



AMSC Accelerates toward Profitability with the Acquisition of NWL, Inc.

Aug 5, 2024

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AMSC Extends Product Offerings in the Military and Industrial Sectors Acquisition Expected to be Accretive to Earnings Per Share

AYER, Mass., Aug. 05, 2024 (GLOBE NEWSWIRE) -- AMSC (Nasdaq: AMSC), a leading system provider of megawatt-scale power resiliency solutions that orchestrate the rhythm and harmony of power on the grid™ and protect and expand the capability of our Navy's fleet, today announced that it has acquired NWL, Inc. (NWL), a private company based in New Jersey that provides power supplies to industrial and military customers. At closing, AMSC paid \$25 million in cash and issued 1,297,600 restricted shares of AMSC common stock with a value of approximately \$31.4 million. As part of the transaction, AMSC will make an additional cash payment of \$5 million, subject to various adjustments set forth in the stock purchase agreement.

AMSC believes the acquisition of NWL directly aligns with the company's strategic priorities to accelerate profitable growth, broaden its product offerings, and expand both market reach and market share. NWL has a history of profitable revenue with a three-year average of approximately \$55 million in revenue per year and operating margins approaching the teens. NWL supplies components for a variety of energy applications. Their offerings include power supplies and power controls to industrial and military customers. NWL's military progress, coupled with AMSC's own growth in this sector, is expected to further strengthen and amplify the military power supply sales channel. By leveraging NWL's leadership position in the industrial and military markets, AMSC expects to expand its business offerings and deliver greater value to existing and new customers, business partners, and shareholders.

"As we expand our military business, we believe NWL has the potential of multiplying our military footprint within the US Navy and the Department of Defense and given our recent work and success with allied navies, the two companies together are expected to provide a powerful combination," said Daniel P. McGahn, Chairman, President and CEO of AMSC. "NWL has established a leadership position in the industrial and military markets for power products that complements and scales our recent push into these markets. The addition of NWL to AMSC's Grid solutions is expected to accelerate our ability to achieve our goal of sustainable profitability and expand our offering of proprietary power products in the industrial and military sectors."

Fairmount Partners served as the exclusive merger and acquisition advisor to NWL in this transaction. For more information about the stock purchase agreement, please refer to AMSC's Form 8-K filed with the SEC today.

The Company intends to discuss this acquisition during its previously announced conference call with investors to discuss the Company's financial results for the first quarter of fiscal 2024 and business outlook beginning at 10:00 a.m. Eastern Time on Wednesday, August 7, 2024.

Those who wish to listen to the live or archived conference call webcast should visit the "Investors" section of the Company's website at <https://www.amsc.com>. The live call can be accessed 15 minutes prior to the scheduled start time by dialing 1-844-481-2802 or 1-412-317-0675 and asking to join the AMSC call. A replay of the call may be accessed 2 hours following the call by dialing 1-877-344-7529 and using conference passcode 9653245.

About NWL, Inc. (NWL)

NWL is a leading manufacturer and designer of transformers, inductors and power supplies for industrial and defense applications. The company was founded in the 1930's by John Nothelfer as a transformer repair shop – Nothelfer Winding Laboratories, hence the name NWL. For more information, please visit: www.nwl.com

About AMSC (Nasdaq: AMSC)

AMSC generates the ideas, technologies and solutions that meet the world's demand for smarter, cleaner ... better energy™. Through its Gridtec™ Solutions, AMSC provides the engineering planning services and advanced grid systems that optimize network reliability, efficiency and performance. Through its Marinotec™ Solutions, AMSC provides ship protection systems and is developing propulsion and power management solutions designed to help fleets increase system efficiencies, enhance power quality and boost operational safety. Through its Windtec™ Solutions, AMSC provides wind turbine electronic controls and systems, designs and engineering services that reduce the cost of wind energy. The Company's solutions are enhancing the performance and reliability of power networks, increasing the operational safety of navy fleets and powering gigawatts of renewable energy globally. Founded in 1987, AMSC is headquartered near Boston, Massachusetts with operations in Asia, Australia, Europe and North America. For more information, please visit www.amsc.com.

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Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements include, but are not limited to, statements about our expectation that the addition of NWL to AMSC's Grid solutions will accelerate our ability to achieve our goal of profitability; the expected effects and benefits of our acquisition of NWL; our expectation that the NWL acquisition will be accretive to our earnings per share; the additional payments required under the terms of the stock purchase agreement; and other statements containing the words "believes," "anticipates," "plans," "expects," "will" and similar expressions. Such forward-looking statements represent management's current expectations and are inherently uncertain. There are a number of important factors that could materially impact the value of our

common stock or cause actual results to differ materially from those indicated by such forward-looking statements. These important factors include, but are not limited to: Risks related to the financial performance of NWL and its affiliated entities; The NWL business may not be integrated successfully; We may not realize the expected benefits of our acquisition of NWL; We have a history of operating losses, which may continue in the future. Our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter; We have a history of negative operating cash flows, and we may require additional financing in the future, which may not be available to us; Our technology and products could infringe intellectual property rights of others, which may require costly litigation and, if we are not successful, could cause us to pay substantial damages and disrupt our business; Changes in exchange rates could adversely affect our results of operations; We may be required to issue performance bonds or provide letters of credit, which restricts our ability to access any cash used as collateral for the bonds or letters of credit; If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired and may lead investors and other users to lose confidence in our financial data; We may not realize all of the sales expected from our backlog of orders and contracts; Our contracts with the U.S. government are subject to audit, modification or termination by the U.S. government and include certain other provisions in favor of the government. The continued funding of such contracts remains subject to annual congressional appropriation, which, if not approved, could reduce our revenue and lower or eliminate our profit; Changes in U.S. government defense spending could negatively impact our financial position, results of operations, liquidity and overall business; Pandemics, epidemics or other public health crises may adversely impact our business, financial condition and results of operations; We rely upon third-party suppliers for the components and subassemblies of many of our Grid and Wind products, making us vulnerable to supply shortages and price fluctuations, which could harm our business; Uncertainty surrounding our prospects and financial condition may have an adverse effect on our customer and supplier relationship; Our success is dependent upon attracting and retaining qualified personnel and our inability to do so could significantly damage our business and prospects; A significant portion of our Wind segment revenues are derived from a single customer. If this customer's business is negatively affected, it could adversely impact our business; Our success in addressing the wind energy market is dependent on the manufacturers that license our designs; Our business and operations would be adversely impacted in the event of a failure or security breach of our or any critical third parties' information technology infrastructure and networks; We may acquire additional complementary businesses or technologies, which may require us to incur substantial costs for which we may never realize the anticipated benefits; Failure to comply with evolving data privacy and data protection laws and regulations or to otherwise protect personal data, may adversely impact our business and financial results; Many of our revenue opportunities are dependent upon subcontractors and other business collaborators; If we fail to implement our business strategy successfully, our financial performance could be harmed; Problems with product quality or product performance may cause us to incur warranty expenses and may damage our market reputation and prevent us from achieving increased sales and market share; Many of our customers outside of the United States may be either directly or indirectly related to governmental entities, and we could be adversely affected by violations of the United States Foreign Corrupt Practices Act and similar worldwide anti-bribery laws outside the United States; We have had limited success marketing and selling our superconductor products and system-level solutions, and our failure to more broadly market and sell our products and solutions could lower our revenue and cash flow; We or third parties on whom we depend may be adversely affected by natural disasters, including events resulting from climate change, and our business continuity and disaster recovery plans may not adequately protect us or our value chain from such events; Adverse changes in domestic and global economic conditions could adversely affect our operating results; Our international operations are subject to risks that we do not face in the United States, which could have an adverse effect on our operating results; Our products face competition, which could limit our ability to acquire or retain customers; We have operations in, and depend on sales in, emerging markets, including India, and global conditions could negatively affect our operating results or limit our ability to expand our operations outside of these markets. Changes in India's political, social, regulatory and economic environment may affect our financial performance; Our success depends upon the commercial adoption of the REG system, which is currently limited, and a widespread commercial market for our products may not develop; Industry consolidation could result in more powerful competitors and fewer customers; Increasing focus and scrutiny on environmental sustainability and social initiatives could increase our costs, and inaction could harm our reputation and adversely impact our financial results; Growth of the wind energy market depends largely on the availability and size of government subsidies, economic incentives and legislative programs designed to support the growth of wind energy; Lower prices for other energy sources may reduce the demand for wind energy development, which could have a material adverse effect on our ability to grow our Wind business; We may be unable to adequately prevent disclosure of trade secrets and other proprietary information; Our patents may not provide meaningful or long-term protection for our technology, which could result in us losing some or all of our market position; There are a number of technological challenges that must be successfully addressed before our superconductor products can gain widespread commercial acceptance, and our inability to address such technological challenges could adversely affect our ability to acquire customers for our products; Third parties have or may acquire patents that cover the materials, processes and technologies we use or may use in the future to manufacture our Amperium products, and our success depends on our ability to license such patents or other proprietary rights; Our common stock has experienced, and may continue to experience, market price and volume fluctuations, which may prevent our stockholders from selling our common stock at a profit and could lead to costly litigation against us that could divert our management's attention; Unfavorable results of legal proceedings could have a material adverse effect on our business, operating results and financial condition; and the other important factors discussed under the caption "Risk Factors" in Part 1. Item 1A of our Form 10-K for the fiscal year ended March 31, 2024, and our other reports filed with the SEC. These important factors, among others, could cause actual results to differ materially from those indicated by forward-looking statements made herein and presented elsewhere by management from time to time. Any such forward-looking statements represent management's estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

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