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Capstone Latin American Distributors Secure New Factory Protection Plan Contracts for 2 MWs as the Company Continues to Expand Its Long-Term Service Business

VAN NUYS, Calif., Feb. 27, 2019 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq: CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that its distributors in Latin America have secured multiple contracts for Capstone's industry-leading Factory Protection Plans ("FPP"). These new contracts will expand Capstone's long-term service contract backlog with an additional 2 MWs of Capstone's microturbine energy systems for their end-use customers.

A strategic focus for Capstone is the diversification of its business into new market verticals and new geographies. Last quarter, Capstone secured product orders from 20 different distributors, representing 14 countries. However, Capstone's aftermarket service business was even more diversified with service revenue coming from 45 different distributors representing 39 countries.

"The exciting product growth in the Latin American market is now yielding follow-on long-term maintenance contracts for our industry-leading FPP program that provides recurring value gained from the purchase of a Capstone microturbine clean energy solution," said Darren Jamison, President and Chief Executive Officer. "These types of long-term maintenance contracts underpin our stated goal of achieving 100% absorption of all corporate operating costs from the aftermarket service gross margin by providing a predictable, profitable future revenue stream. This is evidenced by the fact that last fiscal year Capstone's aftermarket service business represented 39% of total revenue but 81% of total gross margin," added Mr. Jamison.

Considering the current dynamic geopolitical and macroeconomic environment in the world, Capstone's FPP product provides a predictable, stable, clean energy maintenance solution for present and future needs in this growing market.

Capstone's FPP is a comprehensive maintenance program designed to give financial

peace of mind and security to microturbine end-use customers by providing product life-cycle costs at a fixed rate for both scheduled and unscheduled maintenance for the life of the microturbine system. In addition, the program protects microturbine customers from future increases in life-cycle costs associated with changes in replacement spare parts pricing, commodity price increases, import tariffs, and interest and currency exchange rate changes.

“At the end of the day the Capstone FPP program is essentially a factory-backed life cycle insurance policy to help lock in future customer economic savings for a minimum of five and a maximum of twenty years,” concluded Mr. Jamison.

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 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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