
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 12, 2016 (May 11, 2016)



TECOGEN INC.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

333-178697
(Commission File Number)

04-3536131
(IRS Employer Identification No.)

45 First Avenue
Waltham, Massachusetts
(Address of Principal Executive Offices)

02451
(Zip Code)

(781) 622-1120
(Registrant's telephone number, including area code)

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:

- 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))
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Item 2.02. Results of Operations and Financial Condition.

On May 11, 2016, the registrant issued via press release earnings commentary and supplemental information for the three months ended March 31, 2016. That press release is furnished as Exhibit 99.01 to this current Report on Form 8-K.

The information contained in this current Report on Form 8-K (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 7.01. Regulation FD Disclosure

On May 11, 2016, Tecogen Inc., (the "Company") presented the attached slides in an announced conference call. Those slides are being furnished as Exhibit 99.02 to this Current Report on Form 8-K.

The information in this Item 7.01 and Exhibit 99.02 to this Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibits relating to Item 2.02 and Item 7.01 shall be deemed to be furnished, and not filed:

<u>Exhibit</u>	<u>Description</u>
99.01	Press release dated May 11, 2016, for the three months ended March 31, 2016.
99.02	Presentation dated May 11, 2016.

SIGNATURES

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

TECOGEN INC.

May 12, 2016 By: /s/ David A. Garrison
David A. Garrison, Chief Financial Officer



Tecogen Announces First Quarter 2016 Results
Delivers significant improvement in operating expense

WALTHAM, Mass., May 11, 2016 - Tecogen[®] Inc. (NASDAQ:TGEN), a manufacturer and installer of high efficiency, ultra-clean combined heat and power products including natural gas engine-driven cogeneration, air conditioning systems, and high-efficiency water heaters for industrial and commercial use, reported revenues of \$5,075,515 for the quarter ended March 31, 2016 compared to \$6,103,434 for the same period in 2015, a decrease of 17%. Recent challenging market conditions carried through into the first quarter from the back half of last year and were not helped by a temporary delay of incentive programs in New Jersey for CHP and New York for chillers.

Gross profit was \$1,719,344 for the quarter ended March 31, 2016 compared to \$2,224,975, a decrease of 23% over the prior year. On a combined basis, operating expense fell to \$2,626,210 for the first quarter 2016 from \$2,844,584 in the first quarter of 2015, a 7.7% improvement and in line with management's goal to deliver full year operating expense near \$10 million.

Revenue results were helped by 9.5% growth in services related revenues over the prior year period that was more than offset by a decline in product sales. Total service revenue growth benefited from increasing penetration in service contracts and favorable operating metrics for the installed fleet. This positive services momentum was partially offset by a decline in installation related revenues as project delays continued in a number of key markets. Conversely, product sales revenues suffered in the period, posting a decline over the prior year comparable quarter of 36%. This decline in total product revenue was impacted by a 12.2% decline in chiller and heat pump sales as well as a decline in cogeneration sales.

Speaking about the quarter, co-Chief Executive Officer Benjamin Locke noted, "Through disciplined control of operating expenses and product cost, we are setting the stage for improved margins as we continue our existing sales of CHP systems, heat pumps, and chillers. Also, our new InVerde e+ that launched this spring is helping reestablish our unique advantage in the New York City marketplace, and our partnership with a gas company is already leading to excellent Ilios projects being developed. We believe all of these developments represent compelling new initiatives to drive growth and shareholder value in the years to come. Longer term, we expect the continued tightening of emissions regulations across the country (similar to the strict standards we have today in Southern California) will grant out Ultra-equipped technology significant competitive advantage."

Major Highlights:

Financial

- Gross margin in the first quarter 2016 decreased to 33.9% compared to 36.5% in 2015. Margins benefited from continued product-related cost control initiatives but this progress was more than offset by a decline in service margins. Service margins were impacted by a cost-overrun related to a single legacy installation project; processes are in place to prevent such overruns in the future.
 - Gross profit for the first quarter of 2016 was \$1,719,344 compared to \$2,224,975, a 20% decline when compared to the same period in 2015.
 - General & administrative expense fell 13.0% to \$1,892,220 for the quarter compared to \$2,174,747 in the prior year period ended March 31, 2015. This improvement is a demonstration of management's disciplined expense control and effectiveness of the operating efficiency program.
 - On a combined basis, operating expense fell to \$2,626,210 for the first quarter 2016 from \$2,844,584 in the first quarter of 2015, a 7.7% improvement and in line with management's goal to deliver full year operating expense near \$10 million.
-

- Consolidated net loss, attributable to Tecogen, for the three months ended March 31, 2016 was \$893,168 compared to \$617,464 for the same period in 2015.
- Net loss per share was \$0.05 and \$0.04 for the three months ended March 31, 2016 and 2015, respectively.

Sales & Operations

- Current sales backlog of equipment and installations as of Friday May 6, 2016 was \$13.1 million. In line with the Company's goal of consistently delivering quarter-end product backlog greater than \$10 million. For the quarter ended March 31, 2016, backlog was \$11.5 million, significant growth over the \$10.9 million in backlog reported at the same time last year.
- InVerde e+ launched with many notable features unique to Tecogen including rapid emergency power blackstart capability, best in class electrical efficiency, and seamless integration capability with battery or renewable power systems.
- Executed an agreement with a regional gas company to sell Tecogen chillers and heat pumps exclusively via the gas company partner in their territory, delivering strong synergies for both the gas company and Tecogen.
- As a result of rigorous engineering and site analysis work by the Tecogen team, we won a 900 kW multi-unit order worth approximately \$2 million from a large international engineering company. The equipment is intended for installation in various locations throughout a Long Island school district and includes engineered accessories, load modules and a long term service agreements.
- Emissions development progress continued with the completion of phase one testing of the Ultera technology by AVL's California Technology Center.
- Roll out began for Tecogen's new remote real time monitoring solution, powered by GE Equipment Insight, with the technology installed and running on the first machines. Our technology department also completed the launch of the mobile app for use by the service team and is receiving excellent feed-back to date.
- Although down on a year-on-year basis, product revenue posted 10% growth over the previous quarter ended December 31, 2015. Product revenue was helped by a pick-up in cogeneration product sales and a significant improvement in chiller sales over the prior quarter.

Conference Call Scheduled for Today at 11:00 am ET

Tecogen will host a conference call today to discuss the first quarter results beginning at 11:00 am eastern time. To listen to the call dial (888) 349-0103 within the U.S., (855) 669-9657 from Canada, or (412) 902-0129 from other international locations. Participants should ask to be joined to the Tecogen Inc. call. Please begin dialing at least 10 minutes before the scheduled starting time. The earnings press release will be available on the Company website at www.Tecogen.com in the "News and Events" section under "About Us." The conference call will be recorded and available for playback one hour after the end of the call. The earnings conference call will also be webcast live. To view the associated slides, register for and listen to the webcast, go to <http://investors.tecogen.com/webcast>. Following the call, the webcast will be archived for 30 days.

The earnings conference call will be recorded and available for playback one hour after the end of the call through Wednesday, May 18th, 2016. To listen to the playback, dial **(877) 344 7529 within the U.S., (855) 669-9658 from Canada or (412) 317-0088 outside the U.S.** and use **Replay Access Code 10084852**. Following the call, the webcast will be archived for 30 days.

About Tecogen

Tecogen manufactures, installs, and maintains high efficiency, ultra-clean, combined heat and power products including natural gas engine-driven cogeneration, air conditioning systems, and high-efficiency water heaters for residential, commercial, recreational and industrial use. The company is known for cost efficient, environmentally friendly and reliable products for energy production that, through patented technology, nearly eliminate criteria pollutants and significantly reduce a customer's carbon footprint.

In business for over 20 years, Tecogen has shipped more than 2,300 units, supported by an established network of engineering, sales, and service personnel across the United States. For more information, please visit www.tecogen.com.

Forward Looking Statements: This press release contains forward-looking statements under the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. Important factors could cause actual results to differ materially from those indicated by such forward-looking statements, as disclosed on the Company's website and in Securities and Exchange Commission filings. The statements in this press release are made as of the date of this press release, even if subsequently made available by the Company on its website or otherwise. The Company does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

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TECOGEN INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
As of March 31, 2016 and December 31, 2015
(unaudited)

	March 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,253,931	\$ 5,486,526
Short-term investments	294,875	294,802
Accounts receivable, net	5,888,310	5,286,863
Unbilled revenue	859,270	1,072,391
Inventory, net	5,301,532	5,683,043
Due from related party	594,599	1,177,261
Prepaid and other current assets	354,891	353,105
Total current assets	17,547,408	19,353,991
Property, plant and equipment, net	549,319	543,754
Intangible assets, net	1,048,280	1,044,611
Goodwill	40,870	40,870
Other assets	58,425	58,425
TOTAL ASSETS	\$ 19,244,302	\$ 21,041,651
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,377,211	\$ 3,311,809
Accrued expenses	1,079,969	1,066,860
Deferred revenue	984,239	996,941
Total current liabilities	4,441,419	5,375,610
Long-term liabilities:		
Deferred revenue, net of current portion	322,885	273,162
Senior convertible promissory note, related party	2,963,393	2,951,011
Total liabilities	7,727,697	8,599,783
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Tecogen Inc. stockholders' equity:		
Common stock, \$0.001 par value; 100,000,000 shares authorized; 18,478,990 issued and outstanding at March 31, 2016 and December 31, 2015	18,479	18,479
Additional paid-in capital	34,522,237	34,501,640
Accumulated deficit	(22,575,605)	(21,682,437)
Total Tecogen Inc. stockholders' equity	11,965,111	12,837,682
Noncontrolling interest	(448,506)	(395,814)
Total stockholders' equity	11,516,605	12,441,868
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 19,244,302	\$ 21,041,651

TECOGEN INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the three months ended March 31, 2016 and 2015
(unaudited)

	Three months ended March 31,	
	2016	2015
Revenues		
Products	\$ 2,266,148	\$ 3,537,875
Services	2,809,367	2,565,559
Total revenues	<u>5,075,515</u>	<u>6,103,434</u>
Cost of sales		
Products	1,552,716	2,553,638
Services	1,803,455	1,324,821
Total cost of sales	<u>3,356,171</u>	<u>3,878,459</u>
Gross profit	<u>1,719,344</u>	<u>2,224,975</u>
Operating expenses		
General and administrative	1,892,220	2,174,747
Selling	515,032	493,674
Research and development	218,958	176,163
Total operating expenses	<u>2,626,210</u>	<u>2,844,584</u>
Loss from operations	<u>(906,866)</u>	<u>(619,609)</u>
Other income (expense)		
Interest and other income	2,891	9,103
Interest expense	(42,381)	(42,441)
Total other expense, net	<u>(39,490)</u>	<u>(33,338)</u>
Loss before income taxes	<u>(946,356)</u>	<u>(652,947)</u>
Consolidated net loss	<u>(946,356)</u>	<u>(652,947)</u>
Less: Loss attributable to the noncontrolling interest	53,188	35,483
Net loss attributable to Tecogen Inc.	<u>\$ (893,168)</u>	<u>\$ (617,464)</u>
Net loss per share - basic and diluted	<u>\$ (0.05)</u>	<u>\$ (0.04)</u>
Weighted average shares outstanding - basic and diluted	<u>18,478,990</u>	<u>16,224,642</u>

TECOGEN INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2016 and 2015
(unaudited)

	March 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net loss	\$ (946,356)	\$ (652,947)
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Depreciation and amortization	65,456	67,239
Provision for inventory reserve	14,000	(40,000)
Stock-based compensation	27,243	93,254
Non-cash interest expense	12,382	12,383
Gain (loss) on sale of assets	640	(5,569)
Provision for losses on accounts receivable	(6,154)	—
<i>Changes in operating assets and liabilities</i>		
(Increase) decrease in:		
Short term investments	(73)	(353)
Accounts receivable	(595,293)	(659,607)
Unbilled revenue	213,121	(153,905)
Inventory, net	367,511	374,069
Due from related party	582,662	327,843
Prepaid expenses and other current assets	(1,786)	(53,163)
Increase (decrease) in:		
Accounts payable	(934,598)	681,160
Accrued expenses	13,109	270,174
Deferred revenue	37,021	(765,124)
Net cash used in operating activities	<u>(1,151,115)</u>	<u>(504,546)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(47,371)	(12,935)
Proceeds from sale of assets	—	5,569
Purchases of intangible assets	(27,959)	(47,237)
Net cash used in investing activities	<u>(75,330)</u>	<u>(54,603)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of stock issuance costs	(6,150)	—
Proceeds from sale of restricted common stock, net	—	996,874
Proceeds from the exercise of stock options	—	360,225
Net cash provided by (used in) financing activities	<u>(6,150)</u>	<u>1,357,099</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,232,595)</u>	<u>797,950</u>
Cash and cash equivalents, beginning of the period	5,486,526	1,186,033
Cash and cash equivalents, end of the period	<u>\$ 4,253,931</u>	<u>\$ 1,983,983</u>
<u>Supplemental disclosures of cash flows information:</u>		
Cash paid for interest	\$ 29,999	\$ 30,059



1Q 2016 Earnings



NASDAQ: TGEN



Participants

John Hatsopoulos

- Co-Chief Executive Officer, Director

Benjamin Locke

- Co-Chief Executive Officer

Robert Panora

- President & Chief Operating Officer

David Garrison

- Chief Financial Officer

Ariel Babcock

- Director, Investor Relations





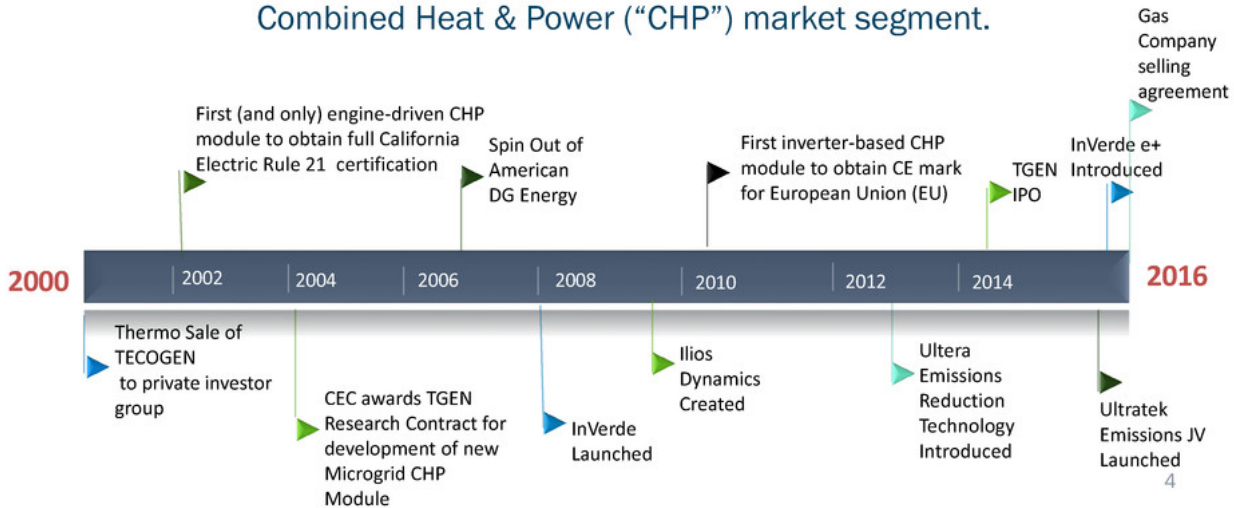
Safe Harbor Statement

This presentation includes forward-looking statements within the meaning of Section 27-A of the Securities Act of 1933, and Section 21-E of the Securities Exchange Act of 1934. Such statements include declarations regarding the intent, belief, or current expectations of the Company and its management. Prospective investors are cautioned that any such forward looking statements are not guarantees of future performance, and involve a number of risks and uncertainties that can materially and adversely affect actual results as identified from time to time in the Company's SEC filings. Forward looking statements provided herein as of a specified date are not hereby reaffirmed or updated.



Leading Manufacturer of Clean Energy Solutions

Leading provider of cost efficient, clean and reliable products for power production, heating and cooling which, through patented technology, nearly eliminate criteria pollutants and significantly reduce a customer’s carbon footprint. With over 2,300 units shipped, Tecogen technology is revolutionizing distributed generation for customers in the small-to-mid size Combined Heat & Power (“CHP”) market segment.





Q1 Highlights

Product Improvements

- InVerde e+ introduction
- GE Equipment Insight integration
- Will be integrated in Long Island school District ESCO project

ULTRATEK Results

- Phase 1 tests highly effective in reducing vehicle emissions
- 90% reduction of Carbon Monoxide
- 80% reduction in non-methane hydrocarbons (NMOG)

Ilios

- Ilios merger complete
- Gas company exclusive equipment selling agreement





1Q 2016 Results:

REVENUE

- \$5.1M in 1Q16 revenues vs. \$6.1M in 1Q15 and \$4.3M in 4Q15
- Products - \$2.3M in 1Q16 product revenue vs. \$3.5M in 1Q15 and \$1.3M in 4Q15
- Service - 9.5% total Service revenue growth vs 1Q15
 - 16.9% growth in Services revenues Y/Y and 9.3% growth Q/Q demonstrates continued growth in long term revenue stream.
 - Partially offset by Installation revenue decline

GROSS PROFIT & MARGIN

- \$1.7M in 1Q16 gross profit vs. \$2.2M in 1Q15 and \$1.6M in 4Q15
- 33.9% gross margin in 1Q16 vs. 36.5% in 1Q15 and 37.4% in 4Q15
- Service margin impacted by loss on legacy turnkey project
- Product margin improved to 31.5% vs 27.8% in 1Q15 driven by cost control initiatives and product sales mix

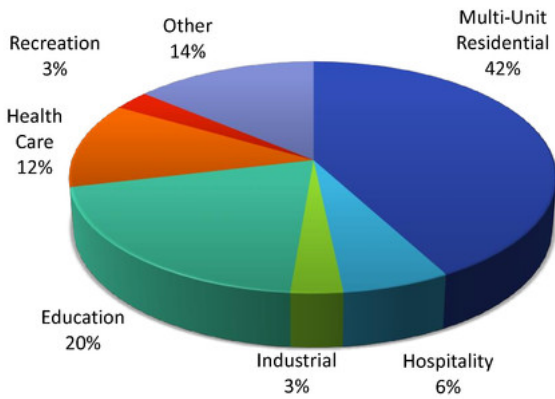
BACKLOG

- \$13.1M in current backlog as of May 6, 2016
- \$11.5M 1Q16 end backlog vs \$10.9M prior year backlog
- Backlog growth from increasing penetration of turnkey installation services and cogeneration sales.

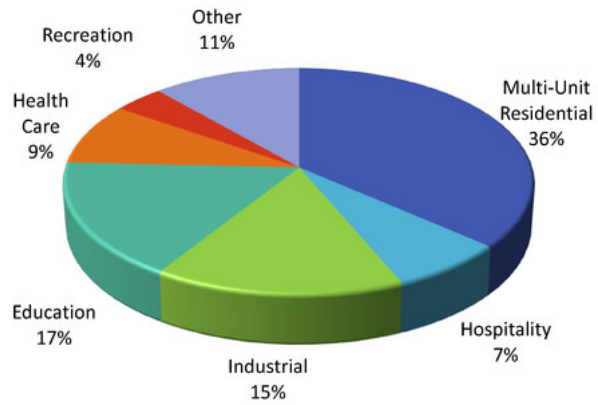


Sales & Backlog

Backlog



Installed Base*

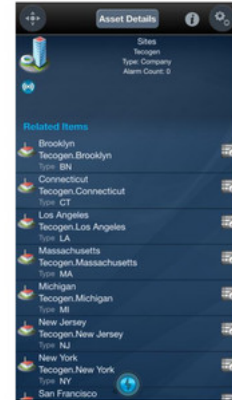
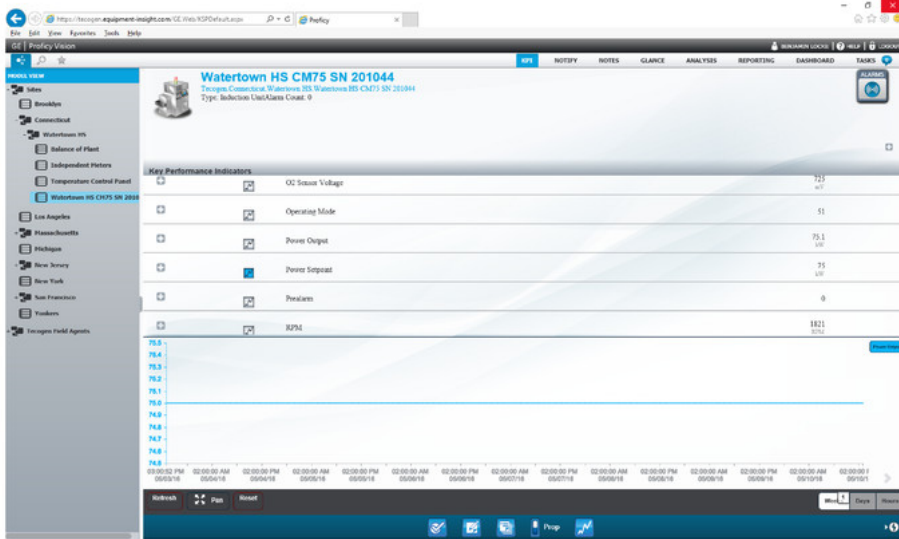


Current Product and Installation Backlog of \$13.1M
 Up 14% from \$11.5M backlog at 1Q16 end and vs. \$10.9M prior year backlog
 Ahead of >\$10M quarterly backlog goal

* Approximate recently installed base by end market as of YE 2015.



GE Equipment Insight





InVerde e⁺

InVerde e⁺ Features Offer Competitive Advantage

- Proprietary Inverter and generator
- State of the art controls integrating GE cloud-based real-time data analytics monitoring capability
- DC input compatible feature for battery or renewable integration
- 25% increase in electrical output
- Rapid 10 second blackstart capability for emergency power
- Low pressure gas requirement eliminating need for additional costly equipment



Re-establishes Tecogen as the leader in advanced modular inverter-based cogeneration innovation.



ULTRATEK: Emissions Progress

- Additional emissions-related patent awarded with several other filings still pending
- Constructed preliminary test module
- Phase 1 testing at AVL California Technology center completed in April
- Focus of Phase 1 was on base line testing and validation of Ultera system on a standard vehicle platform
- Initial results are positive
- Expect to share complete findings from Phase 1 in the near future





ULTRATEK: Results

- ✓ Ultera chemistry confirmed as effective on gasoline automotive engines
- ✓ Phase 1 focus on federally prescribed standard drive cycle tests
- ✓ 2016 light duty vehicle was compliant with current federal regulations on the standard test cycle
- ✓ Ultera proved especially effective during aggressive driving conditions
- ✓ Regulatory testing under real-world driving conditions would benefit Ultera technology



Standard Drive Cycle Results:

- Carbon Monoxide reduced by up to 90%
- Non-methane hydrocarbons (NMOG) reduced by up to 80%



Financial Metrics

Revenues, Margins, Growth

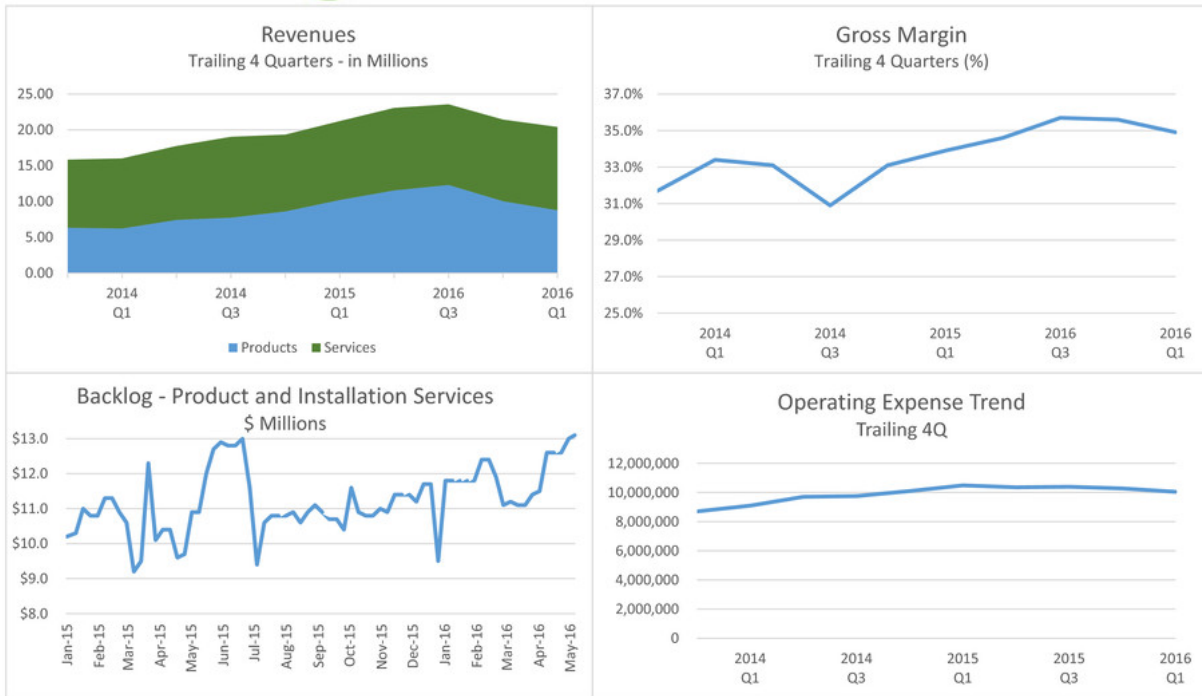
Tecogen Revenue Model & Outlook

- Three revenue streams
 - Product sales
 - Long-term service contracts **provide stable ongoing revenue**
 - Turnkey Installation through Tecogen service operations
- Targeting stable book-to-bill ratio of 1-1.5x
- Deliver ongoing expense improvement from lean manufacturing initiatives
- Targeting Gross Margins 35-40%
- Quarterly Backlog >\$10M
- Full Year Op Ex ~\$10M

	For the Quarter Ended		Y/Y Growth	% of Total Revenue
	March 31, 2016	March 31, 2015		
REVENUE				
Cogeneration	1,417,972	2,571,928		27.9%
Chiller & Heat Pump	848,176	965,947		16.7%
Total Product Revenue	2,266,148	3,537,875	-36%	44.6%
Service & Parts	2,188,322	1,872,366		43.1%
Installation Services	621,045	693,193		12.2%
Total Service Revenue	2,809,367	2,565,559	10%	55.4%
Total Revenue	\$ 5,075,515	\$ 6,103,434	-17%	
Gross Profit	\$ 1,719,344	\$ 2,224,975	-23%	
GROSS MARGIN				
Product Gross Margin	31.5%	27.8%	13%	
Service Gross Margin	35.8%	48.4%	-26%	
Gross Margin	33.9%	36.5%	-7%	



Consistent Financial Progress



Tecogen: Executing on Growth Strategy

Advanced Modular CHP Systems

OPERATIONS

- InVerde e+ sales traction and competitive advantage
- First gas company selling agreement for Ilios and Tecochill
- Backlog remains comfortably above >\$10M backlog target
- Operational excellence initiatives continue to deliver on expense control and ~\$10M in 2016 OpEx target
- Continued exploration of other partnership opportunities

SERVICE

- GE Equipment Insight real-time cloud-based equipment monitoring and data analytics for operational excellence
- Service revenue improvement from growing installed base

ULTRATEK

- Phase 1 testing completed and full data analysis underway
- Ultera validated for gasoline automotive applications
- Phase 2 testing and development expected to begin Summer 2016



Q & A

NASDAQ: TGEN





Contact Information



Company Information

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