



Powell Industries, Inc. (NASDAQ:POWL)

Investor Deck

February 2023



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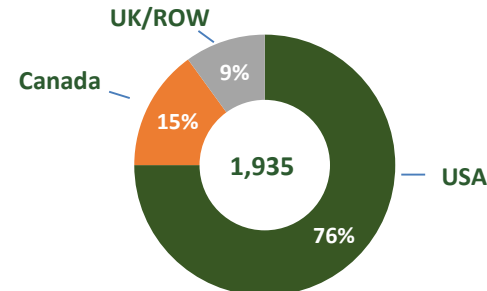
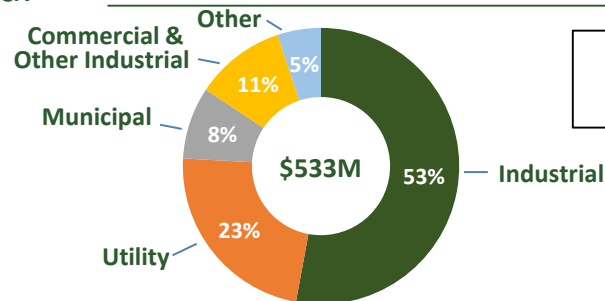
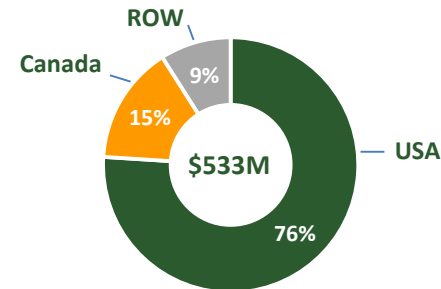
Forward Looking Statements

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
- ✓ FY2022 revenues of \$533M
- ✓ Unleveraged balance sheet



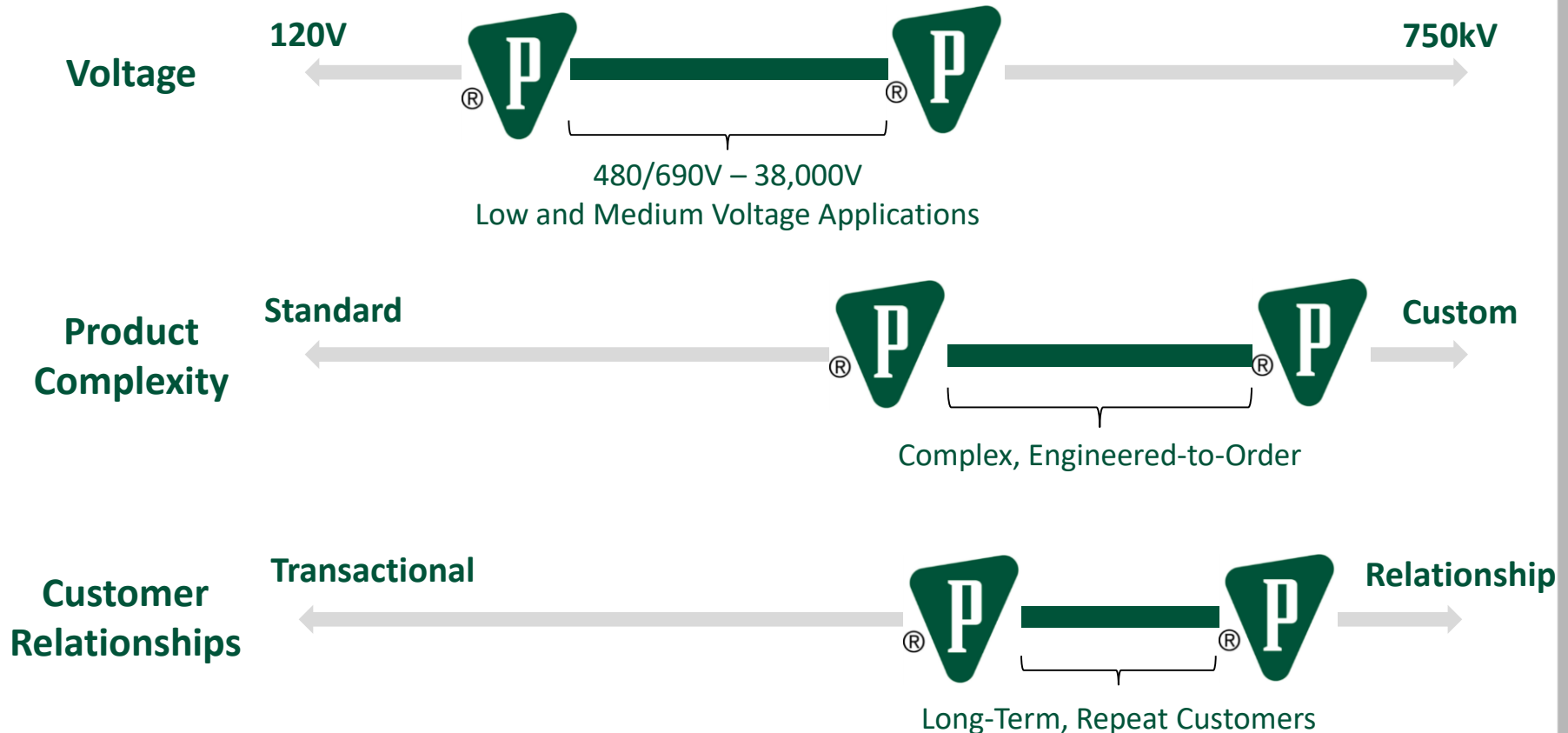
A Leading Provider of Custom Power Distribution Solutions

Powell Industries

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

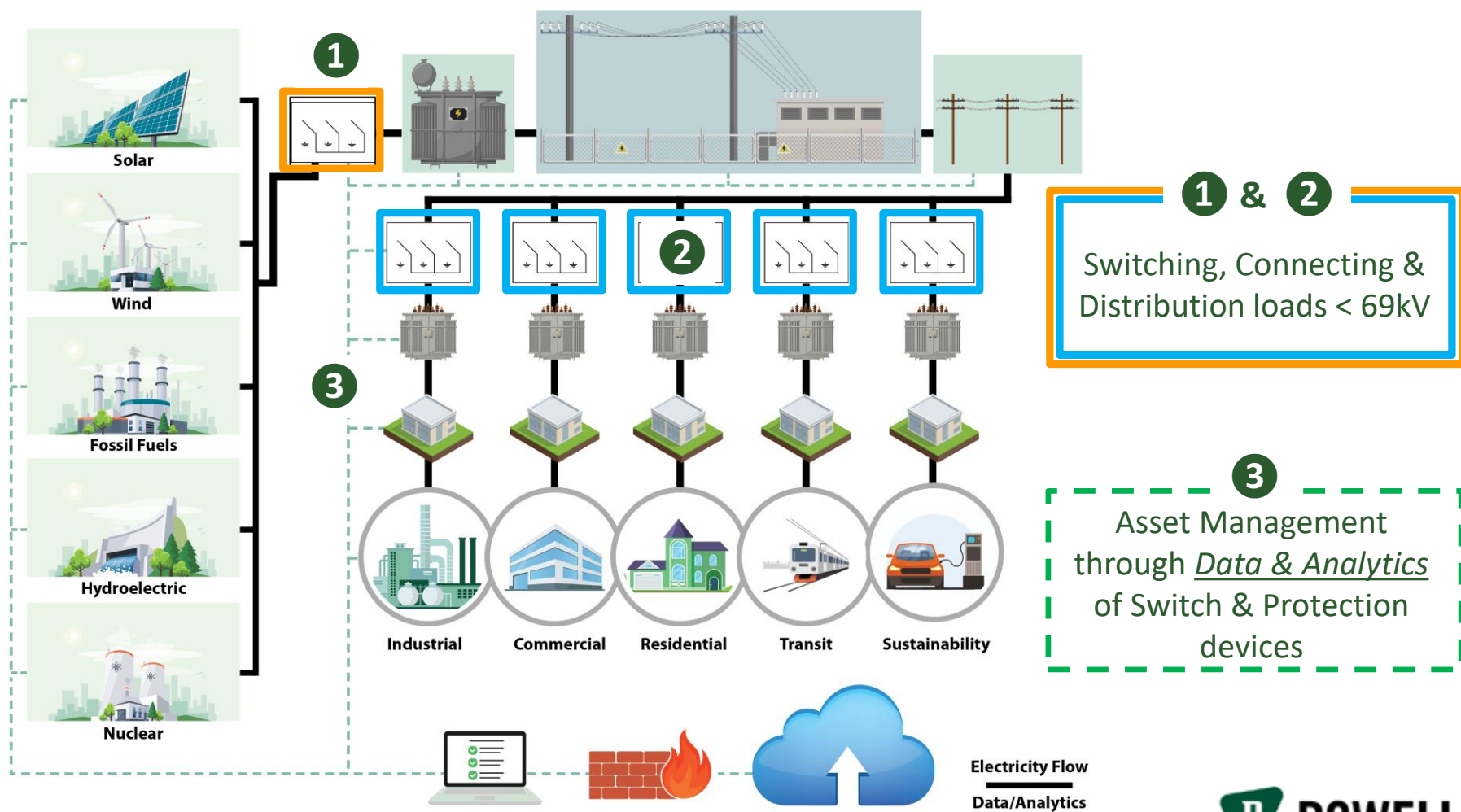


Market Focus



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

Flexible design and
construction to your
unique application

Meets or exceeds
the requirements of
national, regional
and local standards

Experienced technical
resources driving
superior end products

Reliable, engineered
to order, tested
electrical solutions

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

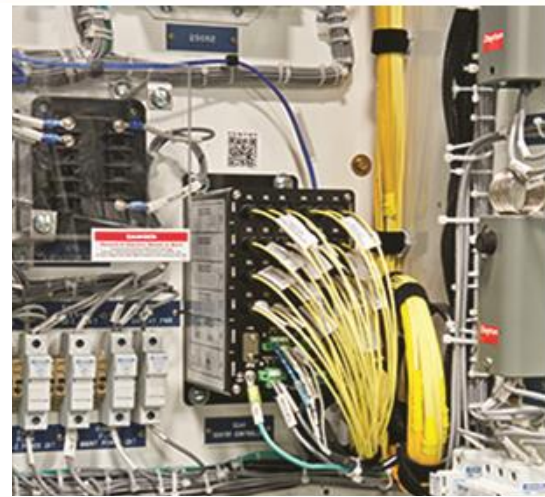
Coordination of multiple interfaces & auxiliary systems with the highest safety standards

Fully complete, operationally ready, integrated and tested solution

Optimizing Electrical Power Solutions



Typical Power Control Room



Typical \$3M PCR Project

- ✓ Engineered to Order
- ✓ ~45 Engineers
- ✓ ~97 Sub-suppliers
- ✓ ~4,400 purchased components
- ✓ ~750 Electrical & Mechanical Drawings

Control and 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



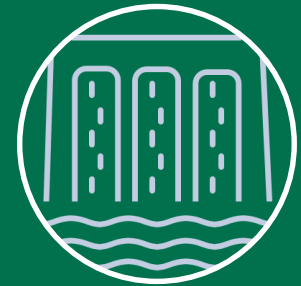
Grid Resilience & Energy Storage

Distributed switching applications and technologies ... Battery storage technology continues to evolve ... Low and Medium voltage distribution applications emerge



Carbon Capture and 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

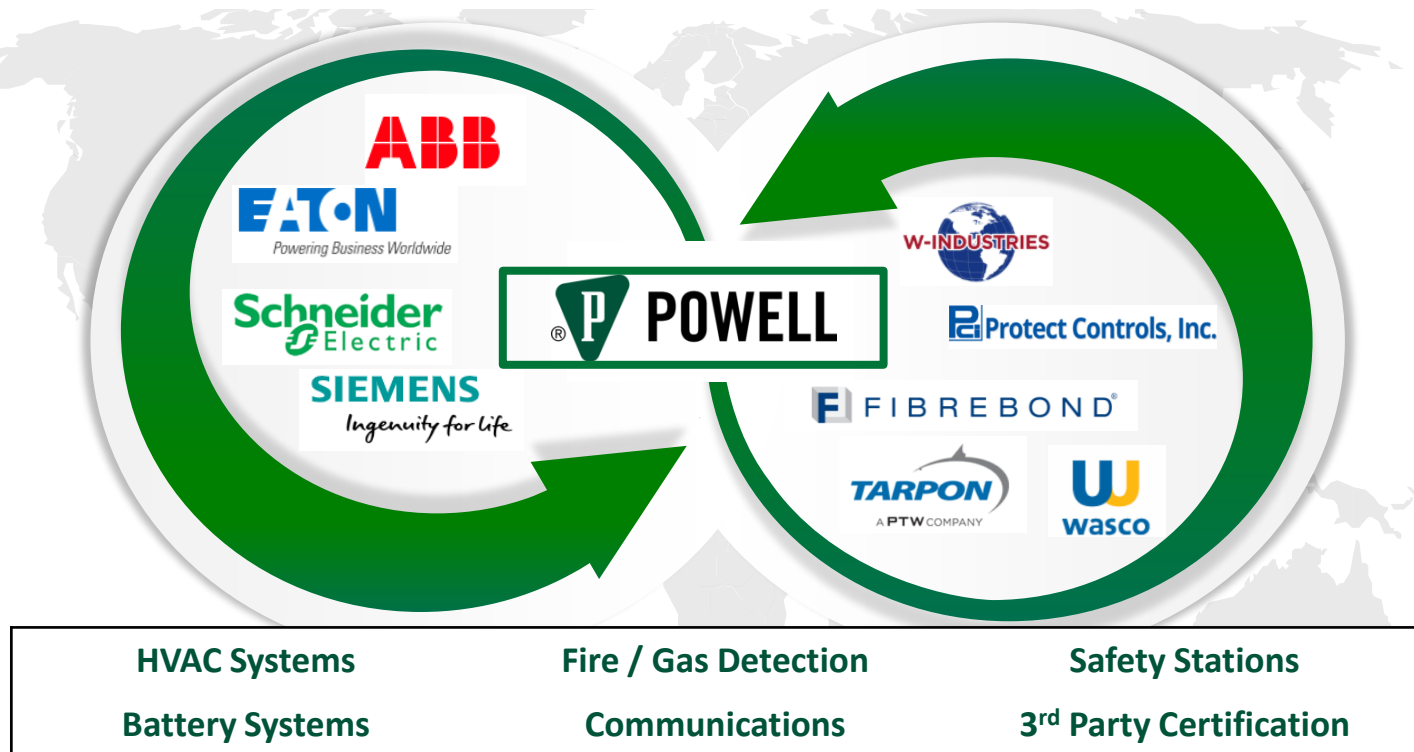
Longer Term Opportunities

Competitors / Partners

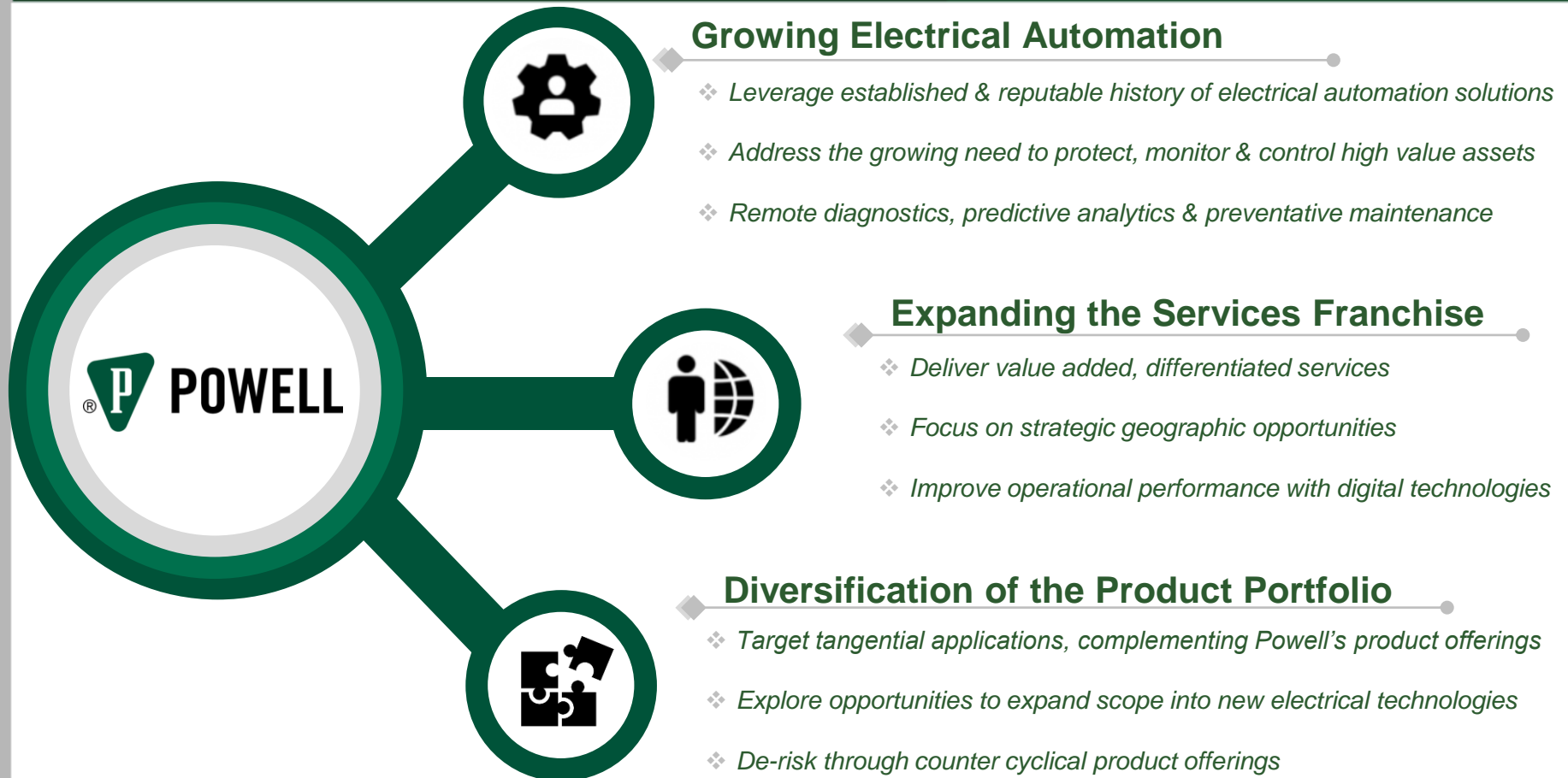
Unique Position as a full line manufacturer with complete integration capability at multiple locations

Electrical Equipment Manufacture

Regional Fabricators/Integrators



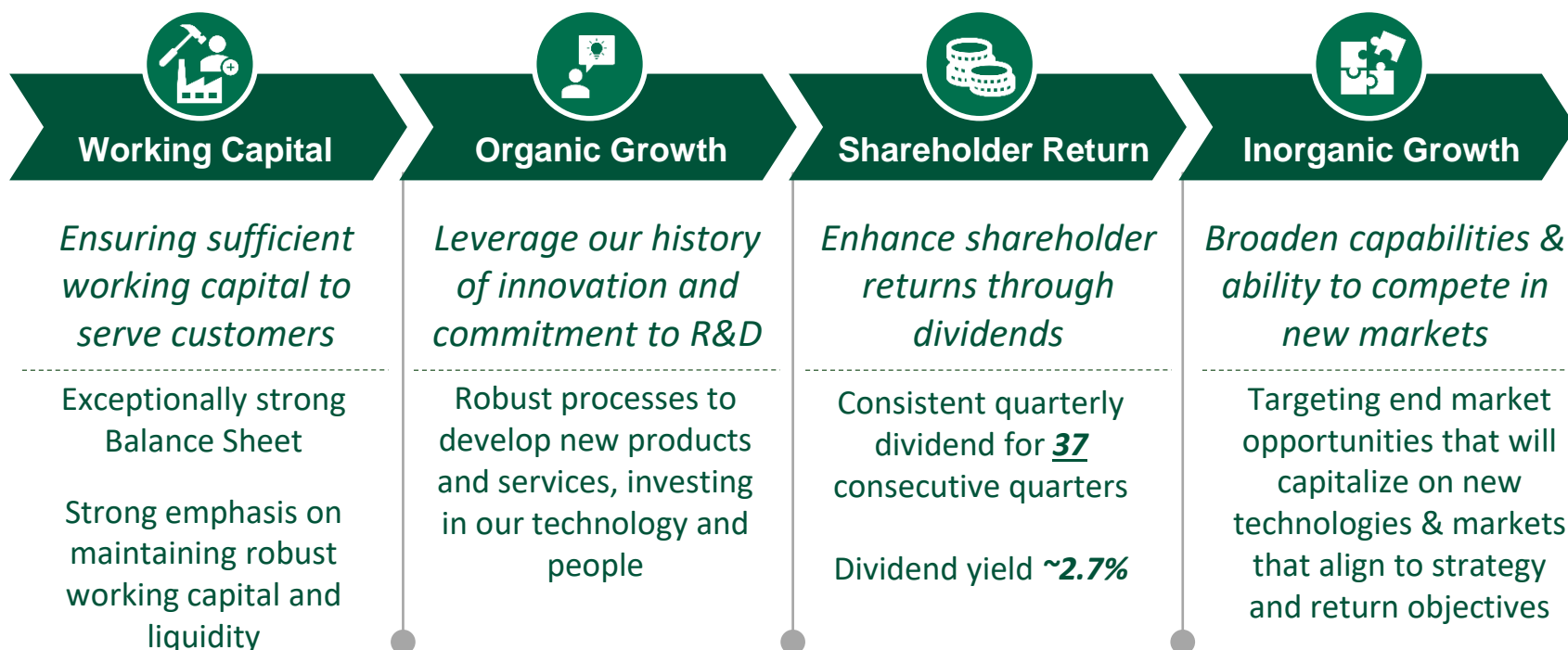
Powell's Strategic Focus Areas



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



Strong Balance Sheet Grants Powell Considerable Flexibility

Historical Financials

(\$000) <i>Excluding EPS</i>	Net Revenue	Gross Profit %	EBITDA Margin %	D&A	Capital Spending	Diluted Earnings Per Share	Operating Cash Flow
FY2018	448,716	14.6%	1.0%	12,903	4,502	\$ (0.62)	(28,543)
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 ^{-a)}	(3,582)
1Q YTD 2023	126,858	15.3%	2.5%	2,136	2,726	\$ 0.10	(549)

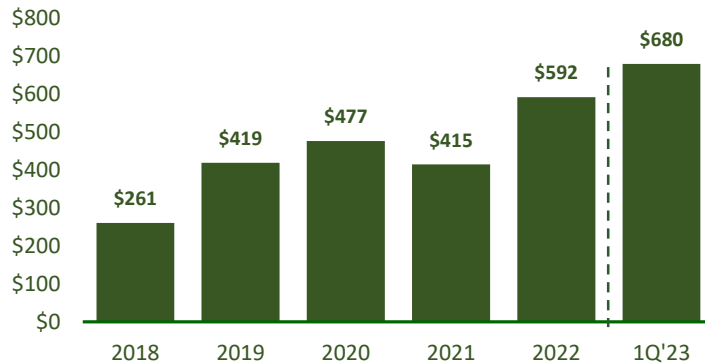
Strong Operational & Financial Discipline Across Industry Cycles

(a- FY2022 reported EPS includes 3 non-recurring items totaling \$0.80. Excluding these adjustments, operational EPS is \$0.35

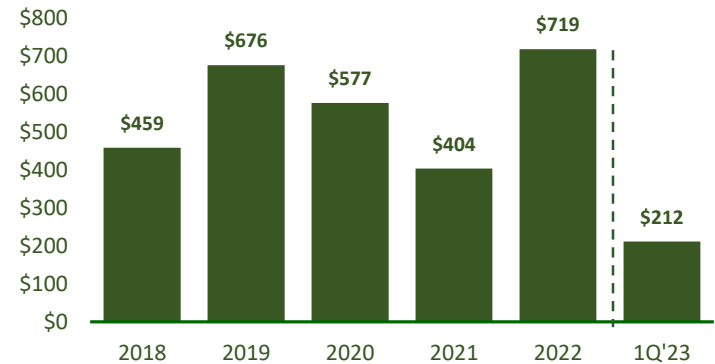
Backlog, Orders & Revenue Trend

(\$MM)

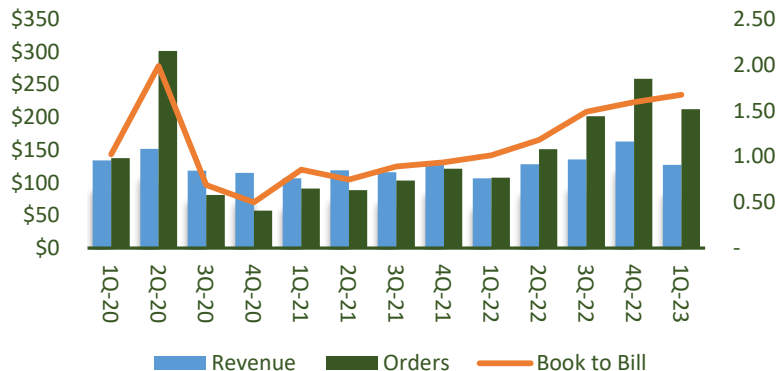
Backlog



Orders



Book to Bill



Fiscal 2023 Highlights

- ❑ 12 month rolling Book to Bill ratio → 1.5x
- ❑ Backlog convertibility ~12-18 months
- ❑ 1Q FY2023 ... Record ending backlog
- ❑ Strong activity across all end markets

Global Presence

(\$MM)



United States

- 5 Manufacturing Sites
- 3 Service/Sales Offices

Canada

- 2 Manufacturing Sites
- 1 Service/Sales Office

UK/Rest of World

- 1 Manufacturing Site
- 3 Service/Sales Offices

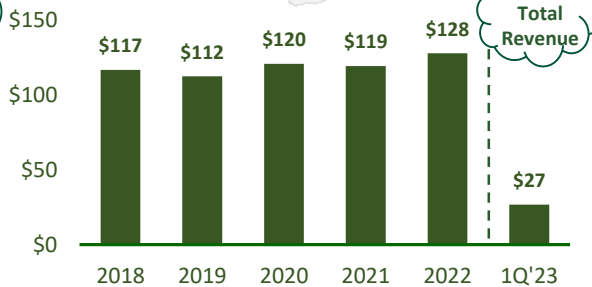
Electrical Standard



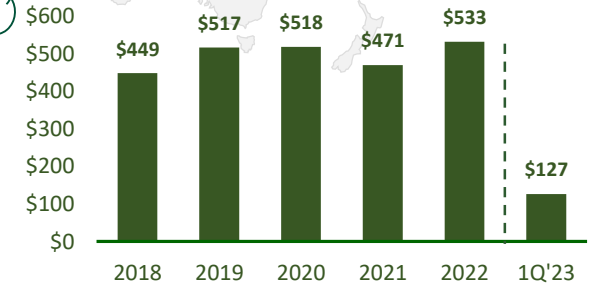
US Revenue



International Revenue

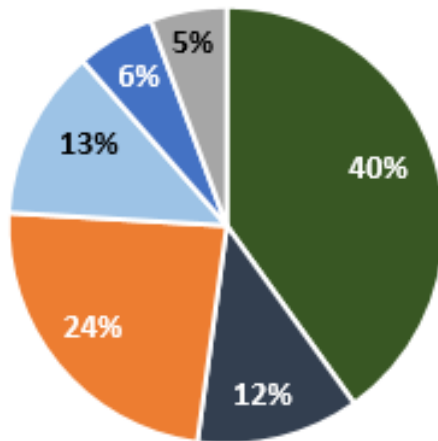


Total Revenue

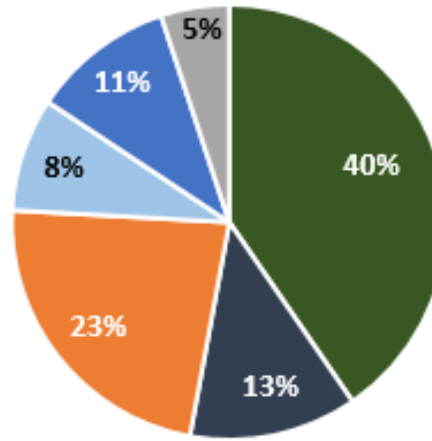


Revenue Mix by Sector

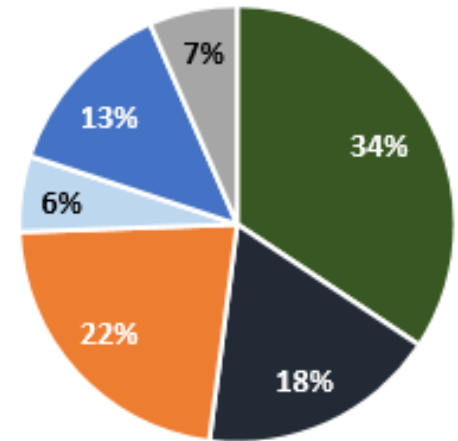
(\$MM)



FY2021
\$471 million



FY2022
\$533 million



1Q YTD FY2023
\$127 million

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

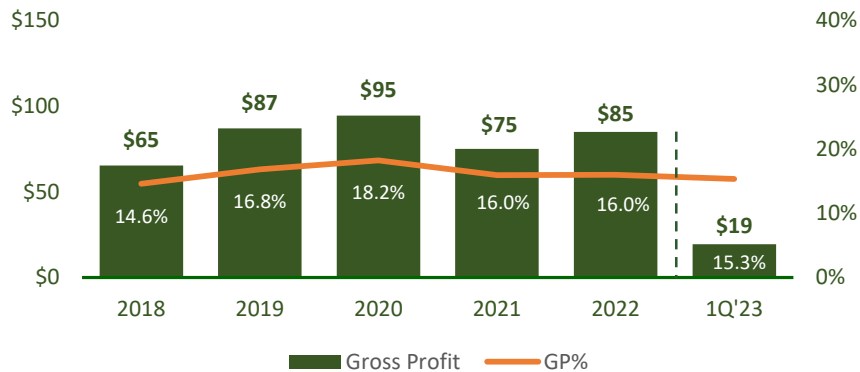
Sectors

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

Earnings

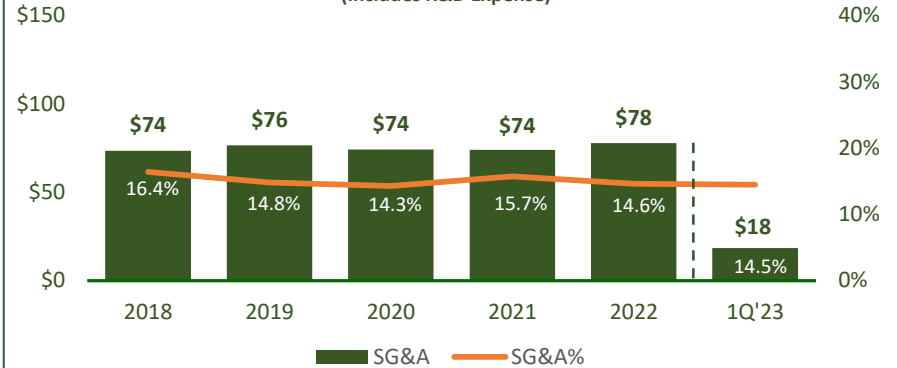
(\$MM)

Gross Profit

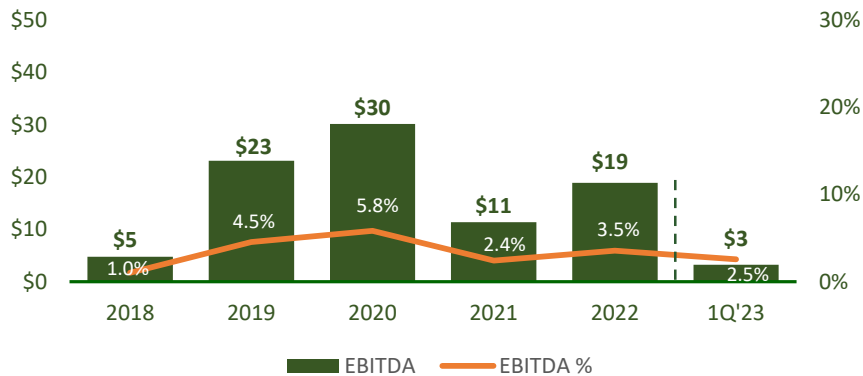


SG&A

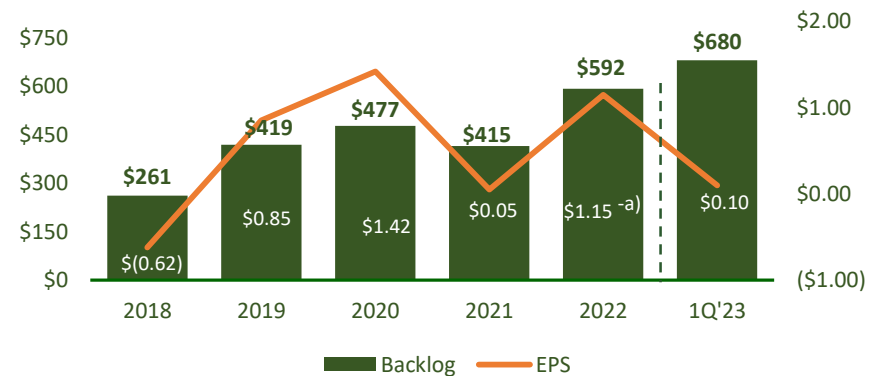
(Includes R&D Expense)



EBITDA



Backlog & EPS



(a- FY2022 reported EPS includes 3 non-recurring items totaling \$0.80. Excluding these adjustments, operational EPS is \$0.35

Balance Sheet Metrics

(\$MM)	September 2018	September 2019	September 2020	September 2021	September 2022	December 2022
Cash	\$ 75	\$ 125	\$ 179	\$ 134	\$ 117	\$ 111
Debt	1.6	1.2	0.8	0.4	-	-
Equity	302	299	307	301	297	298
Working Capital (Ex-Cash)	90	46	4	48	67	75
Working Capital Turns	6.8x	7.2x	13.7x	13.0x	7.5x	7.3x
Current Ratio	2.3 to 1	2.1 to 1	2.2 to 1	2.5 to 1	2.0 to 1	1.9 to 1
DSO	62 days	68 days	55 days	54 days	59 days	107 days
Leverage Ratio (Liabilities/Equity)	0.4x	0.6x	0.5x	0.4x	0.7x	0.7x

Unleveraged Balance Sheet ... Solid 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 and Manufacturing
428,515 Square Feet**



**Airport Blvd.
Houston, Texas**

**Office and Manufacturing
290,554 Square Feet**



**Jacintoport Blvd.
Houston, Texas**

**Office and Fabrication Yard
82,320 Square Feet and 62.4 Acres**

Manufacturing Locations



**Railroad Avenue
Northlake, Illinois**

**Office and Manufacturing
103,500 Square Feet**



**Pleasantwood Avenue
North Canton, Ohio**

**Office and Manufacturing
115,200 Square Feet**

Manufacturing Locations



Powell Canada
Acheson, Alberta

Office and Manufacturing
330,168 Square Feet



Powell UK
Bradford, West Yorkshire

Office and Manufacturing
129,300 Square Feet



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