

AEHR TEST SYSTEMS  
Form 10-Q  
April 11, 2014

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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 28, 2014.

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: 000-22893.

AEHR TEST SYSTEMS  
(Exact name of Registrant as specified in its charter)

CALIFORNIA  
(State or other jurisdiction of incorporation or organization)

94-2424084  
(I.R.S. Employer Identification No.)

400 KATO TERRACE  
FREMONT, CA  
(Address of principal executive offices)

94539  
(Zip Code)

(510) 623-9400  
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

FORMER NAME, FORMER ADDRESS AND FORMER FISCAL YEAR, IF CHANGED SINCE LAST REPORT.  
N/A

Indicate by 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 as 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

Smaller reporting company

(Do not check if a 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

Number of shares of common stock, \$0.01 par value, outstanding at March 31, 2014 was 11,035,994.

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FORM 10-Q

FOR THE QUARTER ENDED FEBRUARY 28, 2014

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## PART I. FINANCIAL INFORMATION

## ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AEHR TEST SYSTEMS  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands, except per share data)  
(unaudited)

	February 28, 2014	May 31, 2013 (1)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$1,846	\$2,324
Accounts receivable, net	3,378	2,632
Inventories	5,931	5,369
Prepaid expenses and other	399	276
<b>Total current assets</b>	<b>11,554</b>	<b>10,601</b>
Property and equipment, net	311	301
Other assets	78	73
<b>Total assets</b>	<b>\$11,943</b>	<b>\$10,975</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Line of credit	\$406	\$1,101
Accounts payable	2,265	1,188
Accrued expenses	1,447	1,440
Customer deposits and deferred revenue, short-term	1,345	1,972
<b>Total current liabilities</b>	<b>5,463</b>	<b>5,701</b>
Income tax payable	77	109
Deferred lease commitment	32	103
Deferred revenue, long-term	8	68
<b>Total liabilities</b>	<b>5,580</b>	<b>5,981</b>
Aehr Test Systems shareholders' equity:		
Common stock, \$0.01 par value: Authorized: 75,000 shares; Issued and outstanding: 11,018 shares and 10,599 shares at February 28, 2014 and May 31, 2013, respectively		
	110	106
Additional paid-in capital	51,703	50,580
Accumulated other comprehensive income	2,502	2,442
Accumulated deficit	(47,931 )	(48,114 )

Total Aehr Test Systems shareholders' equity	6,384	5,014
Noncontrolling interest	(21 )	(20 )
Total shareholders' equity	6,363	4,994
Total liabilities and shareholders' equity	\$11,943	\$10,975

(1) The condensed consolidated balance sheet at May 31, 2013 has been derived from the audited consolidated financial statements at that date.

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

AEHR TEST SYSTEMS  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (in thousands, except per share data)  
 (unaudited)

	Three Months Ended		Nine Months Ended	
	February 28,		February 28,	
	2014	2013	2014	2013
Net sales	\$5,612	\$3,340	\$14,314	\$13,226
Cost of sales	2,742	2,575	7,006	7,742
Gross profit	2,870	765		