



**POWER SOLUTIONS
INTERNATIONAL**

CORPORATE UPDATE

Sept 5, 2025

SAFE HARBOR & OTHER CAUTIONARY NOTES

This press release contains forward-looking statements regarding the current expectations of the Company about its prospects and opportunities. These forward-looking statements are entitled to the safe-harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements may involve risks and uncertainties. These statements often include words such as "anticipate," "believe," "budgeted," "contemplate," "estimate," "expect," "forecast," "guidance," "may," "outlook," "plan," "projection," "should," "target," "will," "would" or similar expressions, but these words are not the exclusive means for identifying such statements. These statements are not guarantees of performance or results, and they involve risks, uncertainties and assumptions. Although the Company believes that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect the Company's results of operations and liquidity and could cause actual results, performance or achievements to differ materially from those expressed in, or implied by, the Company's forward-looking statements.

The Company cautions that the risks, uncertainties and other factors that could cause its actual results to differ materially from those expressed in, or implied by, the forward-looking statements include, without limitation: the impact of the macro-economic environment in both the U.S. and internationally on our business and expectations regarding growth of the industry; uncertainties arising from global events (including the Russia-Ukraine and Israel-Hamas conflicts), natural disasters or pandemics, and their impact on material prices; the effects of strategic investments on our operations, including our efforts to expand our global market share and actions taken to increase sales growth; the ability to develop and successfully launch new products; labor costs and other employment-related costs; loss of suppliers and disruptions in the supply of raw materials; the Company's ability to continue as a going concern; the Company's ability to raise additional capital when needed and its liquidity; uncertainties around the Company's ability to meet funding conditions under its financing arrangements and access to capital thereunder; the potential acceleration of the maturity at any time of the loans under the Company's uncommitted revolving credit agreement through the exercise by any lender of its demand right in its Revolving Credit Agreement; the impact of rising interest rates; changes in economic conditions, including inflationary trends in the price of raw materials; our reliance on information technology and the associated risk involving potential security lapses and/or cyber-attacks; the ability of the Company to accurately forecast sales, and the extent to which sales result in recorded revenues; changes in customer demand for the Company's products; volatility in oil and gas prices; the impact of U.S. tariffs on imports and exports; the impact of supply chain interruptions and raw material shortages, including compliance disruptions such as the UFLPA delaying goods from China; the potential impact of higher warranty costs and the Company's ability to mitigate such costs; any delays and challenges in recruiting and retaining key employees consistent with the Company's plans; the potential effects of damage to our reputation or other adverse consequences if our employees, suppliers, sub-suppliers or other contract parties, agents or business partners violate anti-bribery, competition, export and import, trade sanctions, data privacy, environmental, human rights or other laws; the impact of unanticipated changes in our effective tax rate, the adoption of new tax legislation or exposure to additional income tax liabilities; and the risks and uncertainties described in reports filed by the Company with the SEC, including without limitation its Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and the Company's subsequent filings with the SEC.

The Company's forward-looking statements are presented as of the date hereof. Except as required by law, the Company expressly disclaims any intention or obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

POWERING LEADING EQUIPMENT MANUFACTURERS GLOBALLY



JOHN DEERE

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KOHLER CAT



TICO

NAVISTAR



Custom Chassis



PSI INDUSTRIAL



PSI POWER SYSTEMS



PSI TRANSPORTATION

OVERVIEW

Approximately 1,000 Employees

Leading Worldwide Manufacturer of Engines

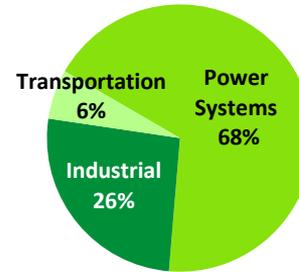
- Produced Over 1,500,000 engines historically
- Wide range of engines: 27 different displacements ranging from 1L to 110L
- Approximately 1.2M sq. ft. manufacturing and engineering footprint, with headquarters in Wood Dale, IL
- Significant clean, alt. fuel product offerings: Approximately 76% of engines sold in 2024 were propane or natural gas

NASDAQ: PSIX

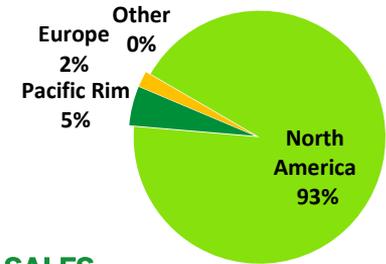
- Founded in 1985
- Stock Uplisted in Dec 2024

2024 SALES

End Market



Geography



SALES



EXPANSIVE PRODUCT LINE

Powering Global Transportation, Power Systems & Industrial OEMs



TRANSPORTATION



Engine Displacements
6.0L, 8.8L

Fuel Types
Propane, Natural Gas,
Gasoline

Integration
Transmissions & Tanks

Horsepower Range
293 hp – 345 hp

Torque Range
317 lb-ft – 565 lb-ft



POWER SYSTEMS



Engine Displacements
Ranging from 2.0L to 110L

Fuel Types
Propane, Natural Gas,
Wellhead Gas, Diesel

Electrical Power Range
20 kWe – 4.5 MW

Mechanical Power Range
26 kWm – 5.0 MWm



INDUSTRIAL



Engine Displacements
Ranging from 1.0L to 13L

Fuel Types
Propane, Natural Gas,
Gasoline, Diesel

Horsepower Range
28 hp – 245 hp

Torque Range
43 lb-ft – 503 lb-ft

Mechanical Power Range
19 kWm – 1850 kWm



CUSTOM ENCLOSURES



Enclosure Displacements
Ranging up to 5MW

Fuel Types
Propane, Natural Gas,
Wellhead Gas, Diesel

Standard & Custom Enclosures
FTTP certified enclosures,
House generators up to 5 MW,
UL 142 or UL 52804 Fuel Tanks

MANUFACTURING AND ENGINEERING FOOTPRINT



201 Mittel Dr.

Wood Dale, IL

- **261,000 sq. ft.**



2401 State Line Rd

Beloit, WI

- **100,000 sq. ft.**



1465 Hamilton Pkwy.

Itasca, IL

- **198,000 sq. ft.**



5600 Williams Lake Rd.

Waterford Township, MI

- **15,000 sq. ft.**



448 W. Madison St.

Darien, WI

- **230,000 sq. ft.**



7850 S. Grant St.

Burr Ridge, IL

- **22,400 sq. ft.**



921 E 66th St

Lubbock, TX

- **31,000 sq. ft.**



1901 Gateway Blvd

Beloit, WI

- **350,000 sq. ft.**

- **1.2M Total Square Footage**

PSI/WEICHAI RELATIONSHIP



Weichai Investment in PSI

- Weichai America (subsidiary of Weichai Power Co., Ltd.) investment of \$60 million of equity in PSI on 3/31/17
- Warrant exercise on 4/23/19 for approximate proceeds of \$1.6 million
- Weichai recently sold shares in Aug 2025, reducing ownership from approx. 51.2% to 46.5%
- Designees hold 4 of 7 board seats, including the Chairman position

Weichai Power Background

- Based in China; Global footprint
- Leading automotive and equipment manufacturer specializing in the production of powertrains, automobiles, intelligent logistics, automotive parts and components
- Weichai Power Co., Ltd. is publicly listed on the Hong Kong and Shenzhen Stock Exchanges
- Market capitalization of approximately \$20 billion
- FY 2024 sales and net profit of approximately \$31 billion and \$1.6 billion, respectively

CAPITAL STRUCTURE OVERVIEW

Deb Structure

- \$135M Credit Agreement to Standard Chartered (SC) and three other lenders entered on 7/30/25
 - Matures 7/30/27
 - SOFR + 2.10%
 - Borrowings of \$95M
- Total Debt \$95M

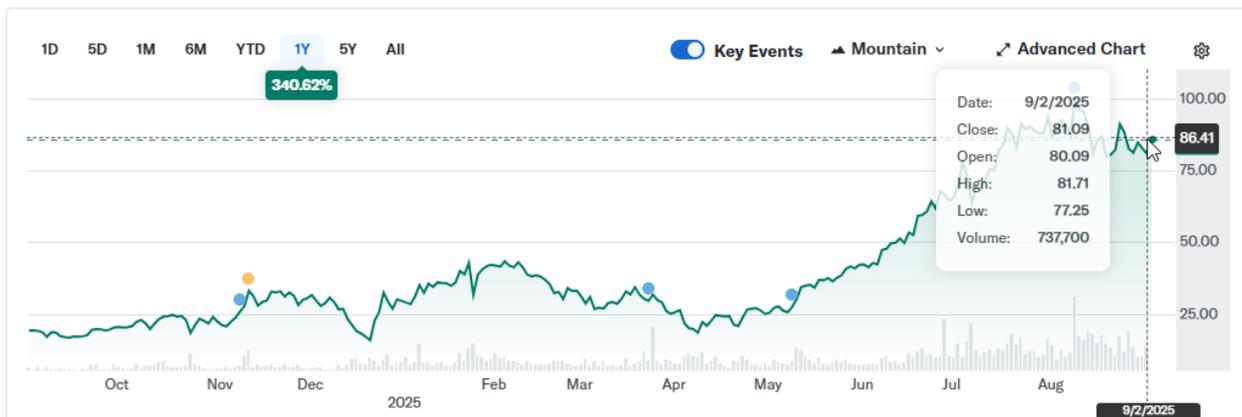
Shareholder's Equity

- \$135.7M

Market Capitalization: ~\$2.0B

PSIX Stock

- Successfully uplisted to Ndaq on 12/26/2024
- 52 Week Range \$15.30 – \$121.78
- 9/3/24, the stock closed at \$19.40. As of 9/2/25, it closed at \$81.09. This represents an increase of approximately 317%.
- Market capitalization: \$1.87B
- PE Ratio (TTM): 16.86
- Analyst price target: \$127
- Russell 3000®, Russell 2000®, Russell Microcap® Indexes and MSCI USA Small Cap Index

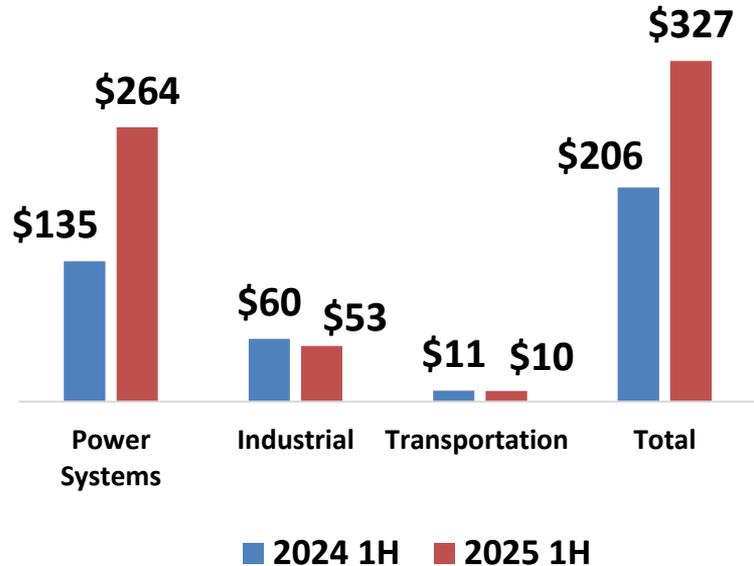


2025 Six Months Earnings

2025 Q2 YTD vs. 2024 Q2 YTD

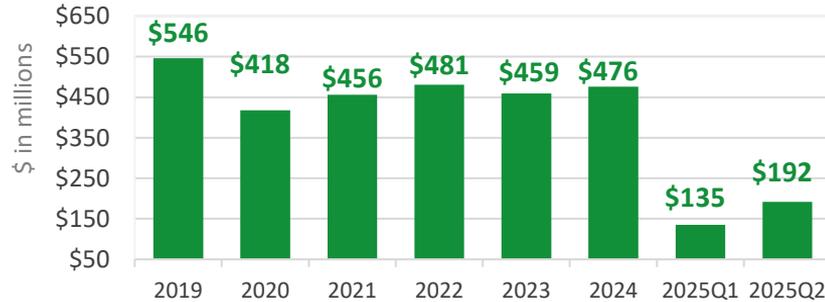
- Six Month Sales of \$327 million, up 59% from a year earlier
- Gross Margin 28.8%, a decrease of 0.8% for Six Months
- Net Income \$70.3M, increased by 145%, EPS were \$3.05, an increase of \$1.80 for Six Months
- Debt decreased \$25 million since 12/31/2024
- Shareholder Equity increased \$70.4 million since 12/31/2024

2025 1H vs. 2024 1H Sales (\$M)

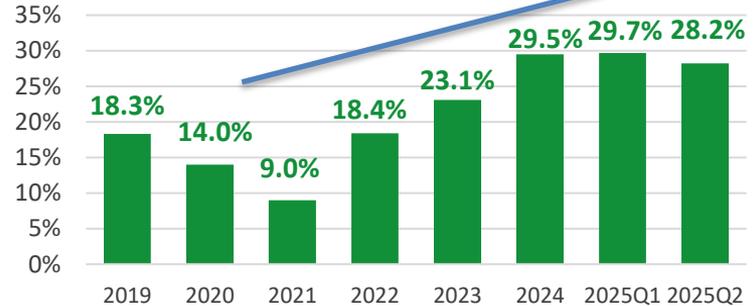


Sales and Gross Margin %

SALES



GROSS MARGIN



2025Q2 YTD sales (+59%) reflects increases within power systems (+\$128.6m) end market, partly offset by decreases in the industrial (-\$6.9m) and transportation (-\$0.2m) end markets

Gross profit increased by \$33.4m; gross margin down -0.8 percentage points

- The decrease in gross margin is primarily due to strong sales growth in comparatively lower margin products and temporary inefficiencies related to our accelerated production ramp-up

Income before income taxes of \$53.9 million versus \$29.8 million in 2024Q2 YTD

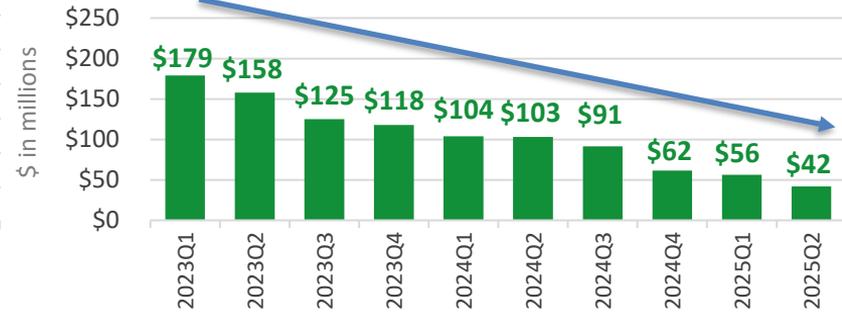
- SG&A increased \$13.7M or 98% compared to 2024Q2 YTD. The increase is primarily due to a favorable non-recurring legal reserve reduction in 2024, and higher costs associated with employee incentive programs, increased sales and admin expenses to support ongoing business growth in 2025
- R&D expenses in 2025Q2 YTD and 2024Q2 YTD were \$8.9 million and \$10.2 million, respectively. The decrease of \$1.3 million was primarily driven by the timing of R&D program expenditures and the recovery of R&D costs from certain customers

Key Financial Trends

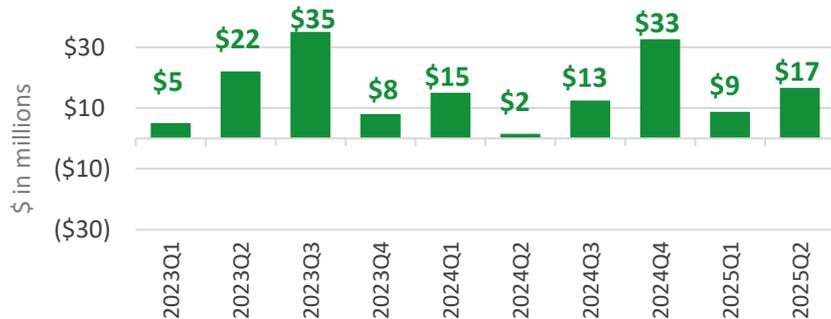
Net Profit



Debt, Net of Cash



Operating Cash Flows



EBITDA



INVESTMENT HIGHLIGHTS/CORPORATE UPDATE

Focused on Growth in the Power Systems End Market

- Sales growth opportunity driven by product expansion, potential oil recovery, market share gains
- Large engines carry average selling prices (ASP's) above \$100k
- Electric grid resiliency; Infrastructure spending anticipated to be a driver
- Power generation and enclosure packages supporting the rapidly growing DATA CENTER markets

Margin Expansion Opportunities

- Increase mix of Power Systems business, which offers superior margins
- Ability to leverage existing infrastructure and Weichai relationship to drive future growth
- Continued pricing opportunities; Improve recovery of increasing material costs
- Tariff mitigation efforts

Continued Focus on Alternative Fuels and Evolution into New Energy Business

- Strong expertise in natural gas/propane
- Access to Weichai's new energy product range
- Leverage existing customer relationships across all end markets for future battery storage/electrification opportunities

APPENDIX

APPENDIX

FINANCIAL RESULTS

Financial Results for the Six Months and Quarter Ended June, 30 2025 and 2024

* See Non-GAAP Reconciliation on following slides

(in thousands, except per share amounts)

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2025	2024	Change	% Change	2025	2024	Change	% Change
Net sales (to related parties \$402 and \$253 for the three months ended June 30, 2025 and June 30, 2024, respectively; \$865 and \$453 for the six months ended June 30, 2025 and June 30, 2024, respectively)	\$ 191,907	\$ 110,586	\$ 81,321	74 %	\$ 327,353	\$ 205,826	\$ 121,527	59 %
Cost of sales (derived from any related party sales \$271 and \$176 for the three months ended June 30, 2025 and June 30, 2024, respectively; and \$587 and \$329 for the six months ended June 30, 2025 and June 30, 2024, respectively)	137,824	75,398	62,426	83 %	232,976	144,882	88,094	61 %
Gross profit	54,083	35,188	18,895	54 %	94,377	60,944	33,433	55 %
Gross margin %	28.2 %	31.6 %	(3.6)%		28.8 %	29.6 %	(0.8)%	
Operating expenses:								
Research and development expenses	4,615	4,959	(344)	(7)%	8,859	10,156	(1,297)	(13)%
<i>Research and development expenses as a % of sales</i>	2.4 %	4.5 %	(2.1)%		2.7 %	4.9 %	(2.2)%	
Selling, general and administrative expenses	16,680	4,520	12,160	269 %	27,789	14,052	13,737	98 %
<i>Selling, general and administrative expenses as a % of sales</i>	8.7 %	4.1 %	4.6 %		8.5 %	6.8 %	1.7 %	
Amortization of intangible assets	306	365	(59)	(16)%	613	730	(117)	(16)%
Total operating expenses	21,601	9,844	11,757	119 %	37,261	24,938	12,323	49 %
Operating income	32,482	25,344	7,138	28 %	57,116	36,006	21,110	59 %
Other expense, net:								
Interest expense (from related parties \$219 and \$2,216 for the three months ended June 30, 2024 and 2023, respectively, and \$634 and \$4,438 for the six months ended June 30, 2025 and June 30, 2024, respectively)	1,700	2,909	(1,209)	(42)%	3,466	6,255	(2,789)	(45)%
Other expense (income), net	(295)	—	(295)	NM	(295)	—	(295)	NM
Total other expense, net	1,405	2,909	(1,504)	(52)%	3,171	6,255	(3,084)	(49)%
Income before income taxes	31,077	22,435	8,642	39 %	53,945	29,751	24,194	81 %
Income tax (benefit) expense	(20,135)	895	(21,030)	NM	(16,349)	1,096	(17,445)	NM
Net income	\$ 51,212	\$ 21,540	\$ 29,672	138 %	\$ 70,294	\$ 28,655	\$ 41,639	145 %
Earnings per common share:								
Basic	\$ 2.23	\$ 0.94	\$ 1.29	137 %	\$ 3.06	\$ 1.25	\$ 1.81	145 %
Diluted	\$ 2.22	\$ 0.94	\$ 1.28	136 %	\$ 3.05	\$ 1.25	\$ 1.80	144 %
Non-GAAP Financial Measures:								
Adjusted net income *	\$ 51,769	\$ 16,559	\$ 35,210	213 %	\$ 71,004	\$ 23,600	\$ 47,404	201 %
Adjusted net income per share – diluted*	\$ 2.24	\$ 0.72	\$ 1.52	211 %	\$ 3.07	\$ 1.04	\$ 2.03	195 %
EBITDA *	\$ 34,108	\$ 26,662	\$ 7,446	28 %	\$ 60,024	\$ 38,641	\$ 21,383	55 %
Adjusted EBITDA *	\$ 34,665	\$ 21,681	\$ 12,984	60 %	\$ 60,734	\$ 33,586	\$ 27,148	81 %

NM Not meaningful

* Non-GAAP measurement, see reconciliation below

NON-GAAP FINANCIAL MEASURES

In addition to the results provided in accordance with U.S. GAAP above, this report also includes non-GAAP (adjusted) financial measures. Non-GAAP financial measures provide insight into selected financial information and should be evaluated in the context in which they are presented. These non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP, and non-GAAP financial measures as reported by the Company may not be comparable to similarly titled amounts reported by other companies. The non-GAAP financial measures should be considered in conjunction with the consolidated financial statements, including the related notes, and *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in this report. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated below.

Non-GAAP Financial Measure	Comparable GAAP Financial Measure
Adjusted net income (loss)	Net income (loss)
Adjusted earnings (loss) per share	Earnings (loss) per common share – diluted
EBITDA	Net income (loss)
Adjusted EBITDA	Net income (loss)

The Company believes that Adjusted net income, Adjusted net income per share, EBITDA, and Adjusted EBITDA provide relevant and useful information, which is widely used by analysts, investors and competitors in its industry as well as by the Company's management in assessing the performance of the Company. Adjusted net income is defined as net income as adjusted for certain items that the Company believes are not indicative of its ongoing operating performance. Adjusted net income per share is a measure of the Company's diluted net earnings per share adjusted for the impact of special items. EBITDA provides the Company with an understanding of earnings before the impact of investing and financing charges and income taxes. Adjusted EBITDA further excludes the effects of other non-cash and certain other items that do not reflect the ordinary earnings of the Company's operations.

Adjusted net income, Adjusted net income per share, EBITDA, and Adjusted EBITDA are used by management for various purposes, including as a measure of performance of the Company's operations and as a basis for strategic planning and forecasting. Adjusted net income, Adjusted net income per share, and Adjusted EBITDA may be useful to an investor because these measures are widely used to evaluate companies' operating performance without regard to items excluded from the calculation of such measures, which can vary substantially from company to company depending on the accounting methods, the book value of assets, the capital structure and the method by which the assets were acquired, among other factors. They are not, however, intended as an alternative measure of operating results or cash flow from operations as determined in accordance with U.S. GAAP.

NON-GAAP RECONCILIATION

The following table presents a reconciliation from Net income (loss) to Adjusted net income (loss) for the Six Months and Quarter Ended June 30, 2025 and 2024

(in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 51,212	\$ 21,540	\$ 70,294	\$ 28,655
Stock-based compensation ¹	154	22	307	48
Severance ²	403	—	403	—
Other legal matters ³	—	(5,003)	—	(5,103)
Adjusted net income	\$ 51,769	\$ 16,559	\$ 71,004	\$ 23,600

NON-GAAP RECONCILIATION

The following table presents a reconciliation from income (loss) per common share – diluted to Adjusted income (loss) per share for the Six Months and Quarter Ended June 30, 2025 and 2024

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Net income per share – diluted	\$ 2.22	\$ 0.94	\$ 3.05	\$ 1.25
Severance ²	0.02	—	0.02	—
Other legal matters ³	—	(0.22)	—	(0.21)
Adjusted net income per share – diluted	\$ 2.24	\$ 0.72	\$ 3.07	\$ 1.04
Diluted shares (in thousands)	23,067	22,993	23,064	22,983

NON-GAAP RECONCILIATION

The following table presents a reconciliation from Net income (loss) to EBITDA and Adjusted EBITDA for Six Months and Quarter Ended June 30, 2025 and 2024

(in thousands)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 51,212	\$ 21,540	\$ 70,294	\$ 28,655
Interest expense	1,700	2,909	3,466	6,255
Income tax (benefit) expense	(20,135)	895	(16,349)	1,096
Depreciation	1,025	953	2,000	1,905
Amortization of intangible assets	306	365	613	730
EBITDA	34,108	26,662	60,024	38,641
Stock-based compensation ¹	154	22	307	48
Severance ²	403	—	403	—
Other legal matters ³	—	(5,003)	—	(5,103)
Adjusted EBITDA	\$ 34,665	\$ 21,681	\$ 60,734	\$ 33,586

1. Amounts reflect non-cash stock-based compensation expense and have no material impact on the Adjusted net income per share – diluted for the three and six months ended June 30, 2025 and 2024.
2. Amounts include severance expense for the three and six months ended June 30, 2025.
3. Amounts include legal settlements for the three and six months ended June 30, 2025 and 2024.



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THANK YOU.

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