

AMERICAN SUPERCONDUCTOR CORP /DE/
Form 10-Q
February 09, 2016

UNITED STATES

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 quarterly period ended: December 31, 2015

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: 0-19672

American Superconductor Corporation

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	04-2959321 (I.R.S. Employer Identification No.)
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64 Jackson Road, Devens, Massachusetts (Address of principal executive offices)	01434 (Zip Code)
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(978) 842-3000

(Registrant's telephone number, including area code)

N/A

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

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 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.

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

Shares outstanding of the Registrant's common stock:

Common Stock, par value \$0.01 per share	14,042,359
Class	Outstanding as of February 4, 2016

AMERICAN SUPERCONDUCTOR CORPORATION

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AMERICAN SUPERCONDUCTOR CORPORATION

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

	December 31, 2015	March 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$36,437	\$20,490
Accounts receivable, net	17,052	9,879
Inventory	15,238	20,596
Prepaid expenses and other current assets	5,611	10,764
Restricted cash	433	2,822
Total current assets	74,771	64,551
Property, plant and equipment, net	51,204	56,097
Intangibles, net	996	1,422
Restricted cash	795	1,236
Deferred tax assets	7,766	7,766
Other assets	303	2,753
Total assets	\$135,835	\$133,825
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$20,723	\$21,615
Note payable, current portion, net of discount of \$83 as of December 31, 2015 and \$244 as of March 31, 2015	3,584	3,756
Derivative liabilities	2,590	2,999
Deferred revenue	10,676	11,019
Deferred tax liabilities	7,843	7,843
Total current liabilities	45,416	47,232
Note payable, net of discount of \$161 as of December 31, 2015 and \$290 as of March 31, 2015	1,339	3,877
Deferred revenue	3,261	2,756
Other liabilities	790	67
Total liabilities	50,806	53,932
Commitments and contingencies (Note 13)		

Stockholders' equity:		
Common stock	141	96
Additional paid-in capital	1,011,016	985,921
Treasury stock, at cost	(881)	(771)
Accumulated other comprehensive loss	(425)	(308)
Accumulated deficit	(924,822)	(905,045)
Total stockholders' equity	85,029	79,893
Total liabilities and stockholders' equity	\$ 135,835	\$ 133,825

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

AMERICAN SUPERCONDUCTOR CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Three months ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Revenues	\$25,772	\$21,250	\$68,499	\$45,401
Cost of revenues	19,263	18,094	55,758	43,953
Gross Profit	6,509	3,156	12,741	1,448
Operating expenses:				
Research and development	2,759	2,795	8,924	8,993
Selling, general and administrative	7,023	7,550	21,331	23,534
Arbitration award expense	-	-	-	10,188
Restructuring and impairments	-	507	779	5,416
Amortization of acquisition related intangibles	39	39	118	118
Total operating expenses	9,821	10,891	31,152	48,249
Operating loss	(3,312)	(7,735)	(18,411)	(46,801)
Change in fair value of derivatives and warrants	(1,092)	2,288	409	3,048
Gain on sale of minority interest	2,511	-	2,511	-
Interest expense, net	(238)	(525)	(841)	(1,555)
Other (expense) income, net	(20)	(209)	(1,189)	379
Loss before income tax expense	(2,151)	(6,181)	(17,521)	(44,929)
Income tax expense	806	172	2,256	363
Net loss	\$(2,957)	\$(6,353)	\$(19,777)	\$(45,292)
Net loss per common share				
Basic	\$(0.22)	\$(0.72)	\$(1.52)	\$(5.50)
Diluted	\$(0.22)	\$(0.72)	\$(1.52)	\$(5.50)
Weighted average number of common shares outstanding				
Basic	13,539	8,764	13,052	8,228
Diluted	13,539	8,764	13,052	8,228

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

AMERICAN SUPERCONDUCTOR CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(In thousands)

	Three months ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Net loss	\$(2,957)	\$(6,353)	\$(19,777)	\$(45,292)
Other comprehensive loss, net of tax:				
Foreign currency translation losses	(436)	(188)	(117)	(1,279)
Total other comprehensive loss, net of tax	(436)	(188)	(117)	(1,279)
Comprehensive loss	\$(3,393)	\$(6,541)	\$(19,894)	\$(46,571)

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

AMERICAN SUPERCONDUCTOR CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Nine months ended December 31,	
	2015	2014
Cash flows from operating activities:		
Net loss	\$(19,777)	\$(45,292)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	6,050	7,298
Stock-based compensation expense	2,542	4,620
Impairment of minority interest investment	746	3,464
Provision for excess and obsolete inventory	1,835	1,401
Write-off prepaid taxes	289	-
(Gain on sale)/loss from minority interest investment	(2,155)	644
Change in fair value of derivatives and warrants	(409)	(3,048)