

July 8, 2019



Capstone Turbine Reports Select Preliminary Q1 Fiscal 2020 Financial Results

- *Third Consecutive Quarter of Strong Product Book-to-Bill Ratio and Revenue from Aftermarket Business Expands 20% Year-over-Year*
- *Successfully Closed 2.6 MWs of Additional Long-Term Rental Agreements*
- *Q1 Fiscal 2020 Financial Results Webcast to be Held August 8, 2019, at 1:45 PM PT, 4:45 PM ET*

VAN NUYS, CA / ACCESSWIRE / July 8, 2019 /Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ: CPST), the world's leading clean technology manufacturer of microturbine energy systems is announcing select preliminary financial results for its fiscal first quarter ended June 30, 2019 as part of its ongoing effort of continuing transparency.

Select Preliminary Financial Highlights of Fiscal 2020 First Quarter:

- Book-to-bill ratio of 1.7:1 for Q1 fiscal 2020 compared with 1.4:1 for Q4 and 1.3:1 in Q3 fiscal 2019.
- New gross product bookings were \$17.4 million during the quarter, representing a 9% increase year-over-year.
- The company allocated a 1.0 MW production slot to growing its long-term rental fleet and a 0.6 MW production slot to a biogas-to-energy customer demonstration project in Asia as total revenue year-over-year for the quarter decreased by approximately 9% to \$19.2 million from \$21.2 million.
- Revenue from accessories, parts and service increased \$1.5 million, or 20%, to \$9.1 million from \$7.6 million for the first quarter of fiscal 2019.
- Total cash and cash equivalents as of June 30, 2019, are estimated to be \$24.6 million, compared to \$29.7 million as of March 31, 2019.

Capstone booked new gross product orders of approximately \$17.4 million during the first quarter of fiscal 2020, for a 1.7:1 book-to-bill ratio, representing a 9% increase in new gross product bookings year-over-year.

"New product order momentum continued to improve throughout the first quarter as we exited with a strong 1.7:1 book-to-bill ratio compared with 1.4:1 and 1.3:1 in the prior two quarters," stated Darren Jamison, President and Chief Executive Officer of Capstone. "I believe these recent positive quarterly book-to-bill results reflect the initial success of our new growth initiative implemented recently and detailed in our last quarterly report," added Mr. Jamison.

Capstone's preliminary results show total revenue for the first quarter of fiscal 2020 decreased to \$19.2 million, from \$21.2 million in the same period last year. Capstone's product revenue decreased approximately \$3.5 million during the first quarter of fiscal 2020 to approximately \$10.1 million compared to \$13.6 million in the same period last year in part because the company allocated 1.6 MWs of product production slots to growing its long-term rental fleet and to a biogas-to-energy demonstration project in Asia.

During the quarter the company signed two new long-term rental contracts totaling 2.6 MWs with 1.0 MW being deployed during the first quarter of fiscal 2020 and 1.6 MWs to be deployed in the upcoming quarter. This latest long-term rental deployment brings the total rental fleet up to 4.6 MWs and with an additional 1.6 MWs expected to be deployed in September bringing the estimated long-term microturbine rental fleet up to 6.2 MWs versus a management stated goal of 10.0 MWs.

Revenue from accessories, parts and service increased \$1.5 million, or 20%, year-over-year to \$9.1 million from \$7.6 million for the first quarter of fiscal 2019. Expanding Capstone's aftermarket business, which includes the newly expanded long-term rental program, is an important element for the company achieving its near-term profitability goal. This is illustrated by the fact that 98% of Capstone's fiscal 2019 gross margin came from the aftermarket business, which was only 38% of Capstone's fiscal 2019 revenue.

"The expansion of our long-term rental fleet from our initial start of 3.6 MWs last fall, to a total of 6.2 MWs in September, puts us well on our way to reaching our strategic goal of 10.0 MWs," said Jeff Foster, Capstone's Senior Vice President of Customer Service and Product Development. "Long-term rentals are a critical part of growing our aftermarket business and reaching our 100% expense absorption plan and are expected to help us achieve our near-term profitability goals," added Mr. Foster.

Total cash and cash equivalents as of June 30, 2019, were approximately \$24.6 million, compared to cash and cash equivalents of \$29.7 million as of March 31, 2019.

"We finished the first quarter with a solid cash position and utilized our strengthened balance sheet to continue to expand our rental program with the deployment of 1.0 MW in June, and planned deployments of 1.6 MWs for September," said Jayme Brooks, Executive Vice President and Chief Financial Officer of Capstone.

"We continue to execute on our near-term profitability plan that we outlined last year and will be sharpening our focus on top-line revenue growth over the coming quarters. We will continue to experience some short-term revenue volatility as we allocate a portion of our production slots to growing our long-term rental fleet. However, I believe this will generate superior returns over the longer term and further diversify our revenue streams. Additionally, I believe our strong book-to-bill results the last three quarters and our expanding aftermarket service business is giving us a strong point of momentum for the balance of the year and beyond," concluded Mr. Jamison.

The select financial results presented in this press release are preliminary and may change. This preliminary financial information includes calculations or figures that have been prepared internally by management and have not been reviewed or audited by our independent registered public accounting firm. There can be no assurance that the company's actual results for the period presented herein will not differ from the preliminary

financial data presented herein, and such changes could be material. This preliminary financial data should not be viewed as a substitute for full financial statements prepared in accordance with GAAP and is not necessarily indicative of the results to be achieved for any future periods.

Conference Call and Webcast

Capstone will host a live webcast August 8, 2019, at 1:45 PM Pacific Time (4:45 PM Eastern Time) to provide the results of the first quarter fiscal 2020 ended June 30, 2019. Capstone will discuss its financial results and will provide an update on its business activities. At the end of the conference call, Capstone will host a question-and-answer session to provide an opportunity for financial analysts to ask questions. Investors and interested individuals are invited to listen to the webcast by logging on to Capstone's investor relation's webpage at www.capstoneturbine.com. A replay of the webcast will be available on the website for 30 days.

About Capstone Turbine Corporation

Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq: CPST) is the world's leading producer of highly efficient, low-emission, resilient microturbine energy systems. Capstone microturbines serve multiple vertical markets worldwide, including natural resources, energy efficiency, renewable energy, critical power supply, transportation and microgrids. Capstone offers a comprehensive product lineup, providing scalable systems focusing on 30 kW to 10 MWs that operate on a variety of gaseous or liquid fuels and are the ideal solution for today's distributed power generation needs. To date, Capstone has shipped over 9,000 units to 73 countries and has saved customers an estimated \$253 million in annual energy costs and 350,000 tons of carbon.

For more information about the company, please visit www.capstoneturbine.com. Follow Capstone Turbine on [Twitter](#), [LinkedIn](#) and [YouTube](#).

Forward-Looking Statements

This press release contains "forward-looking statements," as that term is used in the federal securities laws. Forward-looking statements may be identified by words such as "expects," "believes," "objective," "intend," "targeted," "plan" and similar phrases. These forward-looking statements are subject to numerous assumptions, risks and uncertainties described in Capstone's filings with the Securities and Exchange Commission that may cause Capstone's actual results to be materially different from any future results expressed or implied in such statements. Capstone cautions readers not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Capstone undertakes no obligation, and specifically disclaims any obligation, to release any revisions to any forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

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