

# Investor Fact Sheet

Pioneer Power Solutions, Inc. (Nasdaq: PPSI)



## Company Overview

Pioneer Power Solutions, Inc. manufactures, sells and services a broad range of specialty electrical transmission, distribution and on-site power generation equipment for applications in the utility, industrial, commercial and backup power markets. Principal products and services include custom-engineered electrical transformers, low and medium voltage switchgear and engine-generator sets and controls, complemented by a national field-service organization to maintain and repair power generation assets.

### Income Statement Highlights

US\$ in millions	Q2 2016	Q2 2015	% chg	FY 2015	FY 2014	% chg	2016 Guidance
Revenues	29.9	26.5	+13	106.5	92.2	+16	117-127
Adj. EBITDA	2.2	0.095	+2,216	4.1	5.0	-18	8.0-9.5
Non-GAAP EPS	0.08	(0.05)	+260	0.23	0.25	-8	0.55-0.66

## Select Financials and Facts

Nasdaq Ticker:	PPSI
Closing Price at 8/15/16:	\$5.51
52-Week Range:	\$2.78-\$7.43
Shares O/S (diluted):	8.7M
Est. Public Float:	3.4M
Market Cap (8/15/16):	\$47.9M
Enterprise Value (8/15/16):	\$72.0M
FY '15 Revenue:	\$106.5M
Net Debt (6/30/16):	\$24.1M
Fiscal Year-end:	12/31

### Balance Sheet Summary

\$ in millions	6/30/16	12/31/15
Cash & cash equivalents	3.5	0.6
Debt	27.6	16.1
Shareholders' equity	28.6	27.4
Current ratio	1.2:1	0.9:1
Working capital	6.9	(3.4)

## Investment Highlights

- 2016 Guidance
  - Revenue between \$117M and \$127M
  - Adjusted EBITDA between \$8.0M and \$9.5M
  - Non-GAAP diluted EPS between \$0.55 and \$0.66, based on 8.7M shares
- Stable and profitable core businesses
  - 8% organic growth ~2x industry
    - Recurring blue chip customer base
    - Historically, >80% of revenue originated from repeat customers
  - Increasing backlog: Q2 2016—\$37.8M, up 15.3% year-over-year
  - Engineered-to-order solutions - Higher value-added opportunities, sustainable 10%+ EBITDA margins
  - Recurring backup power service business — Strong secular growth, technology-enabled scalability
  - Large addressable market—Aging North American electrical infrastructure needing replacement
  - Experienced management team - Proven track record of growth

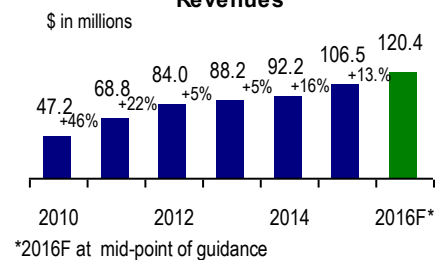
## Growth Strategy

- Organic—Evolving grid requirements.** Increasing demands and requirements for grid system stability & efficiency; growing market for critical power applications
- Business Integration**—Sales: cross-selling, product development; Costs: scale economics, load balancing, internal sourcing, shared services
- M&A Strategy**—higher growth / higher margin end markets, tangible cost savings opportunities, complementary products and services, capitalize on fragmented market structure

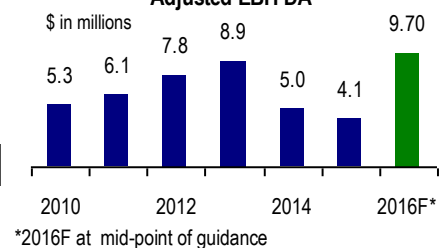
## Competitive Differentiators

- Customized versus production of standard products
- Product line breadth and reliability
- On-time delivery performance; design technology and price

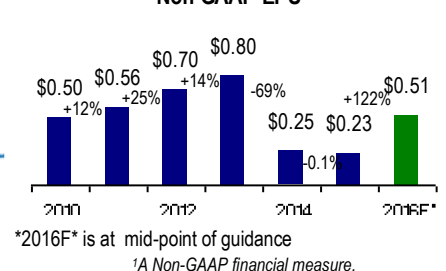
### Revenues



### Adjusted EBITDA<sup>1</sup>



### Non-GAAP EPS<sup>1</sup>



### Select Blue Chip Customers



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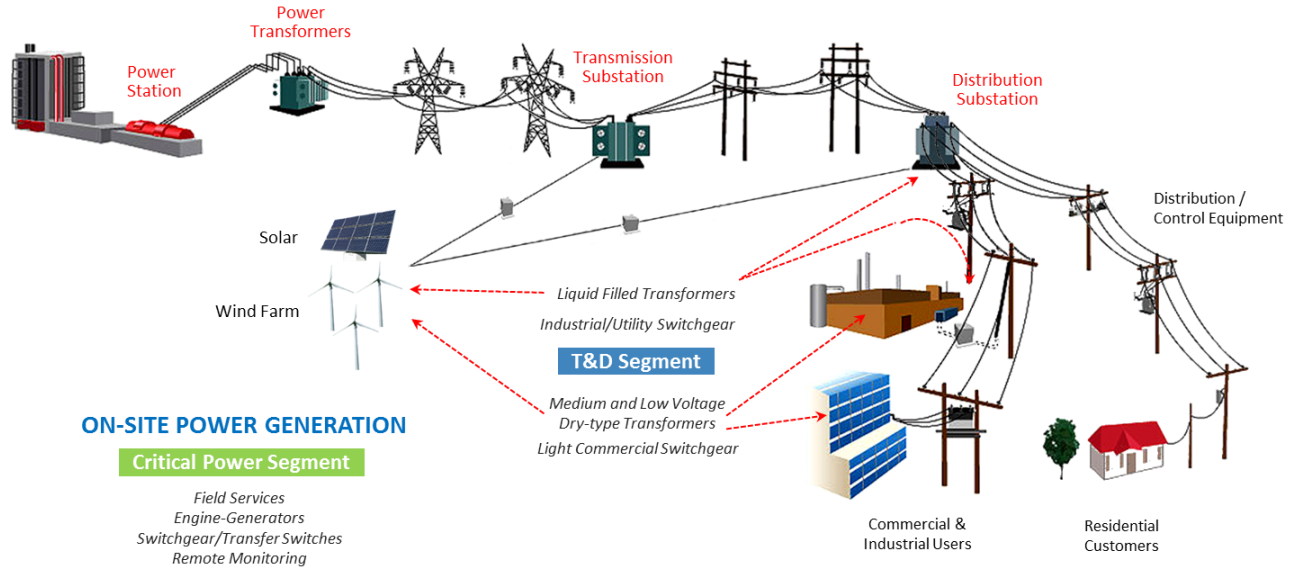
Websites:  
[www.pioneerpowersolutions.com](http://www.pioneerpowersolutions.com)

# Pioneer's Position In the Electrical Grid... Profitable Business Poised for Accelerated Growth

## GENERATION

## TRANSMISSION

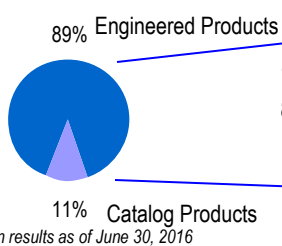
## DISTRIBUTION



Pioneer's focus is on niche markets and customized applications within the electrical grid

## Business Segments

- Substation transformers
- Power dry transformers
- Low and medium voltage switchgear
- Utility transformers
- Distribution transformers
- Switchboard / Panelboard
- OEM Solutions



### Transmission & Distribution Systems

Equipment that distributes, controls, conditions and monitors the flow of electrical energy while protecting critical equipment such as transformers, motors and other machinery

Q2 2016 Revenue: \$29.9M

T&D  
83%

Critical Power  
17%

65% Equipment

- Engine-generators
- Paralleling switchgear
- Remote monitoring
- Field service

35% Recurring Service

Based on results as of June 30, 2016

### Critical Power Solutions

Onsite power generation systems, control equipment and services that ensure uninterrupted power to operations in times of emergency and in primary power applications

## Senior Management

### Nathan J. Mazurek, Chairman & Chief Executive Officer

Mr. Mazurek has served as chairman and CEO since the Company's inception in December 2009. Since 1995, he has served as the chairman, CEO and vice president of sales and marketing of Pioneer Transformers Ltd., the Company's largest operating subsidiary. Mr. Mazurek began his career in the electrical equipment and components industry in 1988 when he acquired American Circuit Breaker Corp. and served as its president for over two decades. Between 2001 and 2005, Mr. Mazurek acquired and integrated several businesses from MagneTek, Inc., Aerovox, Inc. and Ningbo Shine Electrical Co. Ltd. (China) to form one of the largest manufacturers of AC film capacitors. He served as president of the combined company, Aerovox, Inc., until 2007. Since 1999, Mr. Mazurek has served as a director of Empire Resources, Inc., a distributor of semi-finished aluminum products. He received his BA from Yeshiva College in 1983 and his JD from Georgetown University Law Center in 1986.

### Thomas Klink, Chief Financial Officer

Mr. Klink has served as chief financial officer since January 2016. Most recently, Mr. Klink was President of Jefferson Electric, rising to that position after serving in several positions of increasing responsibility, including chief executive officer, chief financial officer, vice president, treasurer, secretary and chairman of the board of directors. Previously, Mr. Klink served as a division controller at MagneTek, Inc., a Nasdaq traded company, reporting to the corporate controller. His responsibilities included monthly financial reporting, cash flow forecasting, divisional profit and loss forecasts, quarterly financial closing and annual audit activities. During his career, he has been responsible for negotiating bank agreements with various lenders, conducting annual audits, overseeing insurance and benefits purchasing, and negotiating material contracts.

The foregoing compilation relates to Pioneer Power Solutions, Inc. (Nasdaq: PPSI) and contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. When used in this document, the words "anticipate," "believe," "estimate," "expect" and similar expressions as they relate to Pioneer Power Solutions or its management, are intended to identify such forward-looking statements. Pioneer Power Solutions actual results, performance or achievements could differ materially from the results expressed in, or implied by these forward-looking statements. For more detailed information the reader is referred to Pioneer Power Solutions Form 10-K and other related documents filed with the Securities and Exchange Commission. This does not constitute an offer to buy or sell securities by the Company and is meant purely for informational purposes. Hayden IR, (HIR) its affiliates, officers, directors, subsidiaries and agents have been compensated by the Company for the creation of this document. HIR has relied upon information received from the Company, which, although believed to be reliable, cannot be guaranteed. This information is not an endorsement of the Company by HIR. HIR is not responsible for any claims made by the Company. You should independently investigate and fully understand all risks before investing.