

# Capstone Turbine Corporation

14:00 24 May 2019

## Capstone Turbine caps a wave of good news with Indy 500 sponsorship

The 103rd running of the Indianapolis 500 on Sunday is expected to attract some 300,000 spectators and a worldwide television and web audience of millions.

For Capstone Turbine Corp (NASDAQ:CPST), the iconic race offers up a unique opportunity for the maker of low-emission, clean-energy microturbines to market itself as well as the benefits of renewable energy by sponsoring an Indy car with one of the sport's hottest drivers behind the wheel.

Capstone has partnered with biogas producer Green Energy Sustainable Solutions Inc of North Carolina at the event to foster awareness of biogas and renewable natural gas as the clean-energy fuels of the future as a way to help combat the effects of climate change.

### READ: Capstone Turbine inks biggest microturbine order in more than four years with US-based renewable energy company

At the race, both companies along with Harding Steinbrenner Racing will sponsor the #88 Honda-powered Indy car driven by 19-year-old rookie phenom Colton Herta. But their marketing efforts won't end at the checkered flag. They'll continue to sponsor Herta at other races throughout the remainder of the 2019 IndyCar Series season that attracts a global audience of 160 million race fans.

As Capstone CEO Darren Jamison remarked after making the Indy 500 announcement, the broad message to racing fans and the wider audience will be: "If you like saving money, would like to save the planet, or don't like being left in the dark for prolonged periods of time, you should consider Capstone's innovative, clean and green microturbine products."

Capstone's Indy 500 sponsorship seems like a fitting highlight to cap a streak of good news for the Van Nuys, California-based company during the month of May.

## Recapping Capstone's eventful May

Earlier this month, Indy co-sponsor Green Energy gave Capstone its biggest order in four years.

Green Energy on May 14 agreed to a \$13 million deal to buy from Capstone 12 Signature Series microturbines that will generate 9.6 megawatts of power for more than 20 biogas projects in six US locations. If those projects are successful, Capstone said Green Energy will purchase a total of \$53 million of Capstone's products.

Then two days later Capstone announced its Indy sponsorship with Green Energy.

### READ: Capstone Turbine wins two US patents for multi-fuel applications

Adding to the forward momentum, Capstone on May 20 was awarded two US patents that will help the company

**Price:** 3.09

**Market Cap:** \$33.94 m

### 1 Year Share Price Graph



July 2019    January 2020    July 2020

### Share Information

**Code:** CPST

**Listing:** NASDAQ

<b>52 week</b>	<b>High</b>	<b>Low</b>
	7.85	1.01

**Sector:** Hardware & electrical equipment

**Website:** [www.capstoneturbine.com](http://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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develop the use of low-emission fuel blends as well a hydrogen to run its microturbines.

And two days later Capstone announced another contract win with an unnamed energy company in Wyoming, which is the largest producer of coal in the US but now seeks to shore up its share of natural gas and renewable power production.

### **All of this positive news hasn't been lost on Wall Street**

Maxim Group on Thursday initiated coverage of Capstone with a buy rating and a price target of \$2. The company's stock currently trades around \$0.85 a share.

Analyst Tate Sullivan said in the note that the Wyoming order and the two patent wins compelled the equity-research firm to go bullish on Capstone.

The analyst also cited Capstone's first-quarter revenue of \$22 million, up 4% year-over-year, as a positive metric. And going forward Sullivan upped the forecast for 2020 revenue to \$89.6 million from \$89.1 million, based on the potential growth in data centers, hospitals and large office buildings.

Sullivan also noted he sees opportunities for Capstone to rent more of its microturbines.

"Potential customers to rent microturbines include oil and gas customers that need electricity to produce oil and natural gas from remote well locations. Large buildings under construction may also need to rent microturbines for a source of electricity before permanently connecting to the electric grid," he wrote. "In addition to an opportunity to rent microturbines, we believe many customers will continue to install backup sources of electricity to reduce reliance on local utilities or to try to cut utility bills."

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