

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 14, 2020

CAPSTONE TURBINE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-15957
(Commission File Number)

95-4180883
(IRS Employer Identification No.)

16640 Stagg Street,
Van Nuys, California
(Address of principal executive offices)

91406
(Zip Code)

(818) 734-5300
(Registrant's telephone number, including area code)

Former name or former address, if changed since last report: N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$.001 per share	CPST	NASDAQ Capital Market
Series B Junior Participating Preferred Stock		
Purchase Rights		

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Reduction in Base Salary of Executive Officers and Change in Bonus

As previously reported, on March 24, 2020, Capstone Turbine Corporation (the “Company”) announced its business plan in response to the COVID-19 global pandemic (the “Business Continuity Plan”). Pursuant to the Business Continuity Plan, each of Mr. Darren R. Jamison, its Chief Executive Officer, Frederick S. Hencken III, its Chief Financial Officer and Chief Accounting Officer, and James D. Crouse, its Chief Revenue Officer, voluntarily accepted reductions in their base salaries of 25%. These reductions were effective as of April 1, 2020, for a period of 90 days thereafter. On May 14, 2020, the Company announced, in its update to the Business Continuity Plan, that these reductions will be extended from June 30, 2020 to September 28, 2020.

Item 7.01 Regulation FD Disclosure.

On May 14, 2020, the Company published the press release which is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

This information is intended to be furnished under Item 7.01 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

As previously reported, on March 24, 2020, the Company announced that, pursuant to the Business Continuity Plan, it would furlough or reduce the pay of members of its direct workforce beginning on March 30, 2020. The Company announced on May 14, 2020 in an update to the Business Continuity Plan that it is implementing a workforce reduction of certain employees previously furloughed pursuant to the Business Continuity Plan, affecting approximately 26 employees. Other employees will begin to return to work starting on June 1, 2020, with others scheduled to return in a staggered manner through to the end of September 2020. Additionally, most of the returning, previously-furloughed employees and 28 other top company managers have volunteered to take a 15% reduction in salary through September 28, 2020.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
<u>99.1</u>	<u>Press Release of Capstone Turbine Corporation, dated May 14, 2020</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CAPSTONE TURBINE CORPORATION

Date: May 14, 2020

By: /s/ Darren R. Jamison

Name: Darren R. Jamison

Title: President and Chief Executive Officer

CAPSTONE TURBINE (NASDAQ: CPST) PROVIDES UPDATE ON ITS BUSINESS CONTINUITY PLAN IN RESPONSE TO COVID-19 THAT IS DESIGNED TO KEEP EMPLOYEES SAFE AND SUPPORT ADJUSTED EBITDA POSITIVE GOAL

Leadership and Top Executives Extend Voluntary Salary Cuts to September 28th

VAN NUYS, CA / ACCESSWIRE / May 14, 2020 / Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ: CPST), the world's leading clean technology manufacturer of microturbine energy systems, today provided an update to its Business Continuity Plan, as previously announced on March 24, 2020, and then updated on April 3, 2020, in response to the global COVID-19 pandemic, that is designed to keep employees safe as well as support the Company's stated goal of reaching Adjusted EBITDA positive in the current June quarter.

A critical part of the Business Continuity Plan is the Capstone Leadership Team volunteering to take a 25% temporary salary cut, as well as the fiscal 2020 Executive Bonus in equity in lieu of cash, if earned. Additionally, 28 other top company managers have volunteered to take a similar 15% reduction in salary. Today, in response to the ongoing crisis, the Company has announced that those voluntary employee salary cuts will be extended from June 30, 2020, to September 28, 2020.

"With over 70,000 confirmed COVID-19 cases in California we continue to operate under our emergency Business Continuity Plan that is designed to keep employees safe, while allowing us to continue to support our critical aftermarket Factory Protection Plan (FPP) long-term service contracts and spare parts deliveries to our Essential Critical Infrastructure Customers, such as Energy, Health Care, Wastewater Treatment, Pharmaceuticals, Food Manufacturing, etc., as well as to sustain our key long-term business initiatives," said Darren Jamison, President and Chief Executive Officer of Capstone.

The Company provided the following updates to its Business Continuity Plan:

1. Beginning March 30th, Capstone furloughed approximately 52 employees, leaving behind only staff deemed essential for day-to-day administrative operations for a minimum period of 45 days. Several employees will now return to work June 1st, most with the same 15% voluntary salary cuts, with others scheduled to return in a staggered manner through to the end of September. However, as a result of the continued global economic slowdown due to COVID-19 and the associated decline in global crude oil prices, the Company will be eliminating the positions of 26 employees on June 1, 2020.
 2. During this period (March 30th – June 1st), Capstone will continue to have a limited production capability of new microturbine products, but had recently pre-built approximately 5.9 megawatts (MW) of microturbine finished goods during March 2020, for shipment during this period of suspended production. The Company reports it shipped 18 microturbines for approximately 1.2 MW during the month of April.
-

3. Capstone continues to maintain a crew of essential operations employees to manufacture service engines, remanufacture spare parts and provide service spares in support of FPPs and global distributor spare parts orders. In March 2020, Capstone pre-built and shipped over \$1.2 million of critical service parts to our global distributors to ensure continued operations of their microturbine fleets during this time of uncertainty.
4. Capstone reports that its critical vendor supply chain, although it has been impacted by the pandemic, continues to be operational as of today. However, the Company is looking to minimize incoming inventory receipts to less than \$6 million between April 1, 2020, and June 30, 2020, in order to minimize cash burn, increase liquidity, and increase inventory turns with a goal of generating positive working capital during the quarter.

The Capstone COVID-19 Business Continuity Plan is providing the following benefits to employees, distribution partners, and Company shareholders:

- *Meeting the generally recommended safety environment for employees while still maintaining liquidity and business continuity*
- *Supporting Essential Critical Infrastructure Customers globally with reliable energy to maintain operations at hospitals, clean water facilities, food manufacturing, and other critical services*
- *Maintains all employees' health insurance during the period of business interruption*
- *Continuing to support the critical aftermarket business and 60+ worldwide distributors*
- *Continues to adhere to the LA County COVID-19 health restriction and the WARN Act both Federal and State (California)*
- *Supports Management's goal of Q1 FY21 Positive Adjusted EBITDA*

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, via our direct sales team, as well as our global distribution network. Capstone provides scalable solutions from 30 kW to 10 MWs that operate on a variety of fuels and are the ideal solution for today's multi-technology distributed power generation projects.

For customers with limited capital or short-term needs, Capstone offers rental systems, for more information contact: rentals@capstoneturbine.com. To date, Capstone has shipped nearly 10,000 units to 73 countries and in FY19, 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. For information on sales contact: sales@capstoneturbine.com or rentals@capstoneturbine.com. Follow Capstone Turbine on [Twitter](#), [LinkedIn](#), [Instagram](#), 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.

“Capstone” and “Capstone Microturbine” are registered trademarks of Capstone Turbine Corporation. All other trademarks mentioned are the property of their respective owners.

CONTACT: Capstone Turbine Corporation
Investor and investment media inquiries:
818-407-3628
ir@capstoneturbine.com

Integra Investor Relations
Shawn M. Severson
415-226-7747
cpst@integra-ir.com

