

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): January 31, 2023

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 January 31, 2023, Powell Industries, Inc. (NASDAQ: POWL) issued a press release regarding the Company’s results of operations for its fiscal 2023 first quarter ended December 31, 2022. 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 January 31, 2023, Powell Industries, Inc. issued a press release announcing that its Board of Directors approved a 1% increase to the quarterly cash dividend on the Company's common stock to \$0.2625 per share, equating to an annualized dividend of \$1.05 per share from the current amount of \$1.04 per share. This dividend is payable on March 15, 2023 to shareholders of record at the close of business on February 15, 2023. 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 January 31, 2023
99.2	Press Release dated January 31, 2023

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: January 31, 2023

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 2023 FIRST QUARTER RESULTS

HOUSTON — January 31, 2023 — 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 2023 first quarter ended December 31, 2022. All comparisons are to the comparable period in the prior fiscal year, unless otherwise noted.

Fiscal First Quarter Key Highlights:

- Backlog increased 63% to a record \$680 million;
- New orders totaled \$212 million, an increase of \$104 million;
- Revenues totaled \$127 million, an increase of 19%;
- Book-to-bill ratio of 1.7x marked the fifth consecutive quarter above 1.0x;
- Net Income was \$1 million, or \$0.10 per diluted share;
- Cash and short-term investments as of December 31, 2022, totaled \$111 million.

Brett A. Cope, Powell's Chairman and Chief Executive Officer, stated, "We are pleased with the start of our fiscal year in what is typically our seasonally slower quarter. Our gross margin performance of 15.3% marked a strong year-over-year improvement, while the \$212 million of new orders in the period drove a book-to-bill ratio of 1.7x – the highest since our second quarter of fiscal 2020. Our strategic efforts to diversify the business and improve its long-term earnings profile also continue to yield tangible near-term wins. The Commercial and Other Industrial sector – which includes end markets where Powell has not historically focused – recorded revenue that roughly tripled compared to the first quarter last year. We are confident that the positive transformational steps being taken internally at the Company, supported by improving conditions across our core end markets, will drive another strong year for Powell."

Revenues for the first fiscal quarter totaled \$126.9 million, an increase of 19% compared to \$106.6 million in the prior year, and compares to fiscal fourth quarter revenue of \$162.7 million.

Gross profit in the quarter totaled \$19.5 million, an increase of \$6 million compared to the prior year. Gross margin in the period increased 270 basis points to 15.3% compared to 12.6% in the prior year.

New orders placed in the first quarter nearly doubled to \$212 million compared to \$108 million of net new orders in the prior year and compared to \$259 million in the fiscal fourth quarter.

Backlog as of December 31, 2022 totaled a record \$680 million compared to \$592 million as of September 30, 2022, which represents sequential growth of 15%, and compares to \$416 million at the end of the fiscal first quarter in the prior year.

Net income in the fiscal first quarter was \$1.2 million, or \$0.10 per diluted share, compared to a net loss of \$2.8 million, or a loss of \$0.24 per diluted share, in the prior year, and compared to net income of \$8.7 million dollars, or \$0.73 per diluted share, in the fiscal fourth quarter. The net income in the fiscal fourth quarter included an after-tax gain of \$2.0 million, or \$0.17 per diluted share, resulting from the favorable cost recovery attributable to a prior year municipal project.

Cope added, “Activity in our core Oil, Gas & Petrochemical markets continues to strengthen, as we booked another large industrial order to support the domestic production of Liquefied Natural Gas. Meanwhile, market conditions across our Utility, Commercial and Other Industrial sectors remain robust and are largely supported by steady volume of small to mid-sized project activity. Our current record backlog of \$680 million provides a diverse mix of project activity that will help to facilitate margin and earnings growth as we focus on executing these projects in fiscal 2023, while continuing to build our backlog supporting fiscal 2024 and beyond.”

OUTLOOK

Commenting on the Company's outlook, Michael Metcalf, Powell’s Chief Financial Officer said, “We remain very encouraged by the continued commercial success that we have experienced across most of our core end markets – specifically in our core Industrial and Utility end markets – and we are optimistic that this momentum will continue. This, combined with the level and quality of our backlog, our continued focus on accretive margin initiatives, as well as the strength of our balance sheet, positions Powell to deliver both revenue and earnings growth in fiscal 2023.”

CONFERENCE CALL

Powell Industries has scheduled a conference call for Wednesday, February 1, 2023, 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) and ask for the Powell Industries conference call. A telephonic replay of the conference call will be available through February 8, 2023 and may be accessed by calling 1-877-344-7529 (domestic) or 1-412-317-0088 (international) and using passcode 3237665#.

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 December 31,	
	2022	2021
(In thousands, except per share data)	(Unaudited)	
Revenues	\$ 126,858	\$ 106,569
Cost of goods sold	107,394	93,133
Gross profit	19,464	13,436
Selling, general and administrative expenses	16,873	15,902
Research and development expenses	1,501	1,824
Operating income (loss)	1,090	(4,290)
Interest income, net	(523)	(3)
Income (loss) before income taxes	1,613	(4,287)
Income tax provision (benefit)	451	(1,441)
Net income (loss)	\$ 1,162	\$ (2,846)
Earnings (loss) per share:		
Basic	\$ 0.10	\$ (0.24)
Diluted	\$ 0.10	\$ (0.24)
Weighted average shares:		
Basic	11,859	11,765
Diluted	12,077	11,765
SELECTED FINANCIAL DATA:		
Depreciation and Amortization	\$ 2,136	\$ 2,414
Capital Expenditures	\$ 2,726	\$ 436
Dividends Paid	\$ 3,074	\$ 3,048

POWELL INDUSTRIES, INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)	December 31, 2022	September 30, 2022
	(Unaudited)	
Assets:		
Cash, cash equivalents and short-term investments	\$ 110,702	\$ 116,508
Other current assets	278,542	253,475
Property, plant and equipment, net	99,051	98,628
Long-term assets	25,377	24,769
Total assets	\$ 513,672	\$ 493,380
Liabilities and equity:		
Current liabilities	\$ 203,774	\$ 186,373
Deferred and other long-term liabilities	11,426	9,801
Stockholders' equity	298,472	297,206
Total liabilities and stockholders' equity	\$ 513,672	\$ 493,380
SELECTED FINANCIAL DATA:		
Working capital	\$ 185,470	\$ 183,610



POWELL *PRESS RELEASE*

For Immediate Release Contact: Michael Metcalf, CFO

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POWELL INDUSTRIES RAISES QUARTERLY DIVIDEND BY 1% TO \$0.2625 PER SHARE

HOUSTON —January 31, 2023 — 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 approved a 1% increase to the quarterly cash dividend on the Company’s common stock to \$0.2625 per share, equating to an annualized dividend of \$1.05 per share from the current amount of \$1.04 per share. The dividend is payable on March 15, 2023 to shareholders of record at the close of business on February 15, 2023.

“The Board’s decision to modestly increase the dividend reflects our solid performance in 2022 and increased confidence in the outlook of our future free cash flows,” said Brett Cope, Powell Chairman and Chief Executive Officer. “This incremental step demonstrates our prudent and conservative approach to returning value to shareholders while also balancing organic and inorganic growth aspirations for the company.”

Michael Metcalf, Powell’s Chief Financial Officer, added, that “the decision to modestly increase the dividend not only returns capital to our shareholders, but also ensures ample liquidity to support our working capital requirements, while continuing to preserve the strength of our balance sheet.”

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.

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