

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 (Date of earliest event reported): August 3, 2021

POWELL INDUSTRIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-12488
(Commission
File Number)

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

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 (17CFR230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17CFR240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17CFR240.13e-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 August 3, 2021, Powell Industries, Inc. (NASDAQ: POWL) issued a press release regarding the Company’s results of operations for its fiscal 2021 third quarter ended June 30, 2021. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Current Report, including the exhibit, is being furnished pursuant to Item 2.02 of Form 8-K and General Instruction B.2 thereunder. The information in this Current Report shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be deemed incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

Item 8.01 – Other Events

On August 3, 2021, Powell Industries, Inc. issued a press release announcing that its Board of Directors declared a quarterly cash dividend of \$0.26 per share payable to shareholders of record on August 18, 2021. This dividend will be paid on September 15, 2021. 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. The following exhibit is furnished as part of this Report.

| <u>Exhibit Number</u> | <u>Description</u> |
|----------------------------------|--|
| 99.1 | Press Release dated August 3, 2021 |
| 99.2 | Press Release dated August 3, 2021 |

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: August 3, 2021

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



POWELL ***PRESS RELEASE***

FOR IMMEDIATE RELEASE

Contacts: Michael W. Metcalf, CFO

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POWELL INDUSTRIES ANNOUNCES FISCAL 2021 THIRD QUARTER RESULTS

HOUSTON — August 3, 2021 — 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 2021 third quarter ended June 30, 2021.

Fiscal Third Quarter Key Highlights:

- Revenues totaled \$116 million;
- Backlog as of June 30, 2021 totaled \$426 million;
- Net Loss was \$2.0 million, or a \$0.17 loss per diluted share;
- Cash and short-term investments as of June 30, 2021 totaled \$129 million.

Brett A. Cope, Powell’s Chairman and Chief Executive Officer, stated, “Our consolidated revenues for the fiscal third quarter were largely in-line with both the prior quarter and comparable period in the prior year, while gross profit improved sequentially by 40 basis points. We are encouraged by the \$103 million of new orders that we saw in the quarter, and while aggregate activity remains tempered, we are cautiously optimistic that we are beginning to see signs of stabilization in some of our key Industrial end markets. Commercial activity across our Traction and Utility customers remains solid, as revenue in the two segments grew 52% and 57%, respectively. Operationally, this quarter was very similar to the prior quarter while we work closely with our customers as they continue to evaluate schedules and project plans. We

remain focused on our execution levels and strict cost controls as we navigate the current environment.”

Revenues for the third quarter of fiscal 2021 totaled \$115.8 million compared to \$118.7 million in the second fiscal quarter of 2021 and \$118.1 million in the third fiscal quarter of 2020.

New orders in the third quarter totaled \$103 million compared to \$89 million in the second fiscal quarter of 2021 and \$81 million in the third quarter of fiscal 2020. Backlog as of June 30, 2021 totaled \$426 million which represents a sequential decline of 3% and compares to \$532 million as of June 30, 2020.

Net loss for the third fiscal quarter was \$2.0 million, or a loss of \$0.17 per diluted share, compared to loss of \$0.2 million, or a \$0.02 loss per diluted share, in the second fiscal quarter of 2021. Net income in the third quarter of fiscal 2020 was \$3.5 million, or \$0.30 per diluted share.

Mr. Cope added, “I am very proud of the team and the critical support they continue to provide to our customers. As we navigate through the current environment, we will continue to actively pursue projects across our non-industrial sectors, such as Utility and Traction, which remain strong. The economics of natural gas also continue to support favorable opportunities in the LNG, gas pipeline and gas to chemical process industries. We are also actively participating in growth areas such as renewable energy and biofuels, and are encouraged by opportunities within carbon capture and sequestration and other less traditional areas of the business.”

OUTLOOK

Commenting on the Company's outlook, Michael Metcalf, Powell's Chief Financial Officer said, “The \$103 million of new orders during the third quarter marked a strong sequential improvement from the prior period. However, considering the lead time of our projects, the current revenue levels and overall operating activity prevent us from fully leveraging our overhead. This, in addition to the recent inflationary impact on commodities such as steel and copper, are creating headwinds to our margin profile. As a result, while we manage through this cycle, our main focus remains on project execution and customer fulfillment as well as diligent cost and cash management. We anticipate that we will continue to build working capital as we execute on our current project mix and are cautiously optimistic that the commercial activity will gradually improve. Our balance sheet and liquidity position remain a core strength of Powell

and provide the flexibility to navigate through these industry cycles, while also providing an element of optionality.”

CONFERENCE CALL

Powell Industries has scheduled a conference call for Wednesday, August 4, 2021 at 11:00 a.m. Eastern time. To participate in the conference call, dial 833-953-2431 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 August 11, 2021. To access the replay, dial 877-344-7529 using a passcode of 10158438#.

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.

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, 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 STATEMENT OF OPERATIONS

| | Three Months Ended June 30, | | Nine Months Ended June 30, | |
|--|--------------------------------|------------|-------------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| (In thousands, except per share data) | | | | |
| | | | (Unaudited) | |
| Revenues | \$ 115,813 | \$ 118,062 | \$ 341,105 | \$ 403,781 |
| Cost of goods sold | 98,646 | 96,718 | 288,513 | 330,926 |
| Gross profit | 17,167 | 21,344 | 52,592 | 72,855 |
| Selling, general and administrative expenses | 16,710 | 15,511 | 50,259 | 51,372 |
| Research and development expenses | 1,772 | 1,605 | 5,046 | 4,863 |
| Amortization of intangible assets | 44 | 44 | 132 | 132 |
| Restructuring and other, net | — | 1,400 | — | 1,400 |
| Operating income (loss) | (1,359) | 2,784 | (2,845) | 15,088 |
| Interest expense | 51 | 52 | 152 | 179 |
| Interest income | (72) | (190) | (230) | (901) |
| Income (loss) before income taxes | (1,338) | 2,922 | (2,767) | 15,810 |
| Income tax provision (benefit) | 703 | (559) | (138) | 2,133 |
| Net income (loss) | \$ (2,041) | \$ 3,481 | \$ (2,629) | \$ 13,677 |
| Earnings (loss) per share: | | | | |
| Basic | \$ (0.17) | \$ 0.30 | \$ (0.22) | \$ 1.18 |
| Diluted | \$ (0.17) | \$ 0.30 | \$ (0.22) | \$ 1.17 |
| Weighted average shares: | | | | |
| Basic | 11,720 | 11,631 | 11,700 | 11,622 |
| Diluted | 11,720 | 11,698 | 11,700 | 11,686 |
| SELECTED FINANCIAL DATA: | | | | |
| Depreciation and Amortization | \$ 2,610 | \$ 2,637 | \$ 7,899 | \$ 7,878 |
| Capital Expenditures | \$ 857 | \$ 809 | \$ 2,480 | \$ 4,311 |
| Dividends Paid | \$ 3,039 | \$ 3,019 | \$ 9,102 | \$ 9,047 |

POWELL INDUSTRIES, INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

| (In thousands) | June 30, 2021 | September 30, 2020 |
|---|---------------|--------------------|
| | (Unaudited) | |
| Assets: | | |
| Cash, cash equivalents and short-term investments | \$ 128,840 | \$ 178,921 |
| Other current assets | 156,694 | 156,737 |
| Property, plant and equipment, net | 112,485 | 114,372 |
| Long-term assets | 23,942 | 22,248 |
| Total assets | \$ 421,961 | \$ 472,278 |
| Liabilities and equity: | | |
| Current liabilities | \$ 105,310 | \$ 152,947 |
| Long-term debt, net of current maturities | — | 400 |
| Deferred and other long-term liabilities | 13,710 | 12,305 |
| Stockholders' equity | 302,941 | 306,626 |
| Total liabilities and stockholders' equity | \$ 421,961 | \$ 472,278 |
| SELECTED FINANCIAL DATA: | | |
| Working capital | \$ 180,224 | \$ 182,711 |

 **POWELL** ***PRESS RELEASE***

FOR IMMEDIATE RELEASE

Contact: Michael Metcalf, CFO

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713-947-4422

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POWL@alpha-ir.com
312-445-2870

POWELL INDUSTRIES DECLARES QUARTERLY CASH DIVIDEND

HOUSTON — August 3, 2021 — 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 in the amount of \$0.26 per share. The dividend is payable on September 15, 2021 to shareholders of record at the close of business on August 18, 2021.

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