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Capstone Turbine Reports Expected Near Positive Adjusted EBITDA; Reiterates Preliminary Financial Results for Fiscal 2018

Reports on Recent Investor Relations and Public Awareness Outreach Program

VAN NUYS, Calif., May 03, 2018 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, today reported preliminary financial results of near positive Adjusted EBITDA for its fourth quarter of fiscal 2018.

The company achieved positive Adjusted EBITDA for its third quarter ended December 31, 2017, and it expects to be near positive Adjusted EBITDA again for its fourth fiscal quarter ended March 31, 2018 – results are expected to be announced on June 7, 2018.

Darren Jamison, President and Chief Executive Officer of Capstone, stated, "I believe our preliminary financial results of near positive Adjusted EBITDA for the second consecutive quarter reaffirms our ability to quickly reach long-term profitability."

In addition, the company reiterated that it generated approximately $200,000 in cash during its fourth fiscal quarter, excluding net proceeds from equity transactions and changes in its line of credit. This compared to cash usage of $2.8 million for the same period last year. Based on preliminary unaudited financial statements for fiscal 2018, the company reiterates that it expects to report annual revenue of approximately $83 million, a 7% increase in revenue from its prior year. The company also reported a 1.3:1 book to bill ratio during its fourth quarter of fiscal 2018 and cash usage declined 44% for fiscal 2018 compared to the prior year.

"We are pleased to reiterate our preliminary financial results including that the company has returned to year-over-year revenue growth after three years of consecutively lower revenues. Additionally, our 1.3:1 book to bill ratio, which was the best in several quarters, and the recently announced 4 MW order to be shipped in the current quarter are strong indicators of continued revenue growth in our next fiscal year," added Mr. Jamison.

"We have an excellent foundation from which we will continue to build our momentum into fiscal 2019. Capstone entered the new fiscal year from a position of strength and focused on growth with a strong order booking, improved margins, lower operating expenses, an improving balance sheet and a more focused spend on marketing to drive sales. We are also

seeing increasing benefits from our innovative aftermarket service businesses, which helps to build a predictable revenue base and drive margin expansion," added Mr. Jamison.

As part of Capstone's focus on marketing to drive sales, this week the company presented at the 50th annual Offshore Technology Conference (OTC) held in Houston, TX, which is the oil and gas industry's largest equipment exhibition show in the United States.

Additionally, the company has maintained its investor outreach initiatives throughout fiscal 2018 and has continued those initiatives into fiscal 2019 to increase transparency to shareholders and increase awareness of the company's progress and product offerings. This outreach includes various avenues; press releases on new programs, non-deal roadshows, lunch and learns, attending and presenting at industry and institutional conferences and expanding its social media presence to include Mr. Jamison's recently launched Twitter account (@Darren_Jamison) to provide accurate and timely information to the public.

"We strive to provide customers, employees, shareholders and vendors with transparency and real-time information through various platforms, and I believe this level of clear and frequent communication is important for companies like Capstone that are dynamic, achieving new key business milestones and approaching potential business inflection points," concluded Mr. Jamison.

EBITDA is defined as net income before interest, provision for income taxes, and depreciation and amortization expense. Adjusted EBITDA is defined as EBITDA before stock-based compensation expense, the change in warrant valuation, warrant issuance expenses and restructuring charges. Restructuring charges includes one-time costs related to the company's cost reduction initiatives. EBITDA and Adjusted EBITDA are not measures of the company's liquidity or financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of its liquidity.

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.

About Capstone Turbine Corporation

Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ:CPST) is the world's leading producer of low-emission microturbine systems and was the first to market commercially viable microturbine energy products. Capstone has shipped over 9,000 Capstone Microturbine systems to customers worldwide. These award-winning systems have logged millions of documented runtime operating hours. Capstone is a member of the U.S. Environmental Protection Agency's Combined Heat and Power Partnership, which is

committed to improving the efficiency of the nation's energy infrastructure and reducing emissions of pollutants and greenhouse gases. A DQS-Certified ISO 9001:2015 and ISO 14001:2015 certified company, Capstone is headquartered in the Los Angeles area with sales and/or service centers in the United States, Latin America, Europe, Middle East and Asia.

For more information about the company, please visitwww.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,” “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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