

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): April 30, 2024

POWELL INDUSTRIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of
incorporation)

001-12488
(Commission
File Number)

88-0106100
(IRS Employer
Identification No.)

8550 Mosley Road

Houston

Texas

77075-1180

(Address of principal executive offices)

(Zip Code)

(713) 944-6900

(Registrant's Telephone Number, Including Area Code)

N/A

(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))

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	POWL	Nasdaq Global Market

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 April 30, 2024, Powell Industries, Inc. (NASDAQ: POWL) (the “Company”) issued a press release regarding the Company’s results of operations for its fiscal 2024 second quarter ended March 31, 2024. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in Item 2.02 of this Current Report on Form 8-K (“Current Report”) 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 of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, unless specifically identified therein as being incorporated by reference.

Item 8.01 – Other Events

On April 30, 2024, the Company also issued a press release announcing that its Board of Directors declared a quarterly cash dividend of \$0.2650 per share payable to stockholders of record at the close of business on May 15, 2024. This dividend will be paid on June 12, 2024. A copy of the press release is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Item 9.01 – Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated April 30, 2024
99.2	Press Release dated April 30, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

POWELL INDUSTRIES, INC.

Date: April 30, 2024

By: /s/ Michael W. Metcalf
Michael W. Metcalf
Executive Vice President
Chief Financial Officer
(Principal Financial Officer)



PRESS RELEASE

For Immediate Release

Contacts:

Michael W. Metcalf, CFO
Powell Industries, Inc.
713-947-4422

Robert Winters or Ryan Coleman
Alpha IR Group
POWL@alpha-ir.com
312-445-2870

POWELL INDUSTRIES ANNOUNCES FISCAL 2024 SECOND QUARTER RESULTS

HOUSTON — April 30, 2024 — Powell Industries, Inc. (NASDAQ: POWL), a leading supplier of custom-engineered solutions for the management, control and distribution of electrical energy, today announced results for the Fiscal 2024 second quarter ended March 31, 2024. All comparisons are to the second quarter of Fiscal 2023, unless otherwise noted.

Second Quarter Key Highlights:

- Revenues totaled \$255 million, an increase of 49%;
- Gross profit of \$63 million, or 24.6% of revenue, a 510 basis point improvement;
- Net income of \$33 million, or \$2.75 per diluted share;
- New orders⁽¹⁾ totaled \$235 million;
- Backlog⁽²⁾ as of March 31, 2024, remained at \$1.3 billion;
- Cash and short-term investments as of March 31, 2024, totaled \$365 million.

Brett A. Cope, Powell's Chairman and Chief Executive Officer, stated, "Powell delivered solid second quarter results supported by continued growth within our Industrial end markets as well as strong performances from both our Electric Utility and Commercial and Other Industrial markets. Revenue in the quarter was 49% higher than the second quarter of Fiscal 2023, while excellent project execution and volume leverage drove a 510 basis point improvement in gross margin to 24.6%. New orders of \$235 million in the quarter were higher by 19% sequentially and

were well-balanced across the markets we serve, keeping our backlog essentially unchanged at \$1.3 billion. Overall, we are encouraged by both our financial performance in the first half of the year as well as the activity levels within each of the markets we serve.”

Second Quarter 2024 Results

Revenues totaled \$255.1 million compared to \$171.4 million in the second quarter of Fiscal 2023, and \$194.0 million in the first fiscal quarter. The increase compared to second quarter of Fiscal 2023 was primarily driven by strong growth across the Oil and Gas and Petrochemical sectors, which grew 66% and 93%, respectively. Revenue from the Commercial and Other Industrial sector increased 57%, and revenue from the Electric Utility sector grew 11%.

Gross profit increased 88% to \$62.7 million, or 24.6% of revenue, compared to \$33.4 million, or 19.5% of revenue, in the second quarter of Fiscal 2023 and compares to \$48.2 million, or 24.8% of revenue, in the first fiscal quarter.

New orders totaled \$235 million compared to \$508 million in the second quarter of Fiscal 2023 and \$198 million in the first fiscal quarter. The year-over-year decline was the result of two large, domestic projects in the LNG and Petrochemical markets awarded in the second quarter of Fiscal 2023.

Backlog totaled \$1.3 billion as of March 31, 2024, which was essentially flat sequentially compared to backlog as of December 31, 2023, and increased 25% compared to backlog of \$1.0 billion as of March 31, 2023.

Net income was \$33.5 million, or \$2.75 per diluted share, compared to \$8.5 million, or \$0.70 per diluted share, in the second quarter of Fiscal 2023 and \$24.1 million, or \$1.98 per diluted share, in the first fiscal quarter.

Cope added, “Project activity across the markets we serve remains active. We anticipate that projects within the LNG market will continue to progress, however, based upon the recent pause on LNG export permitting by the Department of Energy, the timing of these future projects may be impacted. We are experiencing continued growth of our Commercial and Other Industrial sector, as well as the Electric Utility sector, while also seeing strong activity related to energy transition projects. We remain encouraged by the growth dynamics across the markets in which we compete and are well positioned to support these newer applications with Powell’s products and expertise.”

OUTLOOK

Commenting on the Company's outlook, Michael Metcalf, Powell's Chief Financial Officer said, "We continue to expect another strong year of financial performance in Fiscal 2024 as our core Industrial end markets, as well as our Electric Utility and Commercial and Other Industrial markets, are exhibiting favorable dynamics and activity levels to support our growth. The quality and duration of our backlog, in conjunction with the level of commercial activity also support our expectation that this strong financial performance can be sustained throughout Fiscal 2024 and into Fiscal 2025. Our capacity initiatives focused on servicing current and future backlog remain on track and are progressing as planned, with our Gulf Coast fabrication yard expansion now fully utilized and helping to support the execution of our \$1.3 billion backlog. We expect to complete the current capacity expansion initiative at our products factory in Houston by mid-Fiscal 2025, which will help to enable our initiatives to facilitate future growth."

CONFERENCE CALL

Powell Industries has scheduled a conference call for Wednesday, May 1, 2024 at 11:00 a.m. Eastern time. To participate in the conference call, dial 1-833-953-2431 (domestic) or 1-412-317-5760 (international) at least 10 minutes before the call begins and ask for the Powell Industries conference call. A telephonic replay of the conference call will be available through May 8, 2024 and may be accessed by calling 1-877-344-7529 (domestic) or 1-412-317-0088 (international) and using passcode 4054049#.

Investors, analysts and the general public will also have the opportunity to listen to the conference call over the Internet by visiting powellind.com. To listen to the live call on the web, please visit the website at least 15 minutes before the call begins to register, download and install any necessary audio software. For those who cannot listen to the live webcast, an archive will be available shortly after the call and will remain available for approximately 90 days at powellind.com.

About Powell Industries

Powell Industries, Inc., headquartered in Houston, designs, manufactures and services custom-engineered equipment and systems for the distribution, control and monitoring of electrical energy. Powell markets include large industrial customers such as utilities, data centers, oil and

gas producers, refineries, liquefied natural gas facilities, petrochemical plants, pulp and paper producers, mining operations and commuter railways. For more information, please visit powellind.com.

Any forward-looking statements in the preceding paragraphs of this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties in that actual results may differ materially from those projected in the forward-looking statements. In the course of operations, we are subject to certain risk factors, competition and competitive pressures, sensitivity to general economic and industrial conditions, international political and economic risks, availability and price of raw materials and execution of business strategy. For further information, please refer to the Company's filings with the Securities and Exchange Commission, copies of which are available from the Company without charge.

POWELL INDUSTRIES, INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
(In thousands, except per share data)				
(Unaudited)				
Revenues	\$ 255,108	\$ 171,444	\$ 449,125	\$ 298,302
Cost of goods sold	192,388	138,007	338,211	245,401
Gross profit	62,720	33,437	110,914	52,901
Selling, general and administrative expenses	20,947	21,820	41,294	38,693
Research and development expenses	2,284	1,543	4,251	3,044
Operating income	39,489	10,074	65,369	11,164
Interest income, net	(4,428)	(899)	(8,426)	(1,423)
Income before income taxes	43,917	10,973	73,795	12,587
Income tax provision	10,429	2,500	16,222	2,951
Net income	\$ 33,488	\$ 8,473	\$ 57,573	\$ 9,636
Earnings per share:				
Basic	\$ 2.79	\$ 0.71	\$ 4.81	\$ 0.81
Diluted	\$ 2.75	\$ 0.70	\$ 4.73	\$ 0.80
Weighted average shares:				
Basic	11,992	11,878	11,966	11,869
Diluted	12,191	12,149	12,167	12,109
SELECTED FINANCIAL DATA:				
Depreciation	\$ 1,724	\$ 2,176	\$ 3,365	\$ 4,312
Capital Expenditures	\$ 903	\$ 630	\$ 2,138	\$ 3,356
Dividends Paid	\$ 3,175	\$ 3,106	\$ 6,299	\$ 6,180

POWELL INDUSTRIES, INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)	March 31, 2024	September 30, 2023
	(Unaudited)	
Assets:		
Cash, cash equivalents and short-term investments	\$ 365,339	\$ 279,009
Other current assets	351,306	342,976
Property, plant and equipment, net	96,655	97,625
Long-term assets	36,318	32,632
Total assets	\$ 849,618	\$ 752,242
Liabilities and equity:		
Current liabilities	\$ 441,826	\$ 395,686
Deferred and other long-term liabilities	14,007	11,530
Stockholders' equity	393,785	345,026
Total liabilities and stockholders' equity	\$ 849,618	\$ 752,242
SELECTED FINANCIAL DATA:		
Working capital	\$ 274,819	\$ 226,299

(1) New orders (bookings) represent the estimated value of contracts added to existing backlog (unsatisfied performance obligations).

(2) The amounts recorded in backlog may not be a reliable indicator of our future operating results and may not be indicative of continuing revenue performance over future fiscal quarters or years primarily due to unexpected contract adjustments, cancellations or scope reductions.



PRESS RELEASE

For Immediate Release

Contact: Michael Metcalf, CFO
Powell Industries, Inc.
713-947-4422

Robert Winters or Ryan Coleman
Alpha IR Group
POWL@alpha-ir.com
312-445-2870

Powell Industries Declares Quarterly Cash Dividend

HOUSTON — April 30, 2024 — Powell Industries, Inc. (NASDAQ: POWL), a leading supplier of custom engineered solutions for the management, control and distribution of electrical energy, today announced that its Board of Directors has declared a quarterly cash dividend on the Company's common stock of \$0.2650 per share. The dividend is payable on June 12, 2024 to stockholders of record at the close of business on May 15, 2024.

Powell Industries, Inc., headquartered in Houston, designs, manufactures and services custom-engineered equipment and systems for the distribution, control and monitoring of electrical energy. Powell markets include large industrial customers such as utilities, data centers, oil and gas producers, refineries, petrochemical plants, pulp and paper producers, mining operations and commuter railways. For more information, please visit powellind.com.

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