

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT: February 25, 2004
(Date of earliest event reported)

POWELL INDUSTRIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

0-6050
(Commission File Number)

88-0106100
(I.R.S. Employer
Identification Number)

8550 Mosley Drive
Houston, Texas
(Address of Principal Executive
Offices)

77075-1180
(Zip Code)

(713) 944-6900

(Registrant's Telephone Number, Including Area Code)

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

Item 7 – Financial Statements, Pro Forma Financial Statements and Exhibits

On February 25, 2004, Powell Industries, Inc. (NASDAQ: POWL) announced results for the fiscal 2004 first quarter ended January 31, 2004. A copy of the press release announcing the results is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

(c) Exhibits:

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|---------------------------------------|
| 99.1 | Press Release dated February 25, 2004 |

Item 12 – Results of Operations and Financial Condition

On February 25, 2004, the Company held a conference call to discuss its fiscal 2004 first quarter results, as reflected in the attached press release dated February 25, 2004 released earlier that day. The press release refers to free cash flow for the first quarter of \$269,000 which is defined as total cash flow from operations of \$1.804 million less all capital expenditures of \$1.535 million. A replay of our audio webcast can be accessed through the "Investor Relations/Events" tab at www.powellind.com. The webcast contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers 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, the Company is subject to certain risk factors, including but not limited to 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. The information in this Current Report is being furnished pursuant to Item 12, Results of Operations and Financial Condition. Pursuant to general instruction B.6. of Form 8-K, the information in this Current Report shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933.

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.

POWELL INDUSTRIES, INC.

Date: February 27, 2004

By: /s/ DON R. MADISON
Don R. Madison
Vice President
Chief Financial Officer
(Principal Accounting and Financial Officer)



PRESS RELEASE

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FOR IMMEDIATE RELEASE

POWELL INDUSTRIES REPORTS FISCAL 2004 FIRST QUARTER RESULTS

HOUSTON — FEBRUARY 25, 2004 — Powell Industries, Inc. (NASDAQ: POWL), a leading manufacturer of equipment and systems for the management and control of electrical energy and other critical processes, today announced results for the fiscal 2004 first quarter ended January 31, 2004.

Revenues for the first quarter of 2004 were \$53.2 million compared to revenues of \$71.6 million for the first quarter of 2003. Net income for the first quarter was \$747,000, or \$0.07 per diluted share, compared to \$2.5 million, or \$0.24 per diluted share, in the same period a year ago. The company generated \$269,000 in free cash flow, defined as total cash flow from operations of \$1.804 million less all capital expenditures of \$1.535 million, in the first quarter. The company uses this measure because it believes free cash flow is a good indicator of operating efficiency.

Thomas W. Powell, chairman and chief executive officer, stated, "We continued to see weakness and depressed pricing levels in our product markets during our first quarter. While opportunities for new projects are improving and our inquiry levels are up, we do not expect to see meaningful improvements until later in 2004."

The Electrical Power Products segment recorded revenues of \$46.2 million in the first quarter compared to \$65.6 million in the first quarter a year ago. Income from continuing operations before income taxes for Electrical Power Products totaled \$0.931 million versus \$4.6 million in last year's first quarter.

Process Control Systems revenues for the first quarter were \$7.1 million compared to \$6.0 million for the same period a year ago. Income from continuing operations before income taxes for Process Control Systems totaled \$249,000 versus \$215,000 a year ago.

The company's order backlog as of January 31, 2004, was \$137.3 million, compared to \$157.5 million at fiscal year-end 2003 and \$168.5 million at the end of the first quarter one year ago. New orders placed during the first quarter totaled \$33.1 million versus \$36.3 million in our fourth quarter of 2003 and \$50.7 million in the first quarter a year ago.

OUTLOOK

The following statements are based on the current expectations of the company. These statements are forward-looking and actual results may differ materially as further elaborated in the last paragraph below.

Based on current booking trends, Powell Industries now expects fiscal 2004 second quarter earnings to range between \$0.04 and \$0.09 per diluted share, and full year 2004 earnings to range between \$0.35 and \$0.50 per diluted share. Fiscal 2004 revenue is expected to range between \$205 million and \$220 million, and free cash flow, defined as total cash flow from operations less all capital expenditures, is expected to range between \$5 million and \$10 million.

CONFERENCE CALL

Powell Industries has scheduled a conference call for Wednesday, February 25, 2004, at 11:00 a.m. eastern time. To participate in the conference call, dial (303) 262-2075 at least 10 minutes before the call begins and ask for the Powell Industries conference call. A replay of the call will be available approximately two hours after the live broadcast ends and will be accessible until March 3, 2004. To access the replay, dial (303) 590-3000 using a passcode of 570572.

Investors, analysts and the general public will also have the opportunity to listen to the conference call over the Internet by visiting <http://www.powellind.com>. To listen to the live call on the web, please visit the website at least fifteen 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 30 days at <http://www.powellind.com>.

Powell Industries, Inc., headquartered in Houston, TX, designs, manufactures and services equipment and systems for the management and control of electrical energy and other critical processes. Powell provides products and services to the transportation, environmental, industrial and utility industries. For more information, please visit www.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 uncertainty 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, including but not limited to 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 STATEMENT OF OPERATIONS

| | Three Months Ended January 31, | |
|---|-----------------------------------|-----------|
| | 2004 | 2003 |
| (In thousands, except per share data) | (Unaudited) | |
| Revenues | \$ 53,227 | \$ 71,580 |
| Cost of goods sold | 43,672 | 57,348 |
| Gross profit | 9,555 | 14,232 |
| Selling, general and administrative expenses | 8,540 | 9,409 |
| Income before interest and income taxes | 1,015 | 4,823 |
| Interest expense | 27 | 86 |
| Interest income | (192) | (92) |
| Income from continuing operations before income taxes and cumulative effect of change in accounting principle | 1,180 | 4,829 |
| Income tax provision | 433 | 1,795 |
| Income from continuing operations before cumulative effect of change in accounting principle | 747 | 3,034 |
| Cumulative effect of change in accounting principle, net of tax | -- | (510) |
| Net income | \$ 747 | \$ 2,524 |
| Net earnings per common share: | | |
| Basic: | | |
| Earnings from continuing operations | \$ 0.07 | \$ 0.29 |
| Cumulative effect of change in accounting principle | -- | (0.05) |
| Net earnings | \$ 0.07 | \$ 0.24 |
| Diluted: | | |
| Earnings from continued operations | \$ 0.07 | \$ 0.28 |
| Cumulative effect of change in accounting principle | -- | (0.04) |
| Net earnings | \$ 0.07 | \$ 0.24 |
| Weighted average number of common shares outstanding | 10,653 | 10,574 |
| Weighted average number of common and common equivalent shares outstanding | 10,758 | 10,676 |
| SELECTED FINANCIAL DATA: | | |
| Capital Expenditures | 1,535 | \$ 1,840 |
| Depreciation and amortization | 1,142 | \$ 1,267 |

POWELL INDUSTRIES, INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

| (In thousands) | <u>January 31, 2004</u> | <u>October 31, 2003</u> |
|---|-----------------------------|-----------------------------|
| | (Unaudited) | |
| Assets: | | |
| Current assets | \$140,395 | \$141,313 |
| Property, plant and equipment (net) | 44,453 | 43,998 |
| Other assets | 5,167 | 5,029 |
| Total assets | <u>\$190,015</u> | <u>\$190,340</u> |
| Liabilities & stockholders' equity: | | |
| Current liabilities | \$ 42,690 | \$ 44,424 |
| Long-term debt and capital lease obligations, net of current maturities | 6,864 | 6,891 |
| Deferred and other long-term liabilities | 2,531 | 2,421 |
| Stockholders' equity | 137,930 | 136,604 |
| Total liabilities and stockholders' equity | <u>\$190,015</u> | <u>\$190,340</u> |

POWELL INDUSTRIES, INC. & SUBSIDIARIES
BUSINESS SEGMENTS

| (In thousands) | <u>Three Months Ended January 31,</u> | |
|---|---|-----------------------------|
| | <u>2004</u> | <u>2003</u> |
| | (Unaudited) | |
| Revenues: | | |
| Electrical Power Products | \$46,159 | \$65,561 |
| Process Control Systems | 7,068 | 6,019 |
| Total revenues | <u>\$53,227</u> | <u>\$71,580</u> |
| Income from continuing operations before income taxes and cumulative effect of change in accounting principle: | | |
| Electrical Power Products | \$ 931 | \$ 4,614 |
| Process Control Systems | 249 | 215 |
| Total income from continuing operations before income taxes and cumulative effect of change in accounting principle | <u>\$ 1,180</u> | <u>\$ 4,829</u> |
| | <u>January 31, 2004</u> | <u>October 31, 2003</u> |
| | (Unaudited) | |

Assets:

| | | |
|---------------------------|-----------|-----------|
| Electrical Power Products | \$126,628 | \$127,721 |
| Process Control Systems | 14,099 | 14,269 |
| Corporate | 49,288 | 48,350 |
| | <hr/> | <hr/> |
| Total assets | \$190,015 | \$190,340 |
| | <hr/> | <hr/> |

Backlog:

| | | |
|---------------------------|-----------|-----------|
| Electrical Power Products | \$ 81,092 | \$ 96,986 |
| Process Control Systems | 56,237 | 60,473 |
| | <hr/> | <hr/> |
| Total backlog | \$137,329 | \$157,459 |
| | <hr/> | <hr/> |
