
**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): July 31, 2017

Aspen Aerogels, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36481

(Commission File Number)

04-3559972
(IRS Employer
Identification No.)

**30 Forbes Road, Building B,
Northborough, MA**
(Address of Principal Executive Offices)

01532
(Zip Code)

Registrant's Telephone Number, Including Area Code: (508) 691-1111

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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 2.02 Results of Operations and Financial Condition.

On August 3, 2017, Aspen Aerogels, Inc. (the “Company”) announced its financial results for the second quarter of 2017 ended June 30, 2017 and also discussed recent business developments. A copy of the press release containing such announcement is attached hereto as Exhibit 99.1.

The information set forth in the press release, except for the information set forth under the heading “2017 Financial Outlook” and under the heading “About Aspen Aerogels, Inc.,” together with the forward-looking statement disclaimer at the end of the press release, is incorporated by reference into this Item 2.02 of this Current Report on Form 8-K.

Item 5.02 Departure of Directors or certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain officers

(b) On July 31, 2017, Craig A. Huff, a member of the Board of Directors (“Board”) of the Company, notified the Company that he would voluntarily resign from the Board and delivered his letter of resignation effective July 31, 2017. There were no disagreements between Mr. Huff and the Company or any director of the Company which led to the resignation. At the same time as Mr. Huff resigned from the Board, he also resigned as a member of the Compensation and Leadership Development Committee of the Board (the “Compensation Committee”). Effective August 2, 2017, the Board reduced the size of the Board to seven members and appointed Steven R. Mitchell to the Compensation Committee.

Item 7.01 Regulation FD Disclosure.

The information set forth under the heading “2017 Financial Outlook” and under the heading “About Aspen Aerogels, Inc.,” together with the forward-looking statement disclaimer at the end of the press release, is incorporated by reference into this Item 7.01 of this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release issued by Aspen Aerogels, Inc. on August 3, 2017.

The press release may contain hypertext links to information on our website. The information on our website is not incorporated by reference into this Current Report on Form 8-K and does not constitute a part of this Form 8-K.

The information contained in this Current Report on Form 8-K and Exhibit 99.1 attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section, nor shall it be deemed incorporated by reference into any registration statement or other 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 filing.

SIGNATURES

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 thereunto duly authorized.

Aspen Aerogels, Inc.

Date: August 3, 2017

By: /s/ John F. Fairbanks

Name: John F. Fairbanks

Title: Vice President, Chief Financial Officer and Treasurer

**Aspen Aerogels, Inc. Reports Second Quarter 2017 Financial Results
and Recent Business Developments**

NORTHBOROUGH, Mass., August 3, 2017 — Aspen Aerogels, Inc. (NYSE: ASPN) (“Aspen Aerogels”) today announced financial results for the second quarter of 2017, which ended June 30, 2017, and discussed business developments during the quarter.

Total revenue for the second quarter was \$25.1 million compared to \$27.7 million in the second quarter last year. Second quarter net loss was \$5.5 million compared to net loss of \$1.4 million in the second quarter of 2016. Net loss per share for the second quarter was \$0.23 compared to net loss of \$0.06 per share in the second quarter last year.

Adjusted EBITDA for the second quarter was \$(1.4) million compared to \$2.5 million in the second quarter of 2016. A reconciliation of non-GAAP Adjusted EBITDA to net loss is provided in the financial schedules that are part of this press release. An explanation of this non-GAAP financial measure is also included below under the heading “Non-GAAP Financial Measures.”

Net loss and Adjusted EBITDA for the second quarter of 2017 included legal and related expenses associated with Aspen Aerogels’ ongoing patent enforcement actions of \$0.2 million compared to \$0.4 million in the second quarter last year.

Second Quarter 2017 Business Developments

“As expected, our second quarter performance reflected the impact of constrained capital investment and low activity levels in the global energy markets. Continued softness in our downstream business, in combination with the conclusion of shipments to the South Asia petrochemical project, resulted in much of the decrease in total revenue during the quarter. This decrease in total revenue and a planned reduction in manufacturing output levels led to the decline in net income and Adjusted EBITDA,” said Don Young, President and CEO of Aspen Aerogels.

“We made solid progress with our efforts to diversify our markets and expand the reach of our aerogel technology platform. We completed development of our Pyrogel® HPS product for the power market during the second quarter and formally launched the product in mid-July. We also experienced solid growth in the U.S. market during the quarter driven by strong demand in the district energy market and completion of shipments to a U.S. based LNG export terminal. We remain focused on creating commercial momentum during the remainder of the year with market share gains in our core and adjacent markets,” continued Mr. Young.

“We also remain committed to sustaining our investment in new aerogel technologies, innovative products, and strategic partnerships to drive long-term growth in a diversified set of markets. During the quarter, we continued work on our joint development initiatives with BASF focused on the building materials market. We see our efforts with BASF as a blueprint for additional partnerships with world class companies to expand the markets served by our aerogel technology platform. We believe these product and market development efforts and strategic partnerships will position Aspen for strong long-term growth,” concluded Mr. Young.

2017 Financial Outlook

Aspen Aerogels updates its 2017 full year outlook as follows:

- Total revenue is expected to range between \$104 million and \$112 million, revised from prior guidance of \$102 million to \$112 million
- Net loss is expected to range between \$18.2 million and \$20.8 million, revised from prior guidance of \$18.2 million to \$21.2 million
- Adjusted EBITDA is expected to range between \$(2.0) million and \$(5.0) million, revised from prior guidance of \$(2.0) million to \$(5.4) million
- Net loss per share is expected to range between \$0.78 and \$0.89, revised from prior guidance of \$0.78 and \$0.91

Our updated 2017 outlook also assumes depreciation and amortization of between \$10.6 million and \$10.8 million, stock-based compensation expense of between \$5.0 million and \$5.2 million, interest and other expense of \$0.2 million, and weighted average shares outstanding of 23.4 million for the full year. In addition, our 2017 outlook reflects an expected \$3.9 million to \$4.2 million of costs and expenses associated with our ongoing patent enforcement actions for the full year.

A reconciliation of non-GAAP Adjusted EBITDA to net loss for this 2017 financial outlook is provided in the financial schedules that are part of this press release. An explanation of this non-GAAP financial measure is also included below under the heading “Non-GAAP Financial Measures.”

Aspen Aerogels may incur charges, realize gains or losses, incur financing costs or interest expense, or experience other events in 2017 that could cause actual results to vary materially from this outlook. In addition, the timing of projects may have a significant impact on quarterly and annual revenue and profitability and can be difficult to predict.

Conference Call Notification

A conference call with Aspen Aerogels management to discuss second quarter 2017 results and business developments will be held at 5:00 pm EDT on August 3, 2017. During the call, management will respond to questions concerning, but not limited to, Aspen Aerogels' financial performance, business conditions and industry outlook. Management's discussion and responses could contain information that has not been previously disclosed. The conference call will be available live as a listen-only webcast and will be hosted at the Investors section of the Aspen Aerogels website, www.aerogel.com. In addition, you may call 877-201-0168 (toll free, U.S. & Canada only) conference ID "51875379" or +1 647-788-4901 (international) conference ID "51875379" to participate in the conference call.

Following the live event, an archived version of the webcast will be available on the Aspen Aerogels website for convenient on-demand replay.

A copy of this press release is posted in the Investors section on the Aspen Aerogels website.

Non-GAAP Financial Measures

In addition to providing financial measurements based on generally accepted accounting principles in the United States of America ("GAAP"), Aspen Aerogels provides additional financial metrics that are not prepared in accordance with GAAP ("non-GAAP"). The non-GAAP financial measure included in this press release is Adjusted EBITDA. Management uses non-GAAP financial measures, in addition to GAAP financial measures, as a measure of operating performance because the non-GAAP financial measures do not include the impact of items that management does not consider indicative of Aspen Aerogels' core operating performance. In addition, management uses Adjusted EBITDA (i) for planning purposes, including the preparation of Aspen Aerogels' annual operating budget, (ii) to allocate resources to enhance the financial performance of its business, and (iii) as a performance measure under its bonus plan.

Management believes that these non-GAAP financial measures reflect Aspen Aerogels' ongoing business in a manner that allows for meaningful comparisons and analysis of trends in its business, as they exclude expenses and gains not reflective of Aspen Aerogels' ongoing operating results or that may be infrequent and/or unusual in nature. Management also believes that these non-GAAP financial measures provide useful information to investors in understanding and evaluating Aspen Aerogels' operating results and future prospects in the same manner as management and in comparing financial results across accounting periods and to those of peer companies. These non-GAAP measures may not be comparable to similarly titled measures presented by other companies.

The non-GAAP financial measures do not replace the presentation of Aspen Aerogels' GAAP financial results and should only be used as a supplement to, not as a substitute for, Aspen Aerogels' financial results presented in accordance with GAAP. In this press release, Aspen Aerogels has provided a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable GAAP financial measure. Management strongly encourages investors to review Aspen Aerogels' financial statements and publicly-filed reports in their entirety and not rely on any single financial measure.

About Aspen Aerogels, Inc.

Aspen Aerogels is an aerogel technology company that designs, develops and manufactures innovative, high-performance aerogel insulation used primarily in the energy infrastructure and building materials markets where thermal energy efficiency is at a premium and Aspen's products offer unique value. Headquartered in Northborough, Mass., Aspen Aerogels manufactures its Cryogel®, Pyrogel® and Spaceloft® products at its East Providence, R.I. facility.

Investor Relations Contact:

Shawn Severson

EnergyTech Investor, LLC

Phone: (415) 233-7094

shawn@energytechinvestor.com

Special Note Regarding Forward-Looking and Cautionary Statements

This press release and any related discussion contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements, including statements relating to Aspen Aerogels' 2017 Financial Outlook. These statements are not historical facts but rather are based on Aspen Aerogels' current expectations, estimates and projections regarding Aspen Aerogels' business, operations and other factors relating thereto, including with respect to the 2017 Financial Outlook. Words such as "may," "will," "could," "would," "should," "anticipate," "predict,"

"potential," "continue," "expects," "intends," "plans," "projects," "believes," "estimates," "outlook," and similar expressions are used to identify these forward-looking statements. Such forward-looking statements include statements regarding, among other things, Aspen Aerogels' expectations about revenue, expenses, Adjusted EBITDA, GAAP EPS, cash balances and related variations or trends; beliefs about the general strength or health of Aspen Aerogels' business; beliefs about current or future trends in the energy or other markets, and the impact of these trends on Aspen Aerogels' business; beliefs about Aspen Aerogels' market diversification and technology strategy and implementation; beliefs about growth opportunities in the LNG and District Energy markets; beliefs about Pyrogel HPS, its adoption in the power market and its commercial success; beliefs about Aspen Aerogels' strategic partnership with BASF, including the potential for the joint development agreement to create new product and market opportunities; beliefs about Aspen Aerogels' ability to form partnerships with market leaders to assist in Aspen Aerogel's market diversification and growth strategy; expected adoption rates or revenue growth in the LNG and district energy markets; future operating performance on an annual or other basis; accounting and other assumptions involved in arriving at the expectations; and expectations about the cost, timing or success of Aspen Aerogels' patent enforcement actions and defense of challenges to the validity of its patents. All such forward-looking statements are based on management's present expectations and are subject to certain factors, risks and uncertainties that may cause actual results, outcome of events, timing and performance to differ materially from those expressed or implied by such statements. These risks and uncertainties include, but are not limited to, the following: a lack of adoption of Pyrogel HPS in the power market, or any delay or failure to manufacture Pyrogel HPS in sufficient quantities to meet market demand; lack of wide adoption in LNG or district energy markets; any inability by Aspen Aerogels and/or BASF to achieve the goals of the strategic partnership, and an inability to create new product and market opportunities, including in the building materials market; any sustained downturn in the energy industry or energy prices; any disruption or inability to achieve expected capacity levels in any of our three production lines or the manufacturing facility in which they are located; any failure of demand for Aspen Aerogels' products; any failure to achieve expected average selling prices for Aspen Aerogels' products; the failure to generate sufficient operating cash flow or to obtain significant additional capital to pursue Aspen Aerogels' strategy; the failure of our products to become widely adopted; the competition Aspen Aerogels faces in its business; any failure to enforce any of Aspen Aerogels' patents, including pursuant to any finding of invalidity of any patent in any jurisdiction; any failure of Aspen Aerogels' products to meet applicable specifications and other performance, safety, technical and delivery requirements; the general economic conditions and cyclical demands in the markets that Aspen Aerogels serves; the economic, operational and political risks associated with sales and expansion of operations in foreign countries; the loss of any direct customer, including distributors, contractors and OEMs; compliance with health and safety laws and regulations; shortages of raw materials, utilities or any other manufacturing consumable; the maintenance and development of distribution channels; and the other risk factors discussed under the heading "Risk Factors" contained in our Annual Report on Form 10-K for the year ended December 31, 2016 and filed with the Securities and Exchange Commission ("SEC") on March 2, 2017, as well as any updates to those risk factors filed from time to time in our subsequent periodic and current reports filed with the SEC. All statements contained in this press release are made only as of the date of this press release, and Aspen Aerogels does not intend to update this information unless required by law.

ASPEN AEROGELS, INC.
Condensed Consolidated Balance Sheets
(Unaudited and in thousands)

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,951	\$ 18,086
Accounts receivable, net	16,492	17,535
Inventories	13,255	12,868
Prepaid expenses and other current assets	1,343	1,697
Total current assets	38,041	50,186
Property, plant and equipment, net	80,523	84,394
Other assets	94	89
Total assets	<u>\$ 118,658</u>	<u>\$ 134,669</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 8,408	\$ 13,065
Accrued expenses	4,751	3,987
Deferred revenue	806	1,043
Other current liabilities	12	35
Total current liabilities	13,977	18,130
Other long-term liabilities	1,335	975
Total liabilities	15,312	19,105
Stockholders' equity:		
Total stockholders' equity	103,346	115,564
Total liabilities and stockholders' equity	<u>\$ 118,658</u>	<u>\$ 134,669</u>

ASPEN AEROGELS, INC.

Consolidated Statements of Operations

(Unaudited and In thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenue:				
Product	\$ 24,562	\$ 27,123	\$ 46,888	\$ 59,409
Research services	507	595	1,183	1,130
Total revenue	<u>25,069</u>	<u>27,718</u>	<u>48,071</u>	<u>60,539</u>
Cost of revenue:				
Product	21,121	20,723	41,591	46,715
Research services	254	342	565	644
Gross profit	<u>3,694</u>	<u>6,653</u>	<u>5,915</u>	<u>13,180</u>
Operating expenses:				
Research and development	1,709	1,286	3,285	2,596
Sales and marketing	3,416	2,821	6,526	5,883
General and administrative	4,002	3,894	10,589	7,807
Total operating expenses	<u>9,127</u>	<u>8,001</u>	<u>20,400</u>	<u>16,286</u>
Loss from operations	<u>(5,433)</u>	<u>(1,348)</u>	<u>(14,485)</u>	<u>(3,106)</u>
Interest expense, net	(39)	(39)	(65)	(78)
Total interest expense, net	<u>(39)</u>	<u>(39)</u>	<u>(65)</u>	<u>(78)</u>
Net loss	<u>\$ (5,472)</u>	<u>\$ (1,387)</u>	<u>\$ (14,550)</u>	<u>\$ (3,184)</u>
Net loss per share:				
Basic and diluted	<u>\$ (0.23)</u>	<u>\$ (0.06)</u>	<u>\$ (0.62)</u>	<u>\$ (0.14)</u>
Weighted-average common shares outstanding:				
Basic and diluted	<u>23,369,179</u>	<u>23,111,127</u>	<u>23,313,668</u>	<u>23,087,299</u>

Square Foot Operating Metric

We price our product and measure our product shipments in square feet.

Three Months Ended June 30,		Six Months Ended June 30,	
2017	2016	2017	2016

(amounts in thousands)

Product shipments in square feet	8,707	9,943	16,980	21,789
----------------------------------	-------	-------	--------	--------

Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of the non-GAAP financial measure included in the Aspen Aerogels, Inc. press release dated August 3, 2017 to the most directly comparable GAAP measure:

Reconciliation of Adjusted EBITDA to Net Income (Loss)

We define Adjusted EBITDA as net income (loss) before interest expense, taxes, depreciation, amortization, stock-based compensation expense and other items, which occur from time to time and which we do not believe are indicative of our core operating performance.

For the three and six months ended June 30, 2017 and 2016:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(In thousands)			
Net loss	\$ (5,472)	\$ (1,387)	\$ (14,550)	\$ (3,184)
Depreciation and amortization	2,630	2,416	5,306	4,826
Stock-based compensation	1,374	1,433	2,618	2,803
Interest expense, net	39	39	65	78
Adjusted EBITDA	<u>\$ (1,429)</u>	<u>\$ 2,501</u>	<u>\$ (6,561)</u>	<u>\$ 4,523</u>

For the 2017 full year financial outlook:

	Year ending December 31, 2017	
	Low	High
	(amounts in thousands)	
Net loss	\$ (20,800)	\$ (18,200)
Depreciation and amortization	10,600	10,800
Stock-based compensation	5,000	5,200
Interest expense, net	200	200
Adjusted EBITDA	<u>\$ (5,000)</u>	<u>\$ (2,000)</u>