started at the beginning of the current fiscal year. Amounts expended on other research and development projects, primarily developing new automation products and improving existing ones, increased by \$17,000 in the third quarter of fiscal 1995 as compared to the similar period in fiscal 1994.

In summary, the semiconductor equipment segment produced an operating profit of \$95,000 in the quarter ended June 30, 1995, a decline of \$21,000 compared to the operating profit of \$116,000 realized in the third quarter of fiscal 1994. The decline in operating profit results from the third quarter start-up losses of the Tempress operation in the Netherlands, as that operation did not have a large systems shipment in that quarter.

#### TECHNICAL CONTRACT PERSONNEL BUSINESS

Net revenues of this segment were \$1,056,000 for the third quarter of fiscal 1995, compared to \$1,935,000 for the third quarter of fiscal 1994. The 45% decrease in revenues is primarily a result of one large client no longer having the peak requirements for technical contract personnel that it had during the last nine months of fiscal 1994.

The gross margins for this segment were \$128,000 in fiscal 1995 quarter as compared to \$209,000 in the third quarter of fiscal 1994. The gross margin percentage increased from 11% of this segment's revenues in the third quarter of fiscal 1994 to 12% for the quarter ended June 30 1995. The increase in gross margin as a percentage of revenue is due to the fact that most of the decline in revenue is from clients that required a lower level of service and from which the Company earned a lower gross margin.

Selling and general expenses of this segment were \$15,000 higher in the fiscal 1995 third quarter as compared to the third quarter of fiscal 1994, but are expected to return to the lower level in the fourth quarter.

Operating profit for this segment was \$96,000 higher during the third quarter of fiscal 1994, as compared to the latest quarter of fiscal 1995, primarily due to one large client having peak requirements for technical contract personnel during the fiscal 1994 period which did not extend into the third quarter of fiscal 1995.

#### TOTAL COMPANY

The Company's total operating profit for the three months ended June 30, 1995 declined \$117,000, because of the start-up losses of the Tempress operation and the reduced operating profit of the technical contract personnel segment as clients that previously had peak requirements returned to a more normal level of personnel requirements. The decline in operating profit was partially offset by the \$61,000 increase in interest income derived from cash equivalents and short-term investments.

The \$43,000 income tax provision for the third quarter of fiscal 1995 is lower than what would result from applying the statutory rates to the before

tax income, as the effects of permanent differences between financial and taxable income (e.g. the reductions in allowable deductions for meals and entertainment expenses) were more than offset by the reduction in the valuation allowance recorded against the deferred tax asset.

NINE MONTHS ENDED JUNE 30,  
1995 vs. 1994

#### SEMICONDUCTOR EQUIPMENT.

The semiconductor equipment revenues increased 42% to \$4,817,000 in the first nine months of fiscal 1995 from \$3,385,000 in the three quarters ended June 30, 1994. The increase is due almost equally to the shipments resulting from the start-up of the Tempress Systems operation in the Netherlands and to increased orders for the Company's domestically produced diffusion processing and automation products. Gross margins increased 17%, or \$228,000, over the same period almost entirely from the shipments of the Tempress operation during the second quarter. Because engineering and pricing problems of the domestic operations during the first two quarters of fiscal 1995, the increase in sales of the domestic operation did not significantly contribute to the increase in gross margins.

Gross margins as a percentage of revenue decreased from 40% in the first nine months of fiscal 1994 to 33% for the first three quarters of fiscal 1995. The decrease in the gross margin percentage is primarily due to the effects of design and pricing errors on the balance of the orders quoted and designed in the nine months ended December 31, 1995 and discussed in the Company's 1994 report on Form 10-K and in the report on Form 10-Q for the first quarter of the current fiscal year. The gross margins as a percentage of revenue for Tempress were lower than earned by the semiconductor segment last year, because it is in the start-up phase and therefore fixed expenses are spread over a lower sales volume.

The selling and general expenses of the semiconductor segment for the first nine months of fiscal 1995 were \$358,000 higher than in the comparable period of last fiscal year. The increase in such expenses is entirely due to the addition of the Tempress start-up operation in the Netherlands.

During March 1994, the Company entered into a research and development contract with and paid \$355,405 to the University of California at Santa Cruz (the "University"). Total research and development costs decreased \$226,000 from \$390,000 in the first three quarters of fiscal 1994 to \$164,000 during the nine months ended June 30, 1995, as there was no expenditure in the first three quarters of fiscal 1995 comparable to the research contract discussed in the preceding sentence and in Note 2 to the Condensed Financial Statements. However, the costs of developing a new Tempress horizontal diffusion furnace explains why the reduction was less than the amount of the research and development contract.

For the first nine months of fiscal 1995, the semiconductor equipment segment had an operating profit of \$217,000 as compared to \$121,000 for the first three quarters of fiscal 1994. The \$96,000 improvement is less than the amount expended in 1994 for the University contract, as the first three quarters of fiscal 1995 include the start-up costs and losses of Tempress.

While Tempress Systems, Inc. had significant start-up losses during the first and third quarters and cumulatively for the nine months ended June 30, 1995, it did earn a small operating profit for the second quarter of fiscal 1995. Until such time as Tempress consistently books and ships a sufficient number of systems orders, which the Company estimates will not occur for another three to nine months, it will periodically generate a quarterly operating loss, which can result in the Company having a net loss for the quarter.

#### TECHNICAL CONTRACT PERSONNEL BUSINESS

Net revenues of this segment were \$3,370,000 for the first nine months of fiscal 1995, compared to \$4,694,000 for the first three quarters of fiscal 1994. The 28% decrease in revenues is the result of a significant decline in the number of technical contract personnel provided by Echelon, on a payroll servicing basis, as one client in particular did not have the peak requirements for such personnel as it did in the prior year.

Gross margins as a percentage of revenues increased from 10% for the first three quarters of 1994 to 12% for comparable period of fiscal 1995, as the result of three factors. First, there was a better mix of services, as a larger percentage of the revenue generated in the current fiscal year was from the placement of the full-service technical contract personnel which includes recruiting the contract employee and providing certain fringe benefits. Because the client is provided with more services than in the "payroll servicing" portion of the business, the Company is also able to charge a higher mark-up. Also, the first two quarters of fiscal 1995 benefited from the revenue of the



permanent placement business started in the third quarter of fiscal 1994. Third, the payroll taxes were a lower percentage of revenue in fiscal 1995 than in 1994, as last year there was a significant increase in the number of employees during the third quarter for whom the maximum unemployment contribution was not met until later in the year. Despite these factors, gross margin decreased \$57,000, due to the lower volume of business transacted.

Selling and general expenses of this segment were \$53,000 higher in fiscal 1995 as compared to the fiscal 1994 period, primarily due to the third quarter 1994 addition of personnel to provide clients with permanent placement services.

Primarily due to the higher fiscal 1994 revenues resulting from peak requirements of one client which did not continue into the second and third quarters of fiscal 1995, the operating profit of this segment was \$160,000 in fiscal 1994, or \$110,000 higher than in the comparable period of fiscal 1995.

#### TOTAL COMPANY

The Company's total operating profit for the first nine months of fiscal 1995 decreased \$14,000, as the increase in the operating profit of the semiconductor equipment segment was more than offset by the decline in the operating profit of the technical contract personnel segment. There was also a \$46,000 increase in corporate expenses which is partially related to increased officer compensation, including a bonus tied to the successful completion of the public offering. The lower operating profit and higher expenses were more than offset by increased interest income from cash and cash equivalents and short-term investments. As a result, the Company had income before income taxes of \$170,000 for the first nine months of fiscal 1995, compared to \$119,000 for the comparable period of fiscal 1994.

The \$75,000 income tax expense for the first three quarters of fiscal 1995 is approximately what would result by applying the statutory rates to the before tax income, because the effects of the permanent differences between financial and taxable income (e.g. the reductions in allowable deductions for meals and entertainment expenses) was offset by a reduction in the valuation allowance provided on deferred tax assets.

For the nine months ended June 30, 1995 there was net income of \$95,000, or \$.05 per share, as compared to net income of \$47,000, or \$.05 per share, for the comparable period of the preceding year. The weighted shares outstanding nearly doubled as a result of the public offering at the end of the first quarter. If the market price of the common stock remains over the \$5.50 exercise price of the warrants, the warrants will further increase the weighted average shares outstanding.

## PART II

### Item 1. Legal Proceedings.

A competing European furnace manufacturer is notifying potential customers that it has rights to the furnace technology being applied by Tempress and has threatened legal action if the customers were to purchase furnaces from Tempress. After consulting with legal counsel, the Company does not believe that the competitor's assertions have merit. They could, however, have a material adverse affect on the business of Tempress by deterring customers from purchasing furnaces from Tempress or by causing Tempress to incur significant legal fees to combat those activities.

### Item 4. Submission of Matters to a Vote of Security Holders

On May 1, 1995, the Company held its annual meeting of shareholders at which time the following persons were elected as directors in accordance with the votes shown next to their names:

	FOR	WITHHELD
Jong S. Whang	1,952,444	11,926
Eugene R. Hartman	1,952,849	11,521
Donald F. Johnston	1,952,624	11,746
Alvin Katz	1,950,604	13,766
Bruce R. Thaw	1,952,874	11,496

The tabulation of the vote on proposal #2, the Amtech Systems, Inc. 1995 Incentive Stock Option Plan was adjourned until Thursday, May 25, 1995, at 10:00 A.M. Standard Mountain Time, and again until 2:00 P.M. Standard Mountain

Time on May 31, 1995. The proposal did not receive the required vote for from a majority of the shares represented at the meeting. There were 955,150 votes cast for, 99,598 votes against, 36,344 votes abstaining, and 878,749 of broker non-votes, as brokers could not vote on this issue without instructions from the beneficial owners.

Item 6. Exhibits and Reports on Form 8-K.

- (a) Exhibits - Exhibit 27 - Financial Data Schedule.
- (b) Reports on Form 8-K - none.

SIGNATURES

Pursuant to the requirements of the Securities and 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.

by Robert T. Hass

-----  
Robert T. Hass, Vice-President and  
Chief Financial Officer

DATED: August 14, 1995

<TABLE> <S> <C>

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEETS AS OF JUNE 30, 1995 AND SEPTEMBER 30, 1994, THE STATEMENTS OF OPERATION FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 1995 AND 1994 AND THE STATEMENTS OF CASH FLOW FOR THE NINE MONTHS ENDED JUNE 30, 1995 AND 1994 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 1995

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<INCOME-PRETAX>	169,569
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<INCOME-CONTINUING>	94,569
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