

EMCORE CORP
Form 424B3
May 09, 2012
Table of Contents

Filed pursuant to Rule 424(b)(3) and Rule 424(c)
Registration Statement No. 333-175776
PROSPECTUS SUPPLEMENT NO. 6
(to Prospectus dated August 15, 2011)

1,101,901 Shares of Common Stock

This Prospectus Supplement No. 6 supplements the prospectus dated August 15, 2011, as supplemented by Prospectus Supplement Nos. 1, 2, 3, 4 and 5 dated January 9, 2012, February 15, 2012, February 16, 2012, March 21, 2012, and March 30, 2012, respectively (the "Prospectus"), which forms a part of our Registration Statement on Form S-1 (Registration Statement No. 333-175776) (the "Registration Statement"). This prospectus supplement is being filed to update, amend, and supplement the information included or incorporated by reference in the Prospectus with the information contained and incorporated by reference in (i) our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012, as filed with the Securities and Exchange Commission (the "SEC") on May 3, 2012 (the "Form 10-Q") and (ii) our Current Report on Form 8-K filed with the SEC on May 8, 2012 (the "Form 8-K"). The Form 10-Q and the Form 8-K are attached hereto.

The Prospectus and this prospectus supplement relate to the resale from time to time by the selling shareholder named in the Prospectus of up to 1,101,901 shares of our common stock, no par value per share. We are not selling any shares of common stock under the Prospectus and this prospectus supplement, and therefore, we will not receive any proceeds from the sale of shares by the selling shareholder.

Our common stock is quoted on the NASDAQ Global Market under the symbol "EMKR". On May 8, 2012, the last reported closing sale price of our common stock was \$4.18.

This prospectus supplement should be read in conjunction with the Prospectus, which is to be delivered with this prospectus supplement. This prospectus supplement updates, amends, and supplements the information included or incorporated by reference in the Prospectus. If there is any inconsistency between the information in the Prospectus and this prospectus supplement, you should rely on the information in this prospectus supplement.

Investing in our common stock involves a high degree of risk. Before making any investment in our common stock, you should read and carefully consider the risks described in the section entitled "Risk Factors" beginning on page 3 of the Prospectus, and under similar headings in any supplements to the Prospectus, including under the heading "Risk Factors" in our Annual Report on Form 10-K, filed with the SEC on December 29, 2011 and our Quarterly Report on Form 10-Q filed with the SEC on May 3, 2012.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if the Prospectus or this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is May 9, 2012.

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 March 31, 2012

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: 0-22175

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

New Jersey

22-2746503

(State or other jurisdiction of incorporation or organization)

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

10420 Research Road, SE, Albuquerque, New Mexico, 87123

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (505) 332-5000

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 website, 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 definition 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 Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of April 30, 2012, the number of shares outstanding of our no par value common stock totaled 23,910,379.

CAUTIONARY STATEMENT
REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act of 1934. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are largely based on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Such forward-looking statements include, in particular, projections about our future results included in our Exchange Act reports, statements about our plans, strategies, business prospects, changes and trends in our business and the markets in which we operate. These forward-looking statements may be identified by the use of terms and phrases such as “anticipates”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “plans”, “projects”, “should”, “targets”, “will”, “would”, and similar expressions or variations of terms and similar phrases. Additionally, statements concerning future matters such as the development of new products, enhancements or technologies, sales levels, expense levels, and other statements regarding matters that are not historical are forward-looking statements. Management cautions that these forward-looking statements relate to future events or our future financial performance and are subject to business, economic, and other risks and uncertainties, both known and unknown, that may cause actual results, levels of activity, performance, or achievements of our business or our industry to be materially different from those expressed or implied by any forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include without limitation those discussed under Item 1A - Risk Factors in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011, as updated by our subsequent periodic reports. These cautionary statements apply to all forward-looking statements wherever they appear in this Quarterly Report.

Neither management nor any other person assumes responsibility for the accuracy and completeness of any forward-looking statement. All forward-looking statements in this Quarterly Report are made as of the date hereof, based on information available to us as of the date hereof, and subsequent facts or circumstances may contradict, obviate, undermine, or otherwise fail to support or substantiate such statements. We caution you not to rely on these statements without also considering the risks and uncertainties associated with these statements and our business that are addressed in this Quarterly Report. Certain information included in this Quarterly Report may supersede or supplement forward-looking statements in our other reports filed with the Securities and Exchange Commission. We assume no obligation to update any forward-looking statement to conform such statements to actual results or to changes in our expectations, except as required by applicable law or regulation.

EMCORE Corporation
 FORM 10-Q
 For the Quarterly Period Ended March 31, 2012

TABLE OF CONTENTS

	Page
<u>Part I:</u> <u>Financial Information</u>	<u>5</u>
<u>Item 1.</u> <u>Financial Statements</u>	<u>5</u>
<u>Condensed Consolidated Statements of Operations and Comprehensive Loss</u>	<u>5</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>6</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>7</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>8</u>
<u>Item 2.</u> <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>28</u>
<u>Item 3.</u> <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>41</u>
<u>Item 4.</u> <u>Controls and Procedures</u>	<u>42</u>
 <u>Part II:</u> <u>Other Information</u>	 <u>44</u>
<u>Item 1.</u> <u>Legal Proceedings</u>	<u>44</u>
<u>Item 1A.</u> <u>Risk Factors</u>	<u>44</u>
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds - not applicable	
Item 3. Defaults Upon Senior Securities - not applicable	
Item 4. Mine Safety Disclosures - not applicable	
Item 5. Other Information - not applicable	
<u>Item 6.</u> <u>Exhibits</u>	<u>45</u>
<u>SIGNATURES</u>	<u>45</u>

Table of Contents

PART I. Financial Information

ITEM 1. Financial Statements

EMCORE CORPORATION

Condensed Consolidated Statements of Operations and Comprehensive Loss

For the Three and Six Months Ended March 31, 2012 and 2011

(in thousands, except loss per share)

(unaudited)

	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2012	2011	2012	2011
Revenue	\$37,780	\$47,218	\$75,231	\$99,325
Cost of revenue	32,404	36,638	66,387	76,065
Gross profit	5,376	10,580	8,844	23,260
Operating expense (income):				
Selling, general, and administrative	8,365	9,380	15,845	17,644
Research and development	5,781	7,984	12,761	15,175
Litigation settlement	—	(2,590)	—	(2,590)
Flood-related losses	114	—	5,812	—
Flood-related insurance proceeds	—	—	(5,000)	—
Total operating expense	14,260	14,774	29,418	30,229
Operating loss	(8,884)	(4,194)	(20,574)	(6,969)
Other income (expense):				
Interest income	1	—	2	—
Interest expense	(122)	(130)	(252)	(388)
Foreign exchange gain	167	749	256	414
Loss from equity method investment	(241)	(587)	(1,201)	(587)
Change in fair value of financial instruments	(256)	(1,038)	(151)	(1,310)
Other expense	—	(5)	—	(10)
Total other expense	(451)	(1,011)	(1,346)	(1,881)
Loss before income tax expense	(9,335)	(5,205)	(21,920)	(8,850)
Foreign income tax expense on capital distributions	—	—	(1,644)	—
Net loss	\$(9,335)	\$(5,205)	\$(23,564)	\$(8,850)
Foreign exchange translation adjustment	24	(414)	425	(308)
Comprehensive loss	\$(9,311)	\$(5,619)	\$(23,139)	\$(9,158)
Per share data:				
Net loss per basic share	\$(0.40)	\$(0.24)	\$(1.00)	\$(0.41)
Net loss per diluted share	\$(0.40)	\$(0.24)	\$(1.00)	\$(0.41)
Weighted-average number of basic shares outstanding	23,529	21,804	23,577	21,556
Weighted-average number of diluted shares outstanding	23,529	21,804	23,577	21,556

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

EMCORE CORPORATION

Condensed Consolidated Balance Sheets

As of March 31, 2012 and September 30, 2011

(in thousands, except per share data)

(unaudited)

	As of March 31, 2012	As of September 30, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$24,112	\$15,598
Restricted cash	1,242	544
Accounts receivable, net of allowance of \$3,213 and \$3,332, respectively	28,111	34,875
Inventory	32,746	33,166
Prepaid expenses and other current assets	8,191	7,168
Assets held for sale	6,192	—
Total current assets	100,594	91,351
Property, plant, and equipment, net	42,571	46,786
Goodwill	20,384	20,384
Other intangible assets, net	4,422	5,866
Equity method investment	—	2,374
Other non-current assets, net of allowance of \$3,501 and \$3,641, respectively	5,222	3,537
Total assets	\$173,193	\$170,298
LIABILITIES and SHAREHOLDERS' EQUITY		
Current liabilities:		
Borrowings from credit facility	\$21,000	\$17,557
Accounts payable	34,981	26,581
Warrant liability	752	601
Accrued expenses and other current liabilities	30,316	22,319
Total current liabilities	87,049	67,058
Asset retirement obligations	4,902	4,800
Other long-term liabilities	734	4
Total liabilities	92,685	71,862
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Preferred stock, \$0.0001 par value, 5,882 shares authorized; none issued or outstanding	—	—
Common stock, no par value, 50,000 shares authorized; 23,947 shares issued and 23,907 shares outstanding as of March 31, 2012; 23,521 shares issued and 23,481 shares outstanding as of September 30, 2011	718,274	713,063
Treasury stock, at cost; 40 shares	(2,083) (2,083)
Accumulated other comprehensive income	1,337	912
Accumulated deficit	(637,020) (613,456)
Total shareholders' equity	80,508	98,436
Total liabilities and shareholders' equity	\$173,193	\$170,298

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

EMCORE CORPORATION

Condensed Consolidated Statements of Cash Flows
For the Six Months Ended March 31, 2012 and 2011
(in thousands)
(unaudited)

	For the Six Months Ended March	
	31,	2011
	2012	2011
Cash flows from operating activities:		
Net loss	\$(23,564) \$(8,850
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation, amortization, and accretion expense	5,152	5,970
Stock-based compensation expense	4,722	2,611
Provision adjustments related to doubtful accounts	(87) 79
Provision adjustments related to product warranty	86	144
Provision for losses on inventory purchase commitments	1,343	—
Loss from equity method investment	1,201	587
Change in fair value of financial instruments	151	1,310
Net gain on disposal of equipment	(3) —
Flood-related losses	5,812	—
Total non-cash adjustments	18,377	10,701
Changes in operating assets and liabilities:		
Accounts receivable	7,109	2,059
Inventory	(7,829) 722
Other assets	115	(3,504
Accounts payable	8,191	(1,766
Accrued expenses and other current liabilities	8,556	(371
Total change in operating assets and liabilities	16,142	(2,860
Net cash provided by (used in) operating activities	10,955	(1,009
Cash flows from investing activities:		
Purchase of equipment	(5,533) (1,685
Deposits on equipment orders	(1,981) —
Investment in internally-developed patents	—	(331
Investment in an unconsolidated affiliate	—	(4,000
Dividend from an unconsolidated affiliate	1,644	—
Purchase of a business	—	(750
Increase in restricted cash	(697) (1,338
Net cash used in investing activities	(6,567) (8,104
Cash flows from financing activities:		
Net proceeds from borrowings from credit facilities	3,443	3,137
Proceeds from stock plans	652	820
Payments on capital lease obligations	—	(3
Net cash provided by financing activities	4,095	3,954
Effect of exchange rate changes on foreign currency	31	(447
Net increase (decrease) in cash and cash equivalents	8,514	(5,606
Cash and cash equivalents at beginning of period	15,598	19,944
Cash and cash equivalents at end of period	\$24,112	\$14,338

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Edgar Filing: EMCORE CORP - Form 424B3

Cash paid during the period for interest	\$252	\$701
Cash paid during the period for income taxes	\$1,644	\$—
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Prior consulting fees received related to an unconsolidated affiliate	\$—	\$3,000

The accompanying notes are an integral part of these condensed consolidated financial statements.

7

Table of Contents

EMCORE Corporation

Notes to our Condensed Consolidated Financial Statements

NOTE 1. Basis of Presentation

Business Overview

EMCORE Corporation and its subsidiaries (the “Company”, “we”, “our”, or “EMCORE”) offers a broad portfolio of compound semiconductor-based products for the fiber optics and solar power markets. We were established in 1984 as a New Jersey corporation and we have two reporting segments: Fiber Optics and Photovoltaics. Our Fiber Optics reporting segment provides optical components, subsystems, and systems for the high-speed telecommunication, cable television (CATV), and fiber-to-the-premise (FTTP) networks. Additionally, we offer products for video conversion and video transport, as well as specialty photonics technologies for defense and homeland security applications. Our Photovoltaic reporting segment provides products for both space power and terrestrial solar power applications. For space power applications, we offer high-efficiency multi-junction solar cells, covered interconnect cells (CICs), and complete satellite solar panels. For terrestrial solar power applications, we offer a broad portfolio of our multi-junction solar cells and components for use in solar concentrator systems.

Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim information, and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the Securities and Exchange Commission (SEC). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. In our opinion, the inter