

FUELCELL ENERGY INC  
Form 10-Q  
September 06, 2013

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 July 31, 2013

OR

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: 1-14204

FUELCELL ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware

06-0853042

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

3 Great Pasture Road

06813

Danbury, Connecticut

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (203) 825-6000

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 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  (Do not check if a smaller reporting company) 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

Number of shares of common stock, par value \$.0001 per share, outstanding at September 3, 2013: 192,062,502

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## FUELCELL ENERGY, INC.

## Consolidated Balance Sheets

(Unaudited)

(Amounts in thousands, except share and per share amounts)

	July 31, 2013	October 31, 2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents - unrestricted	\$81,359	\$46,879
Restricted cash and cash equivalents - short-term	5,053	5,335
License fee receivable	—	10,000
Accounts receivable, net	40,350	25,984
Inventories	47,233	47,701
Other current assets	8,282	4,727
Total current assets	182,277	140,626
Restricted cash and cash equivalents - long-term	4,950	5,300
Property, plant and equipment, net	22,466	23,258
Goodwill	4,055	—
Intangible assets	9,592	—
Investment in and loans to affiliate	—	6,115
Other assets, net	14,377	16,186
Total assets	\$237,717	\$191,485
<b>LIABILITIES AND (DEFICIT) EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$4,403	\$5,161
Accounts payable	21,952	12,254
Accounts payable due to affiliate	—	203
Accrued liabilities	19,398	20,265
Deferred revenue	55,846	45,939
Preferred stock obligation of subsidiary	1,046	1,075
Total current liabilities	102,645	84,897
Long-term deferred revenue	20,443	15,533
Long-term preferred stock obligation of subsidiary	13,310	13,095
Long-term debt and other liabilities	50,036	3,975
Total liabilities	186,434	117,500
Redeemable preferred stock (liquidation preference of \$64,020 at July 31, 2013 and October 31, 2012)	59,857	59,857
Total (deficit) equity:		
Shareholders' (deficit) equity:		
Common stock (\$.0001 par value); 275,000,000 shares authorized; 192,054,464 and 185,856,123 shares issued and outstanding at July 31, 2013 and October 31, 2012, respectively.	19	18
Additional paid-in capital	753,300	751,256
Accumulated deficit	(761,489)	(736,831)
Accumulated other comprehensive income	79	66
Treasury stock, Common, at cost (5,679 shares at July 31, 2013 and October 31, 2012)	(53)	(53)
Deferred compensation	53	53
Total shareholders' (deficit) equity	(8,091)	14,509

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Noncontrolling interest in subsidiaries	(483	) (381	)
Total (deficit) equity	(8,574	) 14,128	
Total liabilities and (deficit) equity	\$237,717	\$191,485	

See accompanying notes to consolidated financial statements.

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## FUELCELL ENERGY, INC.

## Consolidated Statements of Operations and Comprehensive Income (Loss)

(Unaudited)

(Amounts in thousands, except share and per share amounts)

	Three Months Ended July 31,	
	2013	2012
Revenues (1):		
Product sales	\$45,441	\$21,023
Service agreements and license revenues	3,706	6,546
Advanced technologies contract revenues	4,560	2,124
Total revenues	53,707	29,693
Costs of revenues:		
Cost of product sales	41,523	22,433
Cost of service agreements and license revenues	3,427	7,888
Cost of advanced technologies contract revenues	4,235	2,110
Total costs of revenues	49,185	32,431
Gross profit (loss)	4,522	(2,738 )
Operating expenses:		
Administrative and selling expenses	5,203	4,580
Research and development expenses	3,913	3,193
Total costs and expenses	9,116	7,773
Loss from operations	(4,594 )	(10,511 )
Interest expense	(1,078 )	(544 )
Loss from equity investment	—	(42 )
License fee and royalty income	—	422
Other income (expense), net	(162 )	656
Loss before benefit for income taxes	(5,834 )	(10,019 )
Benefit for income taxes	20	9
Net loss	(5,814 )	(10,010 )
Net loss attributable to noncontrolling interest	202	88
Net loss attributable to FuelCell Energy, Inc.	(5,612 )	(9,922 )
Preferred stock dividends	(800 )	)