

ENERGY FOCUS, INC/DE  
Form 10-Q  
November 14, 2012

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 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 September 30, 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 0-24230

ENERGY FOCUS, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation  
or organization)

94-3021850  
(I.R.S. Employer Identification No.)

32000 Aurora Rd., Solon, OH  
(Address of principal executive offices)

44139  
(Zip Code)

(Registrant's telephone number, including area code): (440) 715-1300

None  
(Former Name, Former Address and Former Fiscal Year, If Changed Since Last Report)

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

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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 <input type="radio"/>	Accelerated filer <input type="radio"/>
Non-accelerated filer <input type="radio"/> (do not check if a smaller reporting company)	Smaller reporting company <input checked="" type="radio"/>

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

The number of outstanding shares of the registrant’s Common Stock, \$0.0001 par value, as of October 31, 2012 was 44,541,696.

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## Item 1. Financial Statements

## ENERGY FOCUS, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(amounts in thousands except share and per share data)

	September 30, 2012	December 31, 2011
<b>ASSETS</b>	(unaudited)	
Current assets:		
Cash and cash equivalents	\$ 380	\$ 2,136
Trade accounts receivable less allowances of \$321 and \$447, respectively	4,193	2,738
Retainage receivable	91	474
Inventories, net	2,364	2,429
Costs in excess of billings	45	171
Prepaid and other current assets	1,226	881
Total current assets	8,299	8,829
Property and equipment, net	1,787	2,105
Goodwill	672	672
Intangible assets, net	713	1,027
Collateralized assets	1,000	1,000
Other assets	86	145
Total assets	\$ 12,557	\$ 13,778
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 3,591	\$ 5,653
Accrued liabilities	3,045	1,995
Deferred revenue	539	1,373
Billings in excess of costs	221	154
Credit line borrowings	1,330	701
Current maturities of long-term debt	731	855
Total current liabilities	9,457	10,731
Other liabilities	31	71
Acquisition-related contingent liabilities	-	553
Long-term debt	307	955
Total liabilities	9,795	12,310
<b>SHAREHOLDERS' EQUITY</b>		
Preferred stock, par value \$0.0001 per share:		
Authorized: 2,000,000 shares in 2012 and 2011 Issued and outstanding: no shares in 2012 and 2011	-	-
Common stock, par value \$0.0001 per share:		
Authorized: 100,000,000 shares in 2012 and 60,000,000 shares in 2011 Issued and outstanding: 44,542,000 at September 30, 2012 and 24,913,000 at December 31, 2011	4	1

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Additional paid-in capital	80,911	75,962
Accumulated other comprehensive income	457	420
Accumulated deficit	(78,610 )	(74,915 )
Total shareholders' equity	2,762	1,468
Total liabilities and shareholders' equity	\$ 12,557	\$ 13,778

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

ENERGY FOCUS, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (amounts in thousands except per share amounts)  
 (unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Net sales	\$7,904	\$6,046	\$20,878	\$19,699
Cost of sales	5,945	4,831	16,430	15,777
Gross profit	1,959	1,215	4,448	3,922
Operating expenses:				
Research and development	102	(278)		