

**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):
May 31, 2023**

American Superconductor Corporation

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	000-19672 (Commission File Number)	04-2959321 (IRS Employer Identification No.)
114 East Main Street Ayer, Massachusetts (Address of principal executive offices)		01432 (Zip Code)

Registrant's telephone number, including area code (978) 842-3000

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 (see General Instruction A.2. below):

- 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, \$0.01 par value per share	AMSC	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 May 31, 2023, American Superconductor Corporation (the “Company”) announced its financial results for the fourth quarter and full fiscal year ended March 31, 2023. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits:*

Exhibit No.	<u>Description</u>
99.1	Press release issued by American Superconductor Corporation on May 31, 2023 (furnished, not “filed,” for purposes of Section 18 of the Exchange Act).
104	Cover Page Interactive Data File - the cover page XBRL tags are 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 hereunto duly authorized.

AMERICAN SUPERCONDUCTOR CORPORATION

Date: May 31, 2023

By: _____
John W. Kosiba, Jr.
Senior Vice President and Chief Financial Officer



AMSC Reports Fourth Quarter and Full Fiscal Year 2022 Financial Results and Provides Business Outlook

Company to host conference call tomorrow, June 1 at 10:00 am ET

Ayer, MA – May 31, 2023 – 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 that protect and expand the capability and resiliency of our Navy's fleet, today reported financial results for its fourth quarter and fiscal year ended March 31, 2023 ("fiscal 2022").

Revenues for the fourth quarter of fiscal 2022 were \$31.7 million compared with \$28.3 million for the same period of fiscal 2021. The year-over-year increase was a result of higher Grid segment revenues, primarily driven by strong new energy power system sales.

AMSC's net loss for the fourth quarter of fiscal 2022 was \$6.9 million, or \$0.25 per share, compared to net loss of \$5.0 million, or \$0.18 per share, for the same period of fiscal 2021. The Company's non-GAAP net loss for the fourth quarter of fiscal 2022 was \$7.8 million, or \$0.28 per share, compared with a non-GAAP net loss of \$4.7 million, or \$0.17 per share, in the same period of fiscal 2021. Please refer to the financial table below for a reconciliation of GAAP to non-GAAP results.

Revenues for fiscal 2022 were \$106.0 million as compared to \$108.4 million in fiscal 2021. The decrease in revenues was driven by lower D-VAR revenues than in the prior year.

AMSC reported a net loss for fiscal 2022 of \$35.0 million, or \$1.26 per diluted share, compared to a net loss of \$19.2 million, or \$0.71 per diluted share in fiscal 2021. The Company's non-GAAP net loss for fiscal 2022 was \$28.8 million, or \$1.03 per share, compared with a non-GAAP net loss of \$17.1 million, or \$0.63 per share, for fiscal 2021. Please refer to the financial table below for a reconciliation of GAAP to non-GAAP results.

Cash, cash equivalents and restricted cash on March 31, 2023 totaled \$25.7 million.

"During fiscal 2022, AMSC delivered significant business diversification," said Daniel P. McGahn, Chairman, President and CEO, AMSC. "Our fiscal 2022 performance reflects our strategic effort to diversify our Company by markets, geography and products as well as our efforts to capture integration synergies and reduce our cost structure. We believe this diversification well positions us to capitalize on future investments in renewables, mining of metals and materials—especially those for the electrification of vehicles, semiconductors and in the defense business. Our Company has successfully transitioned from almost a pure play in the wind market, to a company primarily focused on the power grid and military resiliency markets as further evidenced by our recently introduced U.S. Navy solution—mine countermeasure system. We believe our growing and consistent Grid demand may allow us to seize opportunities in new markets, introduce new offerings and expand our customer reach. I am grateful for our team's commitment and delivery on fiscal 2022 and look forward to a bright fiscal 2023."

press release

Business Outlook

For the first quarter ending June 30, 2023, AMSC expects that its revenues will be in the range of \$26 million to \$30 million. The Company's net loss for the first quarter of fiscal 2023 is expected not to exceed \$6.5 million, or \$0.23 per share. The Company's net loss guidance assumes no changes in fair value of contingent consideration. The Company's non-GAAP net loss (as defined below) is expected not to exceed \$4.8 million, or \$0.17 per share. The Company expects operating cash flow to be a burn of \$1 million to \$3 million in the first quarter of fiscal 2023. The Company expects cash, cash equivalents, and restricted cash on June 30, 2023, to be no less than \$22 million.

Conference Call Reminder

In conjunction with this announcement, AMSC management will participate in a conference call with investors beginning at 10:00 a.m. Eastern Time on Thursday, June 1, 2023, to discuss the Company's financial results and business outlook. 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://ir.ams.com>. The live call can be accessed 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 4313516.

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 Marintec™ Solutions, AMSC provides ship protection 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.ams.com.

AMSC, American Superconductor, D-VAR, D-VAR VVO, Gridtec, Marintec, Windtec, Neeltran, NEPSI, Smarter, Cleaner ... Better Energy and Orchestrate the Rhythm and Harmony of Power on the Grid are trademarks or registered trademarks of American Superconductor Corporation. All other brand names, product names, trademarks or service marks belong to their respective holders.

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"). Any statements in this release regarding our goals and strategies; business diversification; integration synergies and cost structure reduction efforts; market demand, drivers and opportunities for our products; our belief that our diversification well positions us to capitalize on future investments; our belief regarding expected opportunities from our growing and consistent Grid demand; our expected GAAP and non-GAAP financial results for the quarter ending June 30, 2023, our expected cash, cash equivalents and restricted cash balance on June 30, 2023; and other statements containing the words "believes," "anticipates," "plans," "expects," "will" and similar expressions, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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: 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; 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; Changes in exchange rates could adversely affect our results of operations; 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; The COVID-19 pandemic has adversely impacted our business, financial condition and results of operations and other future pandemics or health crises may have similar impacts; Changes in U.S. government defense spending could negatively impact our financial position, results of operations, liquidity and overall business; 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; We have not manufactured our Amperium wire in commercial quantities, and a failure to manufacture our Amperium wire in commercial quantities at acceptable cost and quality levels would substantially limit our future revenue and profit potential; 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; 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 may acquire additional complementary businesses or technologies, which may require us to incur substantial costs for which we may never realize the anticipated benefits; 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; The increasing focus 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 fuel 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 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 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; We face risks related to our legal proceedings; We face risks related to our common stock; 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, 2023, 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.

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2023	2022	2023	2022
Revenues				
Grid	\$ 28,294	\$ 25,706	\$ 94,631	\$ 98,876
Wind	3,449	2,602	11,353	9,559
Total revenues	31,743	28,308	105,984	108,435
Cost of revenues	27,929	25,018	97,463	94,943
Gross margin	3,814	3,290	8,521	13,492
Operating expenses:				
Research and development	1,890	2,102	8,966	10,470
Selling, general and administrative	6,616	6,880	28,700	27,494
Amortization of acquisition related intangibles	688	627	2,746	2,467
Change in fair value on contingent consideration	410	(1,410)	70	(5,850)
Restructuring	1,048	—	1,048	—
Total operating expenses	10,652	8,199	41,530	34,581
Operating loss	(6,838)	(4,909)	(33,009)	(21,089)
Interest income, net	140	7	252	75
China dissolution	-	-	(1,921)	-
Other expense, net	(100)	(33)	(148)	(28)
Loss before income tax expense (benefit)	(6,798)	(4,935)	(34,826)	(21,042)
Income tax expense (benefit)	72	97	215	(1,849)
Net loss	\$ (6,870)	\$ (5,032)	\$ (35,041)	\$ (19,193)
Net loss per common share				
Basic	\$ (0.25)	\$ (0.18)	\$ (1.26)	\$ (0.71)
Diluted	\$ (0.25)	\$ (0.18)	\$ (1.26)	\$ (0.71)
Weighted average number of common shares outstanding				
Basic	28,010	27,383	27,848	27,203
Diluted	28,010	27,383	27,848	27,203

CONSOLIDATED BALANCE SHEET
(In thousands, except per share data)

	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 23,360	\$ 40,584
Accounts receivable	30,665	20,280
Inventory	36,986	23,666
Prepaid expenses and other current assets	13,429	7,052
Restricted cash	1,733	2,754
Total current assets	106,173	94,336
Property, plant and equipment, net	12,309	13,656
Intangibles, net	8,527	11,311
Right-of-use asset	2,857	3,502
Goodwill	43,471	43,471
Restricted cash	582	6,148
Deferred tax assets	1,114	1,224
Other assets	528	239
Total assets	\$ 175,561	\$ 173,887
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 38,383	\$ 29,140
Lease liability, current portion	808	740
Debt, current portion	75	72
Contingent consideration	1,270	1,200
Deferred revenue, current portion	43,572	22,812
Total current liabilities	84,108	53,964
Deferred revenue, long term portion	7,188	7,222
Lease liability, long term portion	2,184	2,900
Deferred tax liabilities	243	297
Debt, long-term portion	15	90
Other liabilities	26	25
Total liabilities	93,764	64,498
Stockholders' equity:		
Common stock, \$0.01 par value, 75,000,000 shares authorized; 29,937,119 and 28,919,990 shares issued and 29,539,488 and 28,522,359 shares outstanding at March 31, 2023 and 2022, respectively	299	289
Additional paid-in capital	1,139,113	1,133,536
Treasury stock, at cost, 397,631 at March 31, 2023 and 2022, respectively	(3,639)	(3,639)
Accumulated other comprehensive loss	1,571	(291)
Accumulated deficit	(1,055,547)	(1,020,506)
Total stockholders' equity	81,797	109,389
Total liabilities and stockholders' equity	\$ 175,561	\$ 173,887

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended March 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (35,041)	\$ (19,193)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	5,361	5,341
Stock-based compensation expense	4,729	4,661
Provision for excess and obsolete inventory	1,467	1,902
Deferred income taxes	24	(2,403)
Change in fair value of contingent consideration	70	(5,850)
China Dissolution	1,921	—
Non-cash interest income	—	(49)
Other non-cash items	600	525
Unrealized foreign exchange gain on cash and cash equivalents	(226)	(186)
Changes in operating asset and liability accounts:		
Accounts receivable	(10,360)	(3,760)
Inventory	(14,796)	(3,307)
Prepaid expenses and other current assets	(5,757)	(420)
Accounts payable and accrued expenses	8,660	4,695
Deferred revenue	20,863	(933)
Net cash used in operating activities	<u>(22,485)</u>	<u>(18,977)</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,236)	(938)
Cash paid for acquisition, net of cash received	—	(11,479)
Proceeds from the maturity of marketable securities	—	5,189
Change in other assets	(281)	65
Net cash used in investing activities	<u>(1,517)</u>	<u>(7,163)</u>
Cash flows from financing activities:		
Repurchase of treasury stock	—	(46)
Repayment of debt	(73)	(53)
Proceeds from exercise of employee stock options and ESPP	235	241
Net cash provided by financing activities	<u>162</u>	<u>142</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	29	(55)
Net decrease in cash, cash equivalents and restricted cash	(23,811)	(26,053)
Cash, cash equivalents and restricted cash at beginning of year	49,486	75,539
Cash, cash equivalents and restricted cash at end of year	<u>\$ 25,675</u>	<u>\$ 49,486</u>

RECONCILIATION OF GAAP NET LOSS TO NON-GAAP NET LOSS
(In thousands, except per share data)

	Three Months Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022
Net loss	\$ (6,870)	\$ (5,032)	\$ (35,041)	\$ (19,193)
Stock-based compensation	1,237	1,147	4,729	4,661
Amortization of acquisition-related intangibles	688	644	2,784	2,623
Acquisition Costs	—	—	—	681
Change in fair value of contingent consideration	410	(1,410)	70	(5,850)
China dissolution	—	—	1,921	—
ERC tax benefit	(3,283)	—	(3,283)	—
Non-GAAP net loss	<u>(7,818)</u>	<u>(4,650)</u>	<u>(28,820)</u>	<u>(17,078)</u>
Non-GAAP net loss per share	\$ (0.28)	\$ (0.17)	\$ (1.03)	\$ (0.63)
Weighted average shares outstanding - basic and diluted	28,010	27,383	27,848	27,203

Reconciliation of Forecast GAAP Net Loss to Non-GAAP Net Loss
(In millions, except per share data)

	Three months ending June 30, 2023
Net loss	\$ (6.5)
Stock-based compensation	1.2
Amortization of acquisition-related intangibles	0.5
Non-GAAP net loss	<u>\$ (4.8)</u>
Non-GAAP net loss per share	<u>\$ (0.17)</u>
Shares outstanding	28.1

Note: Non-GAAP net loss is defined by the Company as net loss before; stock-based compensation; amortization of acquisition-related intangibles; acquisition costs; changes in fair value of contingent consideration; China dissolution; ERC tax benefit; other non-cash or unusual charges, and the tax effect of adjustments calculated at the relevant rate for our non-GAAP metric. The Company believes non-GAAP net loss and non-GAAP net loss per share assist management and investors in comparing the Company's performance across reporting periods on a consistent basis by excluding these non-cash, non-recurring or other charges that it does not believe are indicative of its core operating performance. Actual GAAP and non-GAAP net loss and net loss per share for the fiscal quarter ending June 30, 2023, including the above adjustments, may differ materially from those forecasted in the table above, including as a result of changes in the fair value of contingent consideration.

Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flow that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. The non-GAAP measures included in this release, however, should be considered in addition to, and not as a substitute for or superior to, operating income or other measures of financial performance prepared in accordance with GAAP. A reconciliation of GAAP to non-GAAP net loss is set forth in the table above. Non-GAAP net loss per share is defined as non-GAAP net loss divided by shares outstanding.

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