

**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):
February 3, 2021**

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 February 3, 2021, American Superconductor Corporation (the "Company") announced its financial results for the third quarter ended December 31, 2020 of the Company's fiscal year 2020. 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 February 3, 2021 (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: February 3, 2021

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



AMSC Reports Third Quarter Fiscal Year 2020 Financial Results and Provides Business Outlook

Company to host conference call tomorrow, February 4 at 10:00 am ET

Ayer, MA – February 3, 2021 – 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 and resiliency of our Navy’s fleet, today reported financial results for its third quarter of fiscal year 2020 ended December 31, 2020.

Revenues for the third quarter of fiscal 2020 were \$23.6 million compared with \$17.9 million for the same period of fiscal 2019. The year-over-year increase was a result of higher Grid and Wind segment revenues versus the year ago period. The higher Grid segment revenues were primarily due to revenues generated from our recent acquisition of Northeast Power Systems, Inc. The higher Wind segment revenues were a result of higher shipments of electrical control systems to Inox Wind.

AMSC’s net loss for the third quarter of fiscal 2020 was \$7.9 million, or \$0.31 per share, compared to a net loss of \$6.8 million, or \$0.32 per share, for the same period of fiscal 2019. The Company’s non-GAAP net loss for the third quarter of fiscal 2020 was \$3.4 million, or \$0.13 per share, compared with a non-GAAP net loss of \$6.7 million, or \$0.32 per share, in the same period of fiscal 2019. 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 December 31, 2020 totaled \$84.4 million, compared with \$57.7 million at September 30, 2020.

"Grid is driving revenue growth for the Company," said Daniel P. McGahn, Chairman, President and CEO, AMSC. "We generated \$1.7 million of positive operating cash flow in the third quarter of fiscal 2020, and ended the quarter with a strong balance sheet and an expanded portfolio of new energy power systems solutions expected to support growth."

press release

Business Outlook

For the fourth quarter ending March 31, 2021, AMSC expects that its revenues will be in the range of \$18 million to \$22 million. The Company's net loss for the fourth quarter of fiscal 2020 is expected not to exceed \$8.0 million, or \$0.31 per share. The Company's non-GAAP net loss (as defined below) is expected not to exceed \$6.5 million, or \$0.25 per share, excluding the impact from any changes in contingent consideration. The Company expects operating cash flow to be a burn of \$2 million to \$4 million in the fourth quarter of fiscal 2020. The Company expects cash, cash equivalents, marketable securities and restricted cash on March 31, 2021, to be no less than \$80 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, February 4, 2021, 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.amsc.com>. The live call can also be accessed by dialing 866-269-4261 or 323-289-6576 and using conference ID 1666219. 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 passcode 1666219.

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.

AMSC, American Superconductor, D-VAR, D-VAR VVO, Gridtec, Marinotec, Windtec, 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; our expected GAAP and non-GAAP financial results for the quarter ending March 31, 2021, our expected cash burn during the quarter ending March 31, 2021, our expected cash, cash equivalents, marketable securities and restricted cash balance on March 31, 2021, the benefits of the NEPSI acquisition, 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, or if we fail to remediate our current material weakness in our 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; Our financial condition may have an adverse effect on our customer and supplier relationships; The novel coronavirus (COVID-19) pandemic could adversely impact our business, financial condition and results of operations; We may experience difficulties re-establishing our HTS wire production capability in our Ayer, Massachusetts facility; Our success is dependent upon attracting and retaining qualified personnel and our inability to do so could significantly damage our business and prospects; Historically, a significant portion of our revenues have been derived from a single customer and 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 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 Grid and Wind 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 REG system, which is currently limited, and a widespread commercial market for our products may not develop; Adverse changes in domestic and global economic conditions could adversely affect our operating results; 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 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; 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; Unfavorable results of legal proceedings could have a material adverse effect on our business, operating results and financial condition; 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; 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, 2020, as updated in our Form 10-Q for the period ended December 31, 2020, 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 December 31,		Nine Months Ended December 31,	
	2020	2019	2020	2019
Revenues				
Grid	\$ 17,086	\$ 15,232	\$ 51,149	\$ 36,577
Wind	6,546	2,683	14,812	9,120
Total revenues	23,632	17,915	65,961	45,697
Cost of revenues	19,676	16,329	51,444	38,770
Gross margin	3,956	1,586	14,517	6,927
Operating expenses:				
Research and development	3,029	2,049	8,248	6,920
Selling, general and administrative	7,085	6,071	18,609	16,726
Amortization of acquisition-related intangibles	360	85	601	255
Change in fair value of contingent consideration	2,740	—	2,740	—
Total operating expenses	13,214	8,205	30,198	23,901
Operating loss	(9,258)	(6,619)	(15,681)	(16,974)
Change in fair value of warrants	—	556	—	4,648
Interest income, net	53	262	373	1,101
Other (expense)/income, net	(274)	(932)	(920)	45
Loss before income tax expense (benefit)	(9,479)	(6,733)	(16,228)	(11,180)
Income tax expense (benefit)	(1,546)	112	(1,166)	29
Net loss	\$ (7,933)	\$ (6,845)	\$ (15,062)	\$ (11,209)
Net loss per common share				
Basic	\$ (0.31)	\$ (0.32)	\$ (0.65)	\$ (0.54)
Diluted	\$ (0.31)	\$ (0.35)	\$ (0.65)	\$ (0.75)
Weighted average number of common shares outstanding				
Basic	25,470	21,185	23,011	20,786
Diluted	25,470	21,203	23,011	20,894

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

	<u>December 31, 2020</u>	<u>March 31, 2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 67,909	\$ 24,699
Marketable securities	10,239	30,149
Accounts receivable, net	12,083	16,987
Inventory, net	14,176	18,975
Prepaid expenses and other current assets	4,634	2,959
Restricted cash	629	508
Total current assets	<u>109,670</u>	<u>94,277</u>
Marketable securities	—	5,046
Property, plant and equipment, net	9,547	8,565
Intangibles, net	9,964	3,550
Right-of-use assets	3,806	3,359
Goodwill	34,659	1,719
Restricted cash	5,604	5,657
Deferred tax assets	1,386	1,551
Other assets	411	385
Total assets	<u>\$ 175,047</u>	<u>\$ 124,109</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 17,015	\$ 22,091
Lease liability, current portion	581	439
Derivative liabilities	6,730	—
Deferred revenue, current portion	15,683	18,430
Total current liabilities	<u>40,009</u>	<u>40,960</u>
Deferred revenue, long term portion	8,695	7,712
Lease liability, long term portion	3,329	3,000
Deferred tax liabilities	70	180
Other liabilities	26	38
Total liabilities	<u>52,129</u>	<u>51,890</u>
Stockholders' equity:		
Common stock	280	229
Additional paid-in capital	1,120,333	1,053,507
Treasury stock	(3,593)	(2,666)
Accumulated other comprehensive loss	(405)	(216)
Accumulated deficit	(993,697)	(978,635)
Total stockholders' equity	<u>122,918</u>	<u>72,219</u>
Total liabilities and stockholders' equity	<u>\$ 175,047</u>	<u>\$ 124,109</u>

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Nine Months Ended December 31,	
	2020	2019
Cash flows from operating activities:		
Net loss	\$ (15,062)	\$ (11,209)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	3,811	3,312
Stock-based compensation expense	2,597	1,236
Provision for excess and obsolete inventory	1,610	491
Deferred income taxes	(1,828)	(1,069)
Change in fair value of contingent consideration	2,740	—
Change in fair value of warrants	—	(4,648)
Non-cash interest income	(48)	—
Other non-cash items	291	(22)
Unrealized foreign exchange loss/(gain) on cash and cash equivalents	366	(209)
Changes in operating asset and liability accounts:		
Accounts receivable	6,376	(8,661)
Inventory	7,419	(6,968)
Prepaid expenses and other assets	6	(332)
Accounts payable and accrued expenses	(7,894)	2,648
Deferred revenue	(5,255)	7,652
Net cash used in operating activities	<u>(4,871)</u>	<u>(17,779)</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,574)	(2,926)
Proceeds from the sale of property, plant and equipment	1	3,001
Purchase of marketable securities	—	(35,000)
Sale of marketable securities	25,006	—
Cash paid for acquisition	(26,000)	—
Change in other assets	(6)	37
Net cash used in investing activities	<u>(2,573)</u>	<u>(34,888)</u>
Cash flows from financing activities:		
Employee taxes paid related to net settlement of equity awards	(927)	(565)
Proceeds from exercise of warrants	—	6,139
Proceeds from public equity offering, net	51,477	—
Proceeds from exercise of employee stock options and ESPP	99	100
Net cash provided by financing activities	<u>50,649</u>	<u>5,674</u>
Effect of exchange rate changes on cash	73	30
Net increase/(decrease) in cash, cash equivalents and restricted cash	43,278	(46,963)
Cash, cash equivalents and restricted cash at beginning of period	30,864	78,198
Cash, cash equivalents and restricted cash at end of period	<u>\$ 74,142</u>	<u>\$ 31,235</u>

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

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2020	2019	2020	2019
Net loss	\$ (7,933)	\$ (6,845)	\$ (15,062)	\$ (11,209)
Stock-based compensation	839	590	2,597	1,236
Amortization of acquisition-related intangibles	645	85	886	255
Acquisition costs	313	—	313	—
Change in fair value of contingent consideration and warrants	2,740	(556)	2,740	(4,648)
Non-GAAP net loss	\$ (3,395)	\$ (6,726)	\$ (8,526)	\$ (14,366)
Non-GAAP net loss per share - basic	\$ (0.13)	\$ (0.32)	\$ (0.37)	\$ (0.69)
Weighted average shares outstanding - basic	25,470	21,185	23,011	20,786

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

	Nine months ended	
	December 31, 2020	December 31, 2019
Operating cash flow	\$ (4,871)	\$ (17,779)
Sinovel settlement (net of legal fees and expenses)	—	1,000
Tax effect of adjustments	—	2,724
Non-GAAP operating cash flow	\$ (4,871)	\$ (14,055)

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

	Three months ending March 31, 2021
Net loss	\$ 8.0
Stock-based compensation	0.9
Amortization of acquisition-related intangibles	0.6
Non-GAAP net loss	\$ 6.5
Non-GAAP net loss per share	\$ (0.25)
Shares outstanding	25.7

Note: Non-GAAP net loss is defined by the Company as net income (loss) before: stock-based compensation; amortization of acquisition-related intangibles; acquisition costs; changes in fair value of contingent consideration and warrants; 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 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 contingent consideration 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. The Company no longer has any warrants outstanding, therefore the Company's non-GAAP net loss guidance does not include the impact from this adjustment. Actual GAAP and non-GAAP net loss for the fiscal quarter ending March 31, 2021, including the above adjustments, may differ materially from those forecasted in the table above, including as a result of the inclusion of the change in fair value of contingent consideration.

Non-GAAP operating cash flow is defined by the Company as operating cash flow before: Sinovel settlement (net of legal fees and expenses); 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 ContactsInvestor Relations Contact:

LHA Investor Relations
Carolyn Capaccio
(212) 838-3777
amscIR@lhai.com

Public Relations Contact:

RooneyPartners LLC
Jeffrey Freedman
646-432-0191
jfreedman@rooneyco.com

AMSC Communications Manager:

Nicol Golez
978-399-8344
Nicol.Golez@amsc.com