

Powell Industries, Inc.

(NASDAQ:POWL)

Investor Presentation | January 2024



Forward Looking Statements

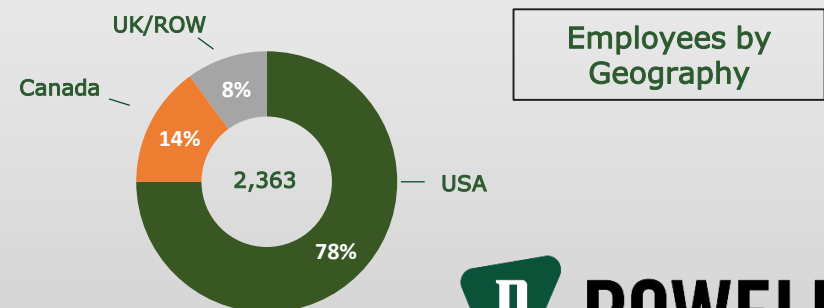
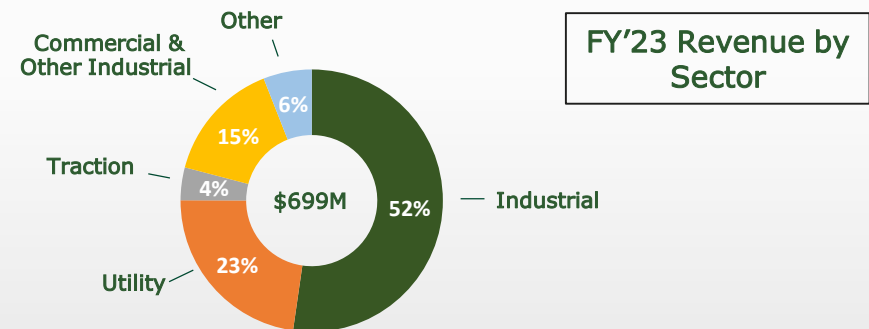
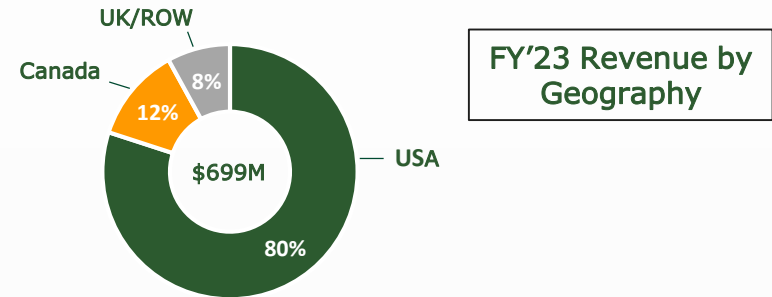
Any forward looking statements made during or in connection with this presentation are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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. These risks and uncertainties include, without limitation, difficulties which could arise in obtaining materials or components in sufficient quantities as needed for the Company's manufacturing and assembly operations, unforeseen political or economic problems in countries to which the Company exports its products in relation to the Company's principal competitors, any significant decrease in the Company's backlog of orders, any material employee relations problems or any material litigation or claims made against the Company, as well as general market conditions, competition, and pricing.

Please refer to the Company's filings with the Securities and Exchange Commission for further information, which can be found at powellindustriesinc.gcs-web.com.

Powell Industries ... Who We Are

- ✓ Founded in 1947 with headquarters in Houston, Texas
- ✓ A solutions provider for complex electrical applications
- ✓ Global manufacturing footprint
- ✓ FY2023 revenues of \$699M
- ✓ Unleveraged balance sheet

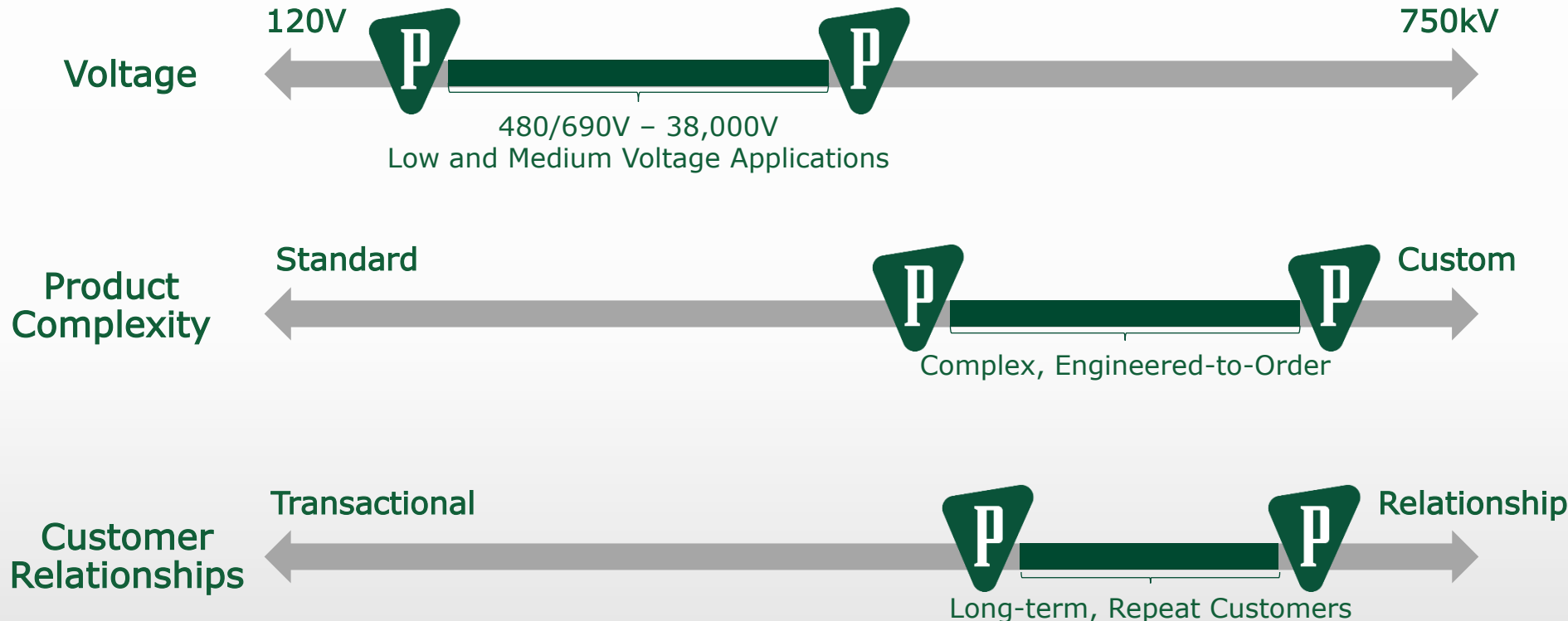


Experts in Electrical Distribution

Leader in the custom design, manufacture and service of complex electrical solutions where critical power applications demand safe and reliable supply

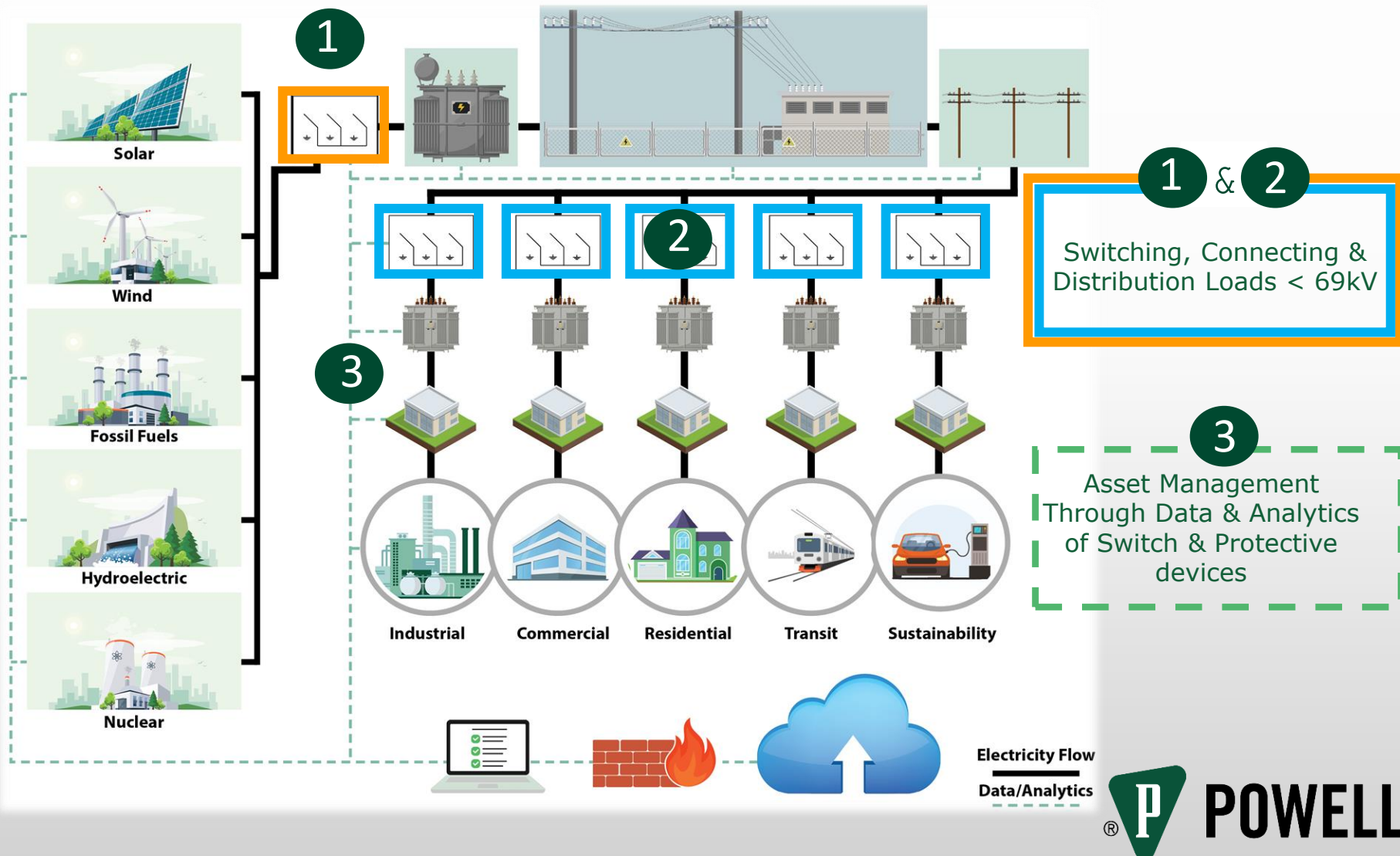


Market Focus



Nature of Highly Complex, Custom Solutions Fosters Recurring Customers

Focusing on Electrical Distribution



Switchgear Solutions



American National Standards Institute (ANSI)

Predominant Standard in North America



International Electrotechnical Commission (IEC)

Predominant Standard Outside North America



Engineered to Order Customized Power Distribution

Integrated Power Solutions



Power Control Room



Custom Engineered Module

Secure factory controlled environment for fabrication versus jobsite construction

Expertise of electrical distribution & control while compliant to latest building & energy codes

Coordination of multiple interfaces & auxiliary systems with the highest safety standards

Fully complete, operationally ready, integrated and tested solution

Optimizing Electrical Power Solutions

Typical Power Control Room



Typical PCR Project

- ✓ Engineered to Order
- ✓ ~45 engineers
- ✓ ~97 sub-suppliers
- ✓ ~4,400 purchased components
- ✓ ~750 electrical & mechanical drawings

Control & Monitoring Solutions



Intelligent Power Products

Digital Sensors and Asset Management



Custom Engineered Control

Power Management and System Integration

Power management, control, electrical asset health monitoring & management

System architecture design, integrating intelligent electrical devices & industry standard protocols

Standard & engineered to order applications with custom engineered user interface

Robust integration testing of application, control and monitoring solutions

Delivered Value

Primary End Markets

Oil, Gas and Petrochemicals

Processing liquids & gases requires safe reliable energy

- Liquefied Natural Gas (LNG)
- Refining
- Petrochemical
- Pipelines
- Upstream Production



Industrial & Commercial Applications

Industries that require or produce large amounts of electrical energy

- Utilities – Generation & Distribution
- Transportation – Light Rail
- Metals and Mining
- Pulp and Paper
- Datacenters



Developing Market Opportunities

New Technologies Driving Opportunity... Increased demand for cleaner energy and lower cost of ownership is opening new growth opportunities



Automation

Remote diagnostics and predictive analytics are lowering the overall cost of ownership for capital equipment globally



Biofuels/Biodiesel

Demand for renewable energy continues to grow ... Brownfield facilities being converted to bio-fuel production



Grid Resilience & Energy Storage

Distributed switching applications and technologies ... Evolving battery storage technology ... Low and Medium voltage distribution applications emerge



Carbon Capture & Sequestration

Moving compressed CO2 from the source to permanent underground storage requires complex distribution systems



Hydrogen

Technologies supporting the safe and efficient production of hydrogen as a fuel requires considerable electrical energy

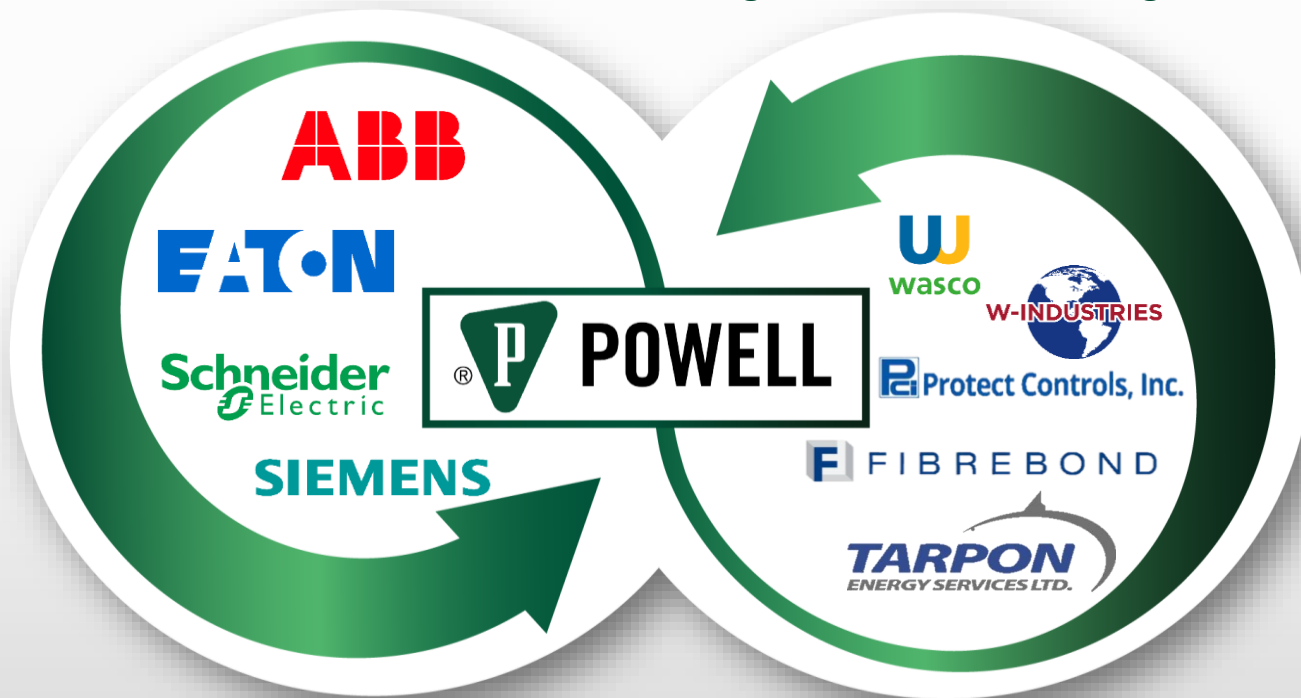
Near Term Opportunities

Longer Term Opportunities

Competitors / Partners

Unique Position *as a full line manufacturer with complete integration capability at multiple locations*

Electrical Equipment Manufacturers Regional Fabricators/Integrators

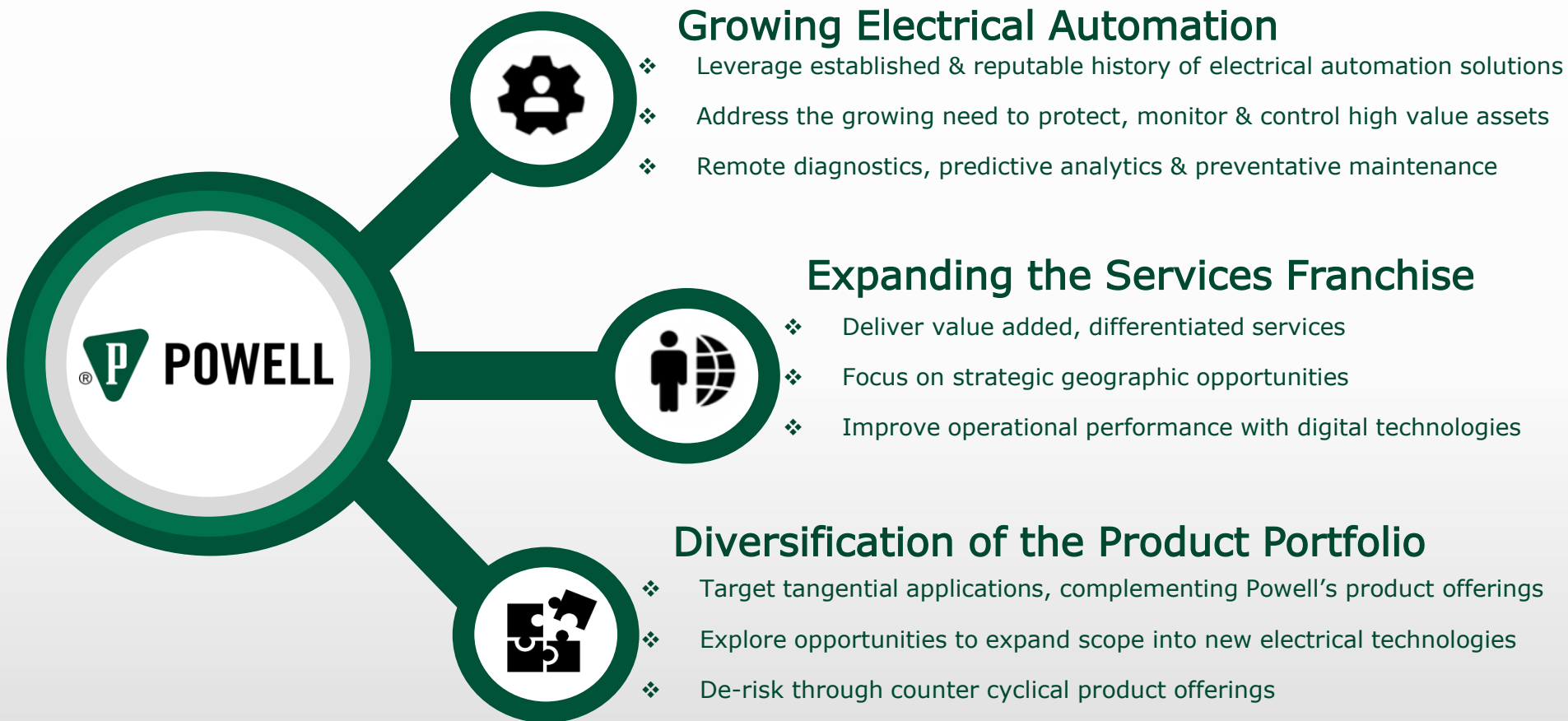


HVAC Systems
Battery Systems

Fire / Gas Detection
Communications

Safety Stations
3rd Party Certification

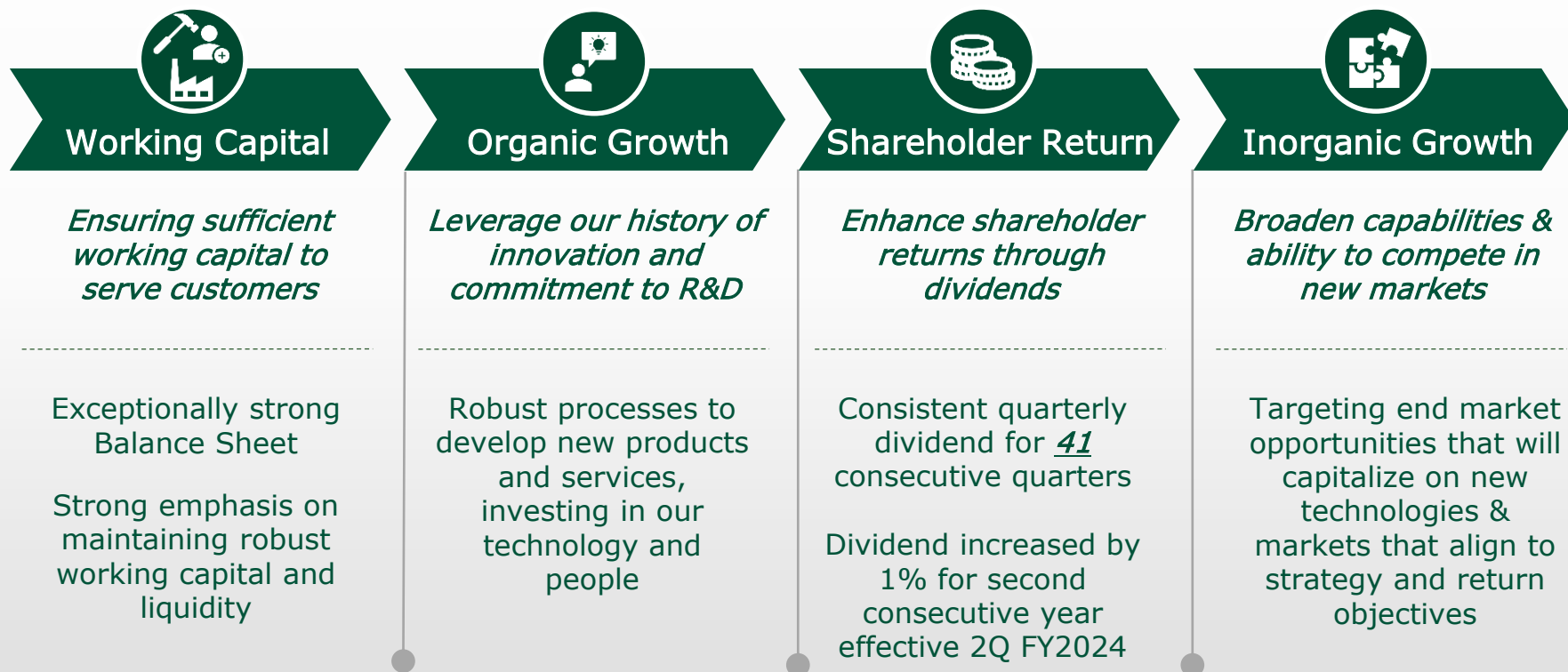
Strategic Focus Areas



Focused on Enhancing Profitability Across Strategic Applications

Capital Allocation Framework

Committed to a **balanced approach** to capital allocation to maximize returns on capital and create sustainable shareholder value



Historical Financials

(\$000) Excluding EPS	Net Revenue	Gross Profit %	EBITDA Margin %^{-a)}	D&A	Capital Spending	Diluted Earnings Per Share^{-b)}	Operating Cash Flow
FY2019	517,180	16.8%	4.5%	12,032	4,306	\$ 0.85	68,759
FY2020	518,499	18.2%	5.8%	10,538	5,163	\$ 1.42	72,394
FY2021	470,559	16.0%	2.4%	10,335	2,931	\$ 0.05	(30,461)
FY2022	532,582	16.0%	3.5%	9,358	2,451	\$ 1.15	(3,582)
FY2023	699,308	21.1%	10.2%	8,606	7,819	\$ 4.50	182,553
1Q YTD 2024	194,017	24.8%	14.2%	1,641	1,235	\$ 1.98	83,898

Demonstrated Operational & Financial Discipline Across Industry Cycles

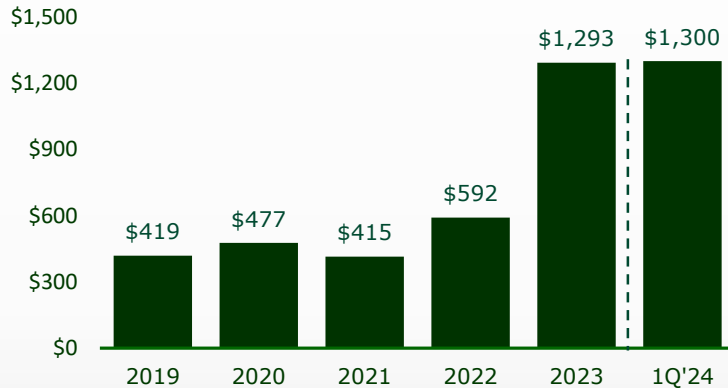
(a- See Supplemental Financial Information regarding non-GAAP reconciliations.

(b- FY2022 diluted EPS includes unusual items totaling \$0.80. FY2023 diluted EPS includes unusual items totaling \$0.38

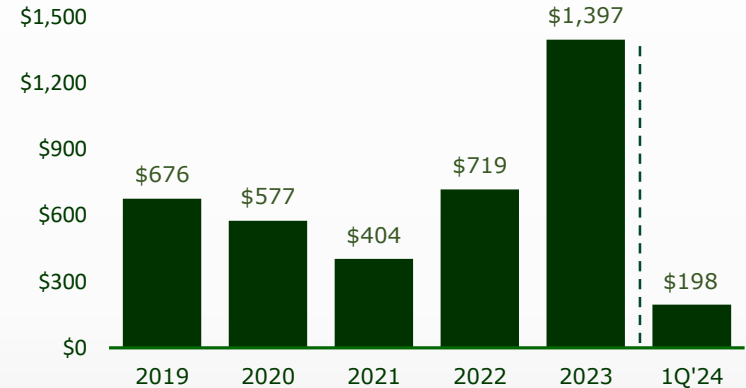
Backlog, Orders & Revenue Trend

(\$MM)

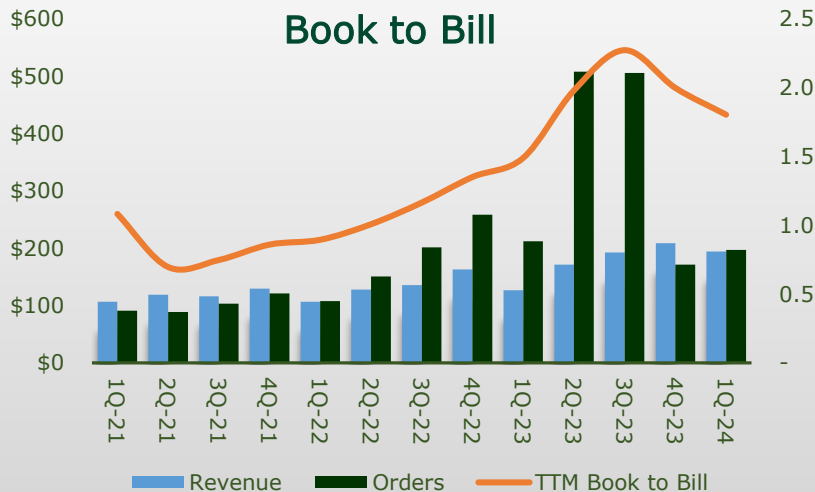
Backlog



Orders



Book to Bill

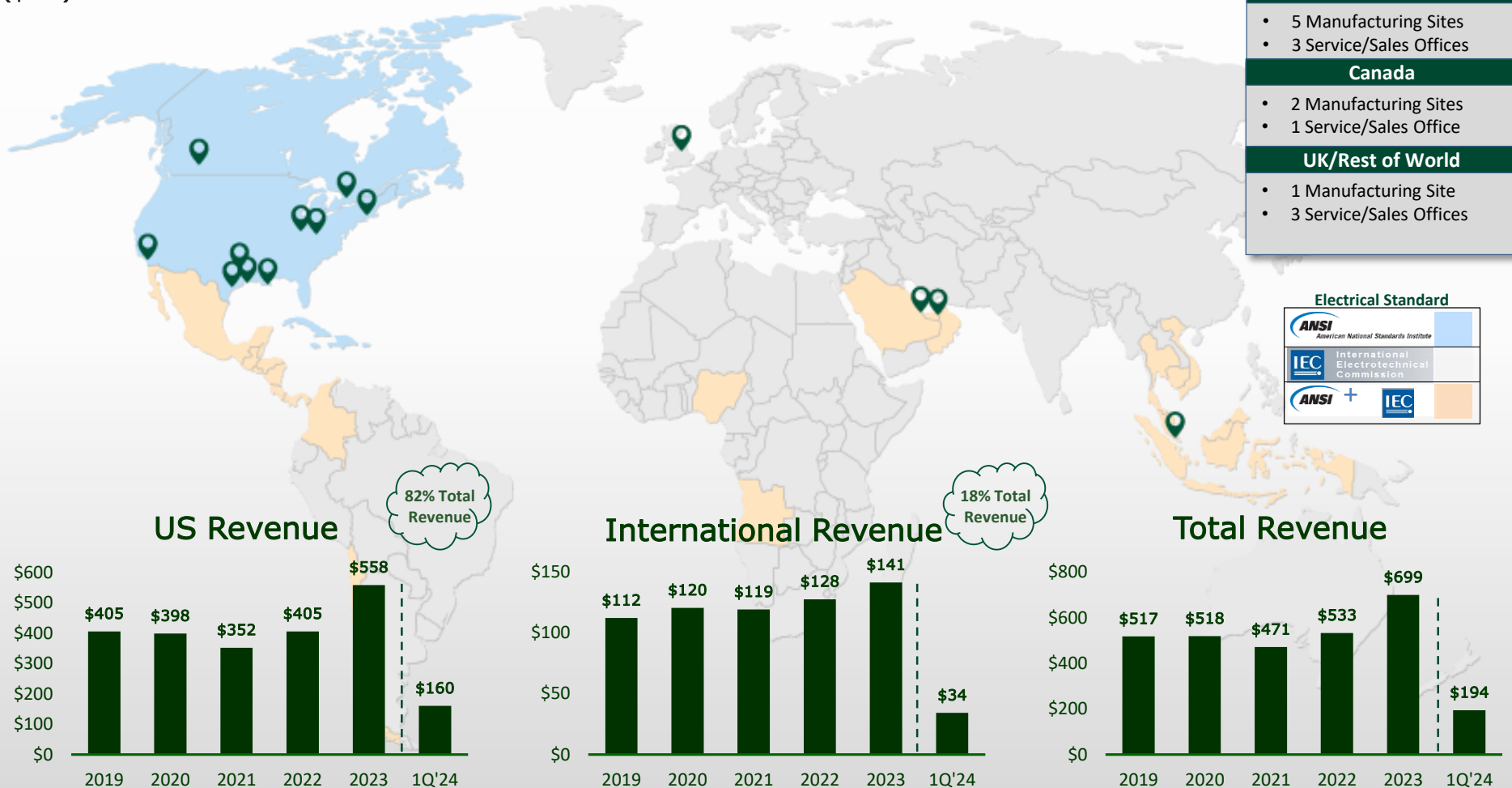


1Q Fiscal 2024 Highlights

- 12 month rolling Book to Bill ratio → 1.8x
- Backlog convertibility typically 12-18 months
- Record backlog ... Booking into Fiscal 2025
- Strong activity across most end markets

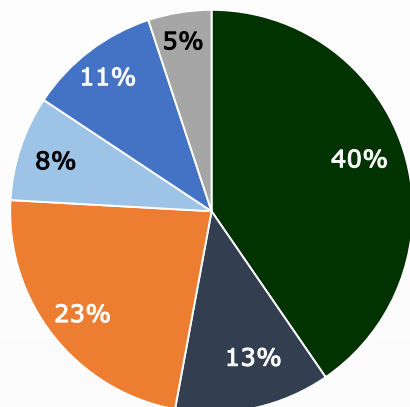
Global Presence

(\$MM)

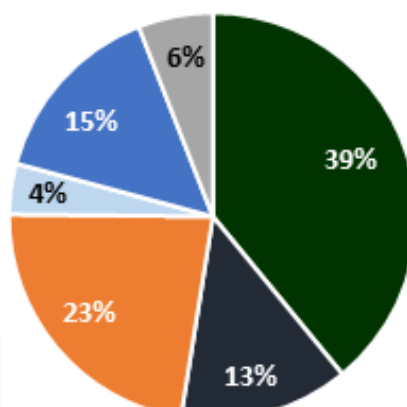


Revenue Mix By Sector

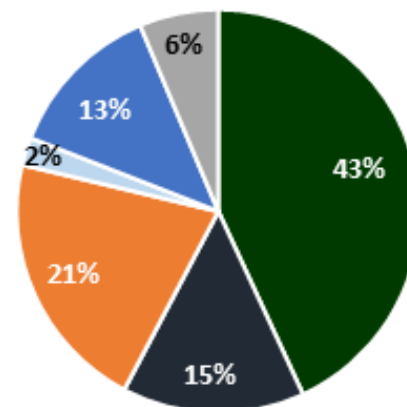
(\$MM)



FY2022
\$533 million



FY2023
\$699 million



1Q FY2024
\$194 million

■ Oil & Gas
 ■ Petrochemical
 ■ Utility
 ■ Traction
 ■ Commercial & Other Industrial
 ■ Other

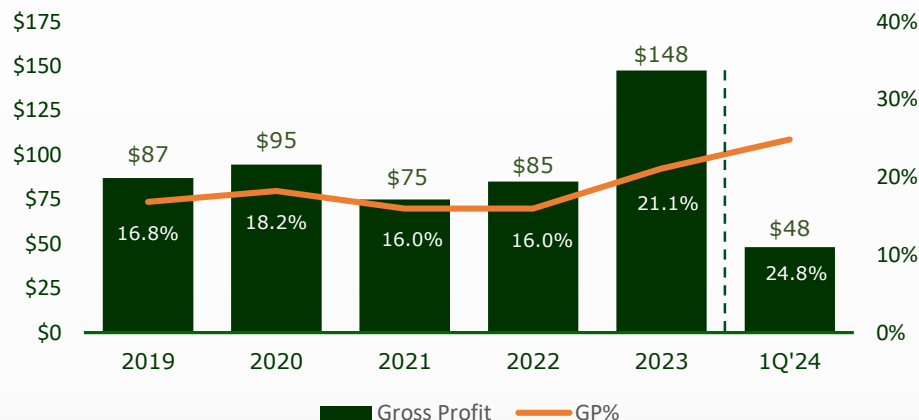
Sectors

- **Oil & Gas** ... LNG, Midstream & Downstream processing, refining, pipelines
- **Petrochemical** ... Downstream industrial transformational processes
- **Utility** ... Targeting power distribution and power generation facilities
- **Traction** ... Supporting global light rail infrastructure
- **Commercial & Other Industrial** ... Data Centers, Pulp & Paper, Mining
- **Other** ... Universities, Original Equipment Manufacturers, Government

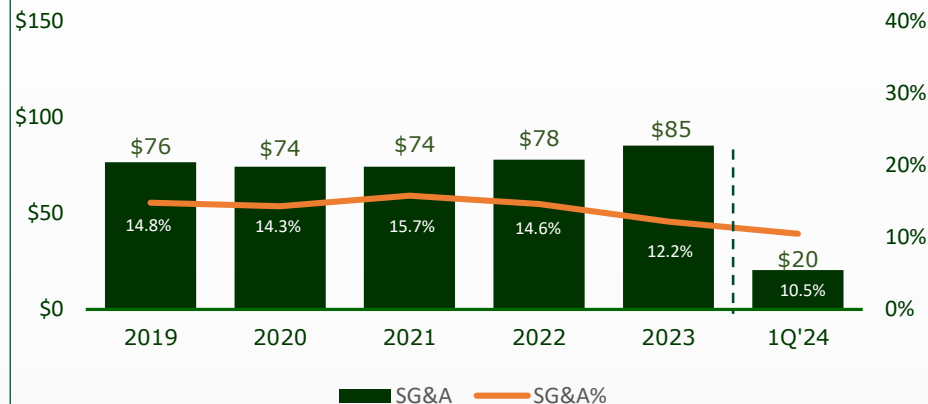
Income Statement Metrics

(\$MM)

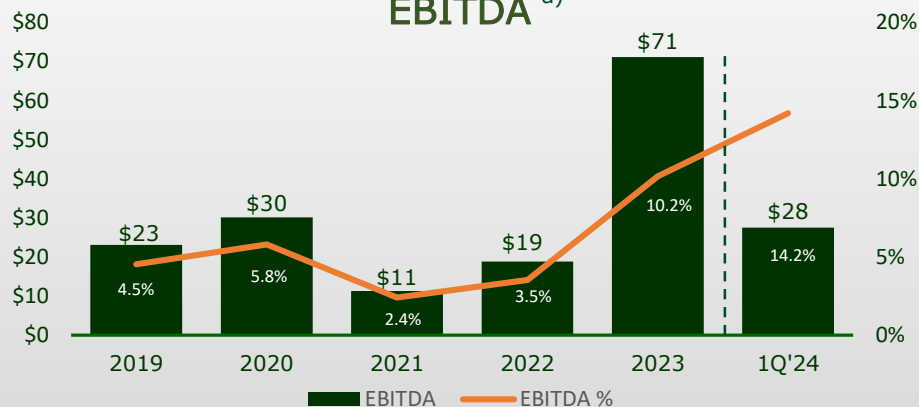
Gross Profit



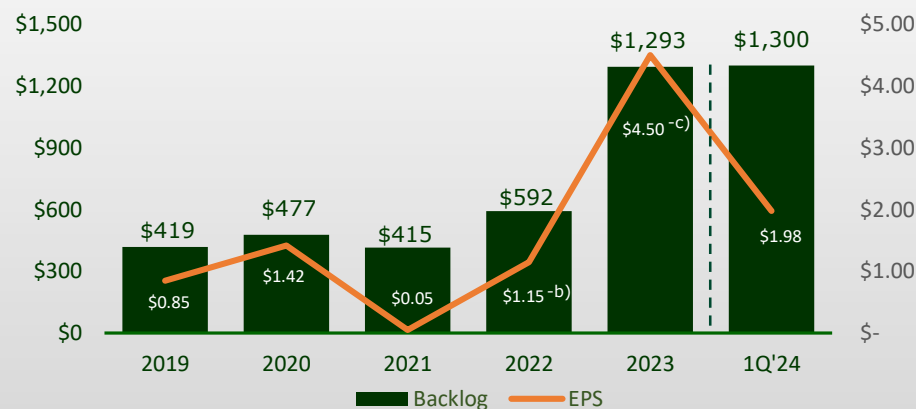
SG&A (Includes R&D Expense)



EBITDA^{-a)}



Backlog & Diluted EPS



(a- See Supplemental Financial Information regarding non-GAAP reconciliations.

(b- FY2022 diluted EPS includes unusual items totaling \$0.80.

(c- FY2023 diluted EPS includes unusual items totaling \$0.38.

Balance Sheet Metrics

(\$MM, except where otherwise indicated)	Sept FY 2019	Sept FY 2020	Sept FY 2021	Sept FY 2022	Sept FY 2023	Dec FY 2024
Cash and ST Investments	\$ 125	\$ 179	\$ 134	\$ 117	\$ 279	\$ 355
Debt	\$ 1.2	\$ 0.8	\$ 0.4	\$ -	\$ -	\$ -
Equity	\$ 299	\$ 307	\$ 301	\$ 297	\$ 345	\$ 366
Working Capital^{a)}	\$ 170.7	\$ 182.7	\$ 181.3	\$ 183.6	\$ 226.3	\$ 247.0
Working Capital Turns	3.2x	2.9x	2.6x	3.0x	3.5x	3.6x
Current Ratio	2.1 to 1	2.2 to 1	2.5 to 1	2.0 to 1	1.6 to 1	1.6 to 1
DSO	68 days	55 days	54 days	59 days	89 days	79 days
Return on Equity %	3.3%	5.4%	0.2%	4.6%	15.8%	6.6%

(a- Working Capital includes Cash, Cash Equivalents and ST Investments)

Exceptional Balance Sheet & Strong Liquidity Position

Attractive Investment Opportunity

- Leader in engineer-to-order, value added solutions for complex electrical distribution applications that require the management & control of electrical energy
- Domain expertise on complex, large projects where customer risk is high
- The growth in electrification requirements across the global landscape that is driving increased demand for power, requires reliable, safe and efficient power solutions
- Products are typically on the 'critical path' for large EPC projects
- Strong product lineup through a history of innovation and R&D, coupled with in-house engineering & manufacturing capabilities
- Strong presence in medium voltage breaker market with Powl/Vac® breaker and the Power/Vac® breaker acquired from General Electric
- Strategic efforts focused on diversification into nascent markets such as biofuels, biodiesel, hydrogen, energy storage and carbon capture and sequestration
- Very strong balance sheet and zero debt offers optionality

Appendix



Manufacturing Locations



Mosley Road
Houston, Texas
Corporate Office
Manufacturing Facility
428,515 Square Feet



Airport Blvd.
Houston, Texas
Office
Manufacturing Facility
290,554 Square Feet



Jacintoport Blvd.
Houston, Texas
Office
Fabrication Yard / 62 Acres
82,320 Square Feet
Galveston Bay Access

Manufacturing Locations



Railroad Avenue
Northlake, Illinois
Office
Manufacturing Facility
103,500 Square Feet



Pleasantwood Avenue
North Canton, Ohio
Office
Manufacturing Facility
115,200 Square Feet

Manufacturing Locations



Powell Canada
Acheson, Alberta
Office
Manufacturing Facility
330,168 Square Feet



Nextron, A Division of Powell
Calgary, Alberta
Office
Manufacturing Facility
10,978 Square Feet



Powell UK
Bradford, West Yorkshire
Office
Manufacturing Facility
129,300 Square Feet



Supplemental Financial Information

Non-GAAP Reconciliations	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Q1
	\$000, except for otherwise indicated					
Reconciliation of Net Income (Loss) to EBITDA						
Net income (loss)	\$ 9,890	\$ 16,660	\$ 631	\$ 13,737	\$ 54,525	\$ 24,085
Plus:						
Income tax provision (benefit)	2,444	3,670	461	(3,894)	14,425	5,793
Net interest expense (income)	(873)	(753)	(73)	(334)	(6,430)	(3,998)
Depreciation and amortization	12,032	10,538	10,335	9,358	8,606	1,641
EBITDA	\$ 23,493	\$ 30,115	\$ 11,354	\$ 18,867	\$ 71,126	\$ 27,521
Revenues	\$517,180	\$518,499	\$470,559	\$532,582	\$699,308	\$ 194,017
EBITDA Margin %	4.5%	5.8%	2.4%	3.5%	10.2%	14.2%

Powell Industries, Inc.

(NASDAQ:POWL)

Investor Presentation | January 2024

