

Capstone Turbine Corporation

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Capstone Turbine Corporation distributor signs long-term service contracts in shale regions of the Appalachian Basin

Capstone Turbine Corporation (NASDAQ:CPST) has announced that E-Finity Distributed Generation - its exclusive distributor for the Mid-Atlantic and Southeastern United States, and the Caribbean - has signed Factory Protection Plan (FPP) long-term service contracts covering 1.7 megawatts (MWs) of Capstone microturbines in the Marcellus and Utica shale regions in the Appalachian Basin.

The company, the world's leading clean technology manufacturer of microturbine energy systems, said this large oil and gas end-use customer of Capstone microturbine energy systems had already placed 3.2 MWs under FPP service contracts in June 2019 and now has their entire fleet of 4.9 MWs operating in the Appalachian Basin covered under Capstone's industry-leading FPP product.

The group pointed out that the Capstone microturbines, commissioned between 2011 and 2016, are used for 24x7 prime power in nine separate midstream central gathering facilities.

READ: Capstone secures C400 Signature microturbine sale to power French biogas-to-energy project

Darren Jamison, Capstone's president and chief executive officer commented: "The transition of oil and gas customers to the Capstone FPP service contracts is a strong indicator for the continued top and bottom-line growth of our aftermarket service business."

"The aftermarket service business was approximately 47% of Capstone's fiscal Q1 2020 revenue and accounted for approximately 97% of the gross margin," Jamison concluded.

The Capstone FPP enables customers to have predictable and stable maintenance costs and protects customers from future cost increases associated with changes in replacement spare parts pricing, commodity price increases, import tariffs and interest rate changes.

Peace of mind

Jeff Foster, Capstone's senior vice president of Customer Service and Product Development commented: "With a continued dynamic geopolitical and macroeconomic environment, the peace of mind that comes with Capstone's industry-leading FPP continues to draw large oil and gas customers over to our FPP."

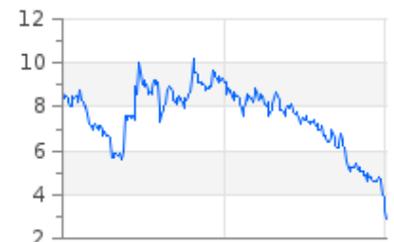
"Our recently revamped FPP now provides our customers with many standard options, for up to 20 years, to develop their own unique service plan, therefore enabling them to see a return on their investment in a Capstone microturbine for many, many years," Foster added.

Anthony Colletti, director of service for E-Finity Distributed Generation commented: "We knew that it was only a matter

Price: 2.59

Market Cap: \$20.67 m

1 Year Share Price Graph



October 2018 April 2019 October 2019

Share Information

Code: CPST

Listing: NASDAQ

52 week	High	Low
	2.91	2.5

Sector: Hardware & electrical equipment

Website: www.capstoneturbine.com

Company Synopsis:

Capstone Turbine Corporation 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.

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of time before this customer would put their entire fleet under FPP."

He added, "As customers experience the benefits and peace-of-mind that the FPP offers, it becomes an obvious and easy decision to make."

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