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):
November 5, 2019

American Superconductor Corporation
(Exact name of registrant as specified in its charter)

Delaware	000-19672	04-2959321
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

114 East Main Street Ayer, Massachusetts	01432
(Address of principal executive offices)	(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 November 5, 2019, American Superconductor Corporation (the "Company") announced its financial results for the second quarter ended September 30, 2019 of the Company's fiscal year 2019. 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.	**Description**
99.1	Press release issued by American Superconductor Corporation on November 5, 2019 (furnished, not "filed," for purposes of Section 18 of the Exchange Act).

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: November 5, 2019

By: /S/ JOHN W. KOSIBA, JR.

John W. Kosiba, Jr.

Senior Vice President and Chief Financial Officer

Exhibit 99.1

AMSC Reports Second Quarter Fiscal Year 2019 Financial Results and Provides Business Outlook

Company to host conference call tomorrow, November 6 at 10:00 am ET

Ayer, MA – November 5, 2019 – AMSC (Nasdaq: AMSC), a global solutions provider serving power grid and wind industry leaders, today reported financial results for its second quarter of fiscal year 2019 ended September 30, 2019.

Revenues for the second quarter of fiscal 2019 were $14.0 million compared with $14.9 million for the same period of fiscal 2018. The year-over-year decrease was a result of lower ECS shipments to Inox during the period, partially offset by higher Grid segment revenues versus the year ago period. The higher Grid segment revenues are primarily due to increased D-VAR revenues and increased REG revenue versus the year ago period.

AMSC's net loss for the second quarter of fiscal 2019 was $0.8 million, or $0.04 per share, compared to net income of $22.6 million, or $1.11 per share, for the same period of fiscal 2018. The Company's non-GAAP net loss for the second quarter of fiscal 2019 was $1.5 million, or $0.07 per share, compared with a non-GAAP net loss of $2.7 million, or $0.13 per share, in the same period of fiscal 2018. Please refer to the financial table below for a reconciliation of GAAP to non-GAAP results.

Cash, cash equivalents, marketable securities and restricted cash on September 30, 2019 totaled $68.6 million, compared with $74.7 million at June 30, 2019.

"Our Grid business grew over 50% in the second quarter of fiscal 2019 versus the year ago period," said Daniel P. McGahn, Chairman, President and CEO, AMSC. "The strong growth in our Grid business for the quarter was driven by another quarter of strong D-VAR shipments, as well as increased REG revenue versus a year ago. We believe we are on-track to deliver strong Grid revenue growth in fiscal year 2019."

press release

Business Outlook
For the third quarter ending December 31, 2019, AMSC expects that its revenues will be in the range of $14 million to $17 million. The Company’s net loss for the third quarter of fiscal 2019 is expected not to exceed $7.2 million, or $0.34 per share. The Company's non-GAAP net loss (as defined below) is expected not to exceed $6.5 million, or $0.31 per share. The Company expects operating cash flow to be a burn of $4 million to $6 million in the third quarter of fiscal 2019. This guidance does not include any tax payments or other costs related to the final settlement payment from Sinovel. The Company expects cash, cash equivalents, marketable securities and restricted cash on December 31, 2019, to be no less than $61 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 Wednesday, November 6, 2019, 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 http://www.amsc.com/investors. The live call also can be accessed by dialing 877-260-1479 or 334-323-0522 and using conference ID 2682372. A replay of the call may be accessed 2 hours following the call by dialing (888-203-1112 or 719-457-0820 and using conference ID 2682372.

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 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 now powering gigawatts of renewable energy globally and are enhancing the performance and reliability of power networks in more than a dozen countries. 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.

<u>*Forward-Looking Statements*</u>

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 about our belief that we are on-track to deliver strong Grid revenue growth in fiscal year 2019; our expected GAAP and non-GAAP financial results for the quarter ending December 31, 2019, our expected cash, cash equivalents marketable securities, and restricted cash balance on December 31, 2019; 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: A significant portion of our revenues are derived from a single customer, Inox, and we cannot predict if and how successful Inox will be in executing on Solar Energy Corporation of India ("SECI") orders under the new central and state auction regime, and any related failure by Inox to succeed under this regime, or any delay in Inox's ability to deliver its wind turbines, could result in fewer electric control systems shipments to Inox; We have a history of operating losses and negative operating cash flows, which may continue in the future and require us to secure additional financing in the future; Our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter; 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; Our financial condition may have an adverse effect on our customer and supplier relationships; 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, and additional funding of such contracts may not be approved by U.S. Congress; Our success in addressing the wind energy market is dependent on the manufacturers that license our designs; Our success is dependent upon attracting and retaining qualified personnel and our inability to do so could significantly damage our business and prospects; We may experience difficulties re-establishing our HTS wire production capability in our Ayer, Massachusetts facility; We may not realize all of the sales expected from our backlog of orders and contracts; Our business and operations would be adversely impacted in the event of a failure or security breach of our information technology infrastructure; 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; We rely upon third-party suppliers for the components and subassemblies of many of our Wind and Grid products, making us vulnerable to supply shortages and price fluctuations, which could harm our business; 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; Our success depends upon the commercial adoption of the Resilient Electric Grid ("REG") system, which is currently limited, and a widespread commercial market for our products may not develop; 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; 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 products face intense competition, which could limit our ability to acquire or retain customers; 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; 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; Adverse changes in domestic and global economic conditions could adversely affect our operating results; We face risks related to our intellectual property; We face risks related to our technologies; We face risks related to our legal proceedings; We face risks related to our common stock; and the 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, 2019, 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 September 30,		Six Months Ended September 30,	
	2019	**2018**	**2019**	**2018**
Revenues				
Grid	$ 11,489	$ 7,569	$ 21,345	$ 16,498
Wind	2,523	7,307	6,437	10,985
Total revenues	14,012	14,876	27,782	27,483
Cost of revenues	10,248	11,252	22,441	19,966
Gross margin	3,764	3,624	5,341	7,517
Operating expenses:				
Research and development	2,398	2,264	4,871	5,103
Selling, general and administrative	5,400	5,175	10,655	10,961
Amortization of acquisition-related intangibles	85	85	170	170
Restructuring	0	93	0	403
(Gain) on Sinovel settlement, net	0	(28,720)	0	(28,720)
Total operating expenses	7,883	(21,103)	15,696	(12,083)
Operating (loss) income	(4,119)	24,727	(10,355)	19,600
Change in fair value of warrants	1,145	282	4,092	(182)
Interest income, net	335	232	840	433
Other income, net	1,520	325	976	934
(Loss) income before income tax expense	(1,119)	25,566	(4,447)	20,785
Income tax (benefit) expense	(294)	3,008	(83)	2,964
Net (loss) income	$ (825)	$ 22,558	$ (4,364)	$ 17,821
Net (loss) income per common share				
Basic	$ (0.04)	$ 1.11	$ (0.21)	$ 0.88
Diluted	$ (0.10)	$ 1.10	$ (0.40)	$ 0.87
Weighted average number of common shares outstanding				
Basic	20,656	20,313	20,586	20,240
Diluted	20,723	20,581	20,736	20,560

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

	September 30, 2019	March 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 52,829	$ 77,483
Accounts receivable, net	10,073	7,855
Inventory	15,497	12,119
Note receivable, current portion	0	2,888
Prepaid expenses and other current assets	5,036	3,053
Total current assets	83,435	103,398
Marketable securities	10,000	0
Property, plant and equipment, net	8,610	8,972
Intangibles, net	2,720	2,890
Right-of-use asset	3,607	0
Goodwill	1,719	1,719
Restricted cash	5,736	715
Deferred tax assets	1,291	1,357
Other assets	325	279
Total assets	$ 117,443	$ 119,330
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 18,724	$ 15,885
Lease liability, current portion	424	0
Derivative liabilities	556	4,942
Deferred revenue, current portion	8,345	7,557
Total current liabilities	28,049	28,384
Deferred revenue, long term portion	7,667	7,962
Lease liability, long term portion	3,240	0
Deferred tax liabilities	1,757	1,698
Other liabilities	44	93
Total liabilities	40,757	38,137
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Common stock	218	216
Additional paid-in capital	1,045,833	1,044,622
Treasury stock	(2,606)	(2,101)
Accumulated other comprehensive loss	(856)	(5)
Accumulated deficit	(965,903)	(961,539)
Total stockholders' equity	76,686	81,193
Total liabilities and stockholders' equity	$ 117,443	$ 119,330

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Six Months Ended September 30,	
	2019	2018
Cash flows from operating activities:		
Net (loss) income	$ (4,364)	$ 17,821
Adjustments to reconcile net loss to net cash (used in)/provided by operations:		
Depreciation and amortization	2,262	2,307
Stock-based compensation expense	646	1,610
Provision for excess and obsolete inventory	196	514
Change in fair value of warrants	(4,092)	182
Non-cash interest income	(112)	(112)
Other non-cash items	(888)	(727)
Changes in operating asset and liability accounts:		
Accounts receivable	(2,244)	(279)
Inventory	(3,589)	1,278
Prepaid expenses and other assets	(1,810)	(572)
Accounts payable and accrued expenses	2,799	2,166
Deferred revenue	711	(593)
Net cash (used in)/provided by operating activities	(10,485)	23,595
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,736)	(418)
Proceeds from the sale of property, plant and equipment	3,001	138
Purchase of marketable securities	(10,000)	—
Change in other assets	66	(131)
Net cash used in investing activities	(8,669)	(411)
Cash flows from financing activities:		
Net cash used in financing activities	(405)	(325)
Effect of exchange rate changes on cash	(74)	(774)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(19,633)	22,085
Cash, cash equivalents and restricted cash at beginning of period	78,198	34,249
Cash, cash equivalents and restricted cash at end of period	$ 58,565	$ 56,334

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

	Three Months Ended September 30,		Six Months Ended September 30,	
	2019	2018	2019	2018
Net (loss) income	$ (825)	$ 22,558	$ (4,364)	$ 17,821
Stock-based compensation	397	825	646	1,610
(Gain) on Sinovel settlement, net	—	(28,720)	—	(28,720)
Amortization of acquisition-related intangibles	85	85	170	170
Changes in fair value of warrants	(1,145)	(282)	(4,092)	182
Tax effect of adjustments for (gain) on Sinovel settlement, net	—	2,829	—	2,829
Non-GAAP net loss	$ (1,488)	$ (2,705)	$ (7,640)	$ (6,108)
Non-GAAP net loss per share - basic	$ (0.07)	$ (0.13)	$ (0.37)	$ (0.30)
Non-GAAP net loss per share - diluted	$ (0.07)	$ (0.13)	$ (0.37)	$ (0.30)
Weighted average shares outstanding - basic	20,656	20,313	20,586	20,240
Weighted average shares outstanding - diluted	20,723	20,313	20,736	20,240

RECONCILIATION OF GAAP OPERATING CASH FLOW TO NON-GAAP OPERATING CASH FLOW
(In thousands)

	Six months ended	
	September 30, 2019	September 30, 2018
Operating cash flow	$ (10,485)	$ 30,481
Sinovel settlement (net of legal fees and expenses)	1,000	(30,336)
Tax effect of adjustments	—	1,247
Non-GAAP operating cash flow	$ (9,485)	$ 1,392

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

	Three months ending December 31, 2019
Net loss	$ (7.2)
Stock-based compensation	0.6
Amortization of acquisition-related intangibles	0.1
Non-GAAP net loss	$ (6.5)
Non-GAAP net loss per share	$ (0.31)
Shares outstanding	20.9

Note: Non-GAAP net loss is defined by the Company as net income (loss) before; stock-based compensation; gain on Sinovel settlement, net, amortization of acquisition-related intangibles; changes in fair value of warrants; other unusual charges or items, and the tax effect of adjustments calculated at the relevant rate for our non-GAAP metric. The Company believes non-GAAP net loss assists 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. The Company is not able to provide the change in fair value of warrants on a forward-looking basis without unreasonable efforts because the calculation for that change is primarily driven by the closing price and volatility of the Company's stock at the end of each fiscal quarter, which cannot be reasonably estimated at this time, and therefore the Company's non-GAAP net loss guidance does not include the impact from any change in fair value of warrants. The Company does not expect a further gain on sale of minority investments or gain on Sinovel settlement, net, and therefore the Company's non-GAAP net loss guidance does not include the impact from these adjustments. Actual non-GAAP net loss for the fiscal quarter ending December 31, 2019, including the above adjustments, may differ materially from those forecasted in the table above.

Non-GAAP operating cash flow is defined by the Company as operating cash flow before: Sinovel settlement (net of legal fees and expenses); tax effect of adjustments; and other unusual cash flows or items. The Company believes non-GAAP operating cash flow assists management and investors in comparing the Company's operating cash flow across reporting periods on a consistent basis by excluding these non-recurring cash items that it does not believe are indicative of its core operating cash flow.

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, cash flows, 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.

AMSC Contacts
Investor Relations Contact:
LHA Investor Relations
Sanjay M. Hurry
(212) 838-3777
amscIR@lhai.com

Public Relations Contact:
RooneyPartners LLC
Bob Cavosi
646-638-9891
rcavosi@rooneyco.com

AMSC Communications Manager:
Nicol Golez
Phone: 978-399-8344
Email: Nicol.Golez@amsc.com