

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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) **November 10, 2022**

TWIN DISC, INCORPORATED

(Exact name of registrant as specified in its charter)

WISCONSIN
(State or other jurisdiction
of incorporation)

001-7635
(Commission
File Number)

39-0667110
(IRS Employer
Identification No.)

1328 Racine Street **Racine, Wisconsin 53403**

(Address of principal executive offices)

Registrant's telephone number, including area code: **(262)638-4000**

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 (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (No Par Value)	TWIN	The NASDAQ Stock Market LLC

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 7.01 Regulation FD Disclosure

The executive officers of Twin Disc intend to present materials at meetings with investors and analysts and at investor conferences on or after November 10, 2022. A copy of the presentation materials to be used at those meetings and from time to time thereafter is filed as Exhibit 99.1 hereto. The presentation materials will also be posted on the Company's website, www.twindisc.com. The Company does not intend to file any update of these presentation materials. The fact that these presentation materials are being furnished should not be deemed an admission as to the materiality of any information contained in the materials.

The information included in the presentation includes financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company's management uses these non-GAAP measures in its analysis of the Company's performance. The Company believes that the presentation of certain non-GAAP measures provides useful supplemental information that is essential to a proper understanding of the operating results of the Company's core businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

The information in this Form 8-K being furnished under Item 7.01 shall not be deemed to be "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the Company's expectations and involve risks and uncertainties that could cause the Company's actual results to differ materially from those set forth in the statements. These risks are discussed in the Company's filings with the Securities and Exchange Commission, including an extensive discussion of these risks in the Company's Annual Report on Form 10-K for the year ended June 30, 2022.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT NUMBER	DESCRIPTION
99.1	Presentation Materials
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Pursuant to the requirements of section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 10, 2022

Twin Disc, Incorporated

/s/ Jeffrey S. Knutson

Jeffrey S. Knutson

Vice President-Finance, Chief Financial
Officer, Treasurer & Secretary



BAIRD INDUSTRIAL CONFERENCE

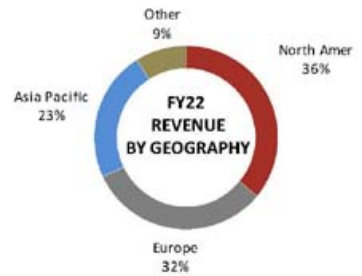
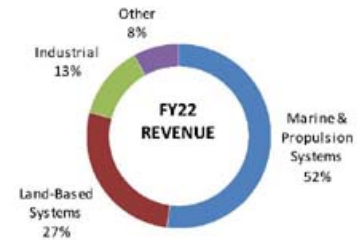
CEO: John Batten

CFO: Jeffrey Knutson



This presentation contains statements that are forward-looking within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements are based on management's current expectations that are based on assumptions that are subject to risks and uncertainties. Actual results may vary because of variations between these assumptions and actual performance. Investors are referred to Twin Disc's fiscal year 2022 Annual Report and Form 10-K, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Information," which outlines certain risks regarding the Company's forward-looking statements. Copies of the Company's SEC filings may be obtained from the SEC, and are available on Twin Disc's web site (www.twindisc.com), or by request from the Investor Relations department at the Company.

- Founded in 1918
- Headquartered in Racine, WI
 - ~800 employees
- Designer and manufacturer of heavy duty power transmission equipment
- A global company
 - Manufacturing operations in the U.S., Belgium, Netherlands, Italy, Switzerland and Japan (JV)
 - World-wide distributor network
 - Global: 64% of FY22 sales to international markets
- Diversified product and market portfolio made up of three product groups: marine and propulsion systems, land-based systems and industrial products
- Acquisition of Veth Propulsion (July 2018), further expanded geography and product offering



GEOGRAPHIC DIVERSITY



★ Manufacturing location ● Company owned distribution / service location ● Purchasing / sourcing offices



- Focus on European structure simplification and back office consolidation.
 - Sold Swiss facility in FY22.
 - Sold one Italian facility in FY22.
 - Agreement to sell Belgian facility in FY23..

- Leading hybrid/electric solution provider for niche marine and land-based applications.
- Continued expansion of Veth product reach to new markets and geographies.
- Rationalize global footprint for efficiency and customer response.
- Increased focus on controls and system integration rather than individual components
- M&A priorities
 - Industrial
 - Marine technology, hybrid focus



[Grizzly Manufacturing](#) is excited to be partnering with [Sewart Supply Inc](#) to package the EnviroFrac electric fracturing solution. This retrofittable electric solution produces up to 3000HHP utilizing proven technology and a simplistic design, all mounted on a standard trailer for maneuverability.

- Initial E-Frac applications achieving performance beyond expectations.
- Significant volume anticipated starting in late FY23.
- Signed 18 month exclusive agreement with Sewart Supply for E-Frac applications.



 HINCKLEY YACHTS



TWIN DISC - STRICTLY CONFIDENTIAL

7

Confidential

- **Hinckley Silent Jet combines benefits of diesel/electric propulsion**
- **Seamless transition between diesel and electric power.**
- **Benefits of silent operation under electric power or high performance diesel propulsion.**
- **Partnered with Twin Disc to supply entire integrated propulsion solution.**



Niagara Falls - Maid of the Mist

- Two all-electric catamarans launched in 2020.
- Utilizing Veth L-Drives powered by lithium-ion batteries and sourced from Niagara Falls.
- No diesel fumes, no exhaust stacks obscuring views and no noise to compete with the falls.
- Take about seven minutes to charge between trips. 600 passengers per trip, 1.6 million per year.

Target Markets Diesel powered planning & displacement vessels
30' – 250'.

Products
- transmissions
- propellers
- MCD's
- controls



Market Dynamics

- European market remains stable
- Asian growth rebounded in FY18/19.
- Long term growth in Asia, Latin America and North America expected to continue
- Acquisition of Veth Propulsion expected to provide significant synergistic growth opportunities










Customers



Target Markets	High speed diesel powered planing & displacement yachts 50' – 150'.
Products <ul style="list-style-type: none"> - transmissions - propellers - controls - Arneson surface drives - EJS - trim systems - steering 	
Market Dynamics	<ul style="list-style-type: none"> - Market remains stable but off historic highs, some market share gains recently. - EJS™ establishing strong market acceptance. - Estimated 5+ years before market recovers to pre-recession levels. - Continue to emphasize technological differentiation.



Customers




Target Markets	High speed diesel powered planing & displacement yachts 50' – 150'.
Products <ul style="list-style-type: none"> - transmissions - propellers - controls - Arneson surface drives - EJS - trim systems - steering 	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center; margin: 5px;">  Transmissions </div> <div style="text-align: center; margin: 5px;">  Steering </div> <div style="text-align: center; margin: 5px;">  Propellers </div> <div style="text-align: center; margin: 5px;">  Surface Drives </div> <div style="text-align: center; margin: 5px;">  EJS </div> <div style="text-align: center; margin: 5px;">  Trim Systems </div> <div style="text-align: center; margin: 5px;">  Controls </div> </div>
Market Dynamics	<ul style="list-style-type: none"> - Experienced growth in FY17-FY19 as demand for coastal security applications has increased globally. - Expect long term growth to continue. - Demand for high performance and reliability provides competitive advantage.



Customers




LAND BASED TRANSMISSION PRODUCTS



Target Markets	Diesel powered off-highway and all-terrain specialty vehicles 400hp – 3000hp.
Products	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>TA90-8501 Fracking Transmission</p> </div> <div style="text-align: center;">  <p>TA90-7500 Fracking Transmission</p> </div> <div style="text-align: center;">  <p>TD61-1180 ARFF Transmission</p> </div> </div>
Market Dynamics	<ul style="list-style-type: none"> ▪ Pressure Pumping: <ul style="list-style-type: none"> – Traditionally cyclical market. – Weak NA market in FY20 and into FY21, following strong FY18/19. – Global markets continue to represent opportunity for above-average growth in the long term – China demand relatively stable. – Strong NA market share solid platform for future sales and profitability. ▪ Airport Rescue and Fire Fighting (ARFF) : <ul style="list-style-type: none"> – Markets expected to remain stable with potential for modest growth – Released next generation transmission system for ARFF



Customers

Target Markets	Heavy duty industrial disconnect applications.
Products <ul style="list-style-type: none"> ■ Mechanical & hydraulic clutches ■ Reduction gearboxes ■ Pump mount drives 	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>Power Take-Off HP1200</p> </div> <div style="text-align: center;">  <p>Power Take-Off SP314</p> </div> <div style="text-align: center;">  <p>Pump Drive</p> </div> <div style="text-align: center;">  <p>Clutch</p> </div> </div>
Market Dynamics	<ul style="list-style-type: none"> ■ North American Energy Related: <ul style="list-style-type: none"> - Cyclical market with strong share - Limited market activity through FY20, into FY21 ■ Irrigation & Pumping Applications: <ul style="list-style-type: none"> - Power take-off and industrial gearbox lines drove growth - Solid reputation for quality, global service and new product development expected to continue to generate growth opportunities in the future ■ Several recent product launches expected to drive sales in near term: <ul style="list-style-type: none"> - Leveraging controls technology as a competitive advantage - Accelerating activity with new customers and applications



Customers



**Bandit
INDUSTRIES, INC.**



CAT





MORBARK



Peterson
an Astec Industries Co.

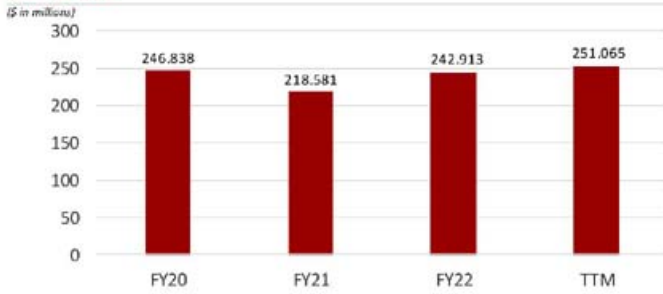


The image features a technical drawing of a mechanical assembly, likely a disc pack or similar component, with various dimensions and labels. A prominent red banner with the text "FINANCIAL OVERVIEW" is overlaid on the drawing. The drawing includes labels such as "TOWER1", "TOWER2", "INLET", "OUTLET", "CORE", and "SPIN". Dimensions are provided in both millimeters and inches, such as 455.4 (17.93), 388.1 (15.28), and 237.5 (9.35). The drawing also shows a cross-section of a spring mechanism and a circular component with a central core and surrounding structure.

FINANCIAL OVERVIEW



NET SALES



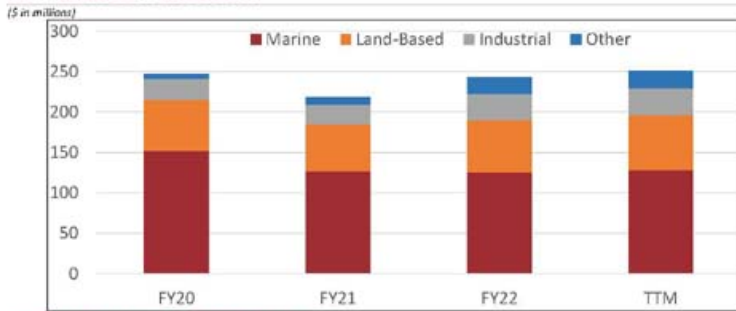
- Weak O&G demand in FY20 and FY21, growing through FY22.
- All markets negatively impacted by COVID-19 pandemic.
- All markets showing sustained demand, with headwinds from inflation and supply chain.

EARNINGS PER SHARE



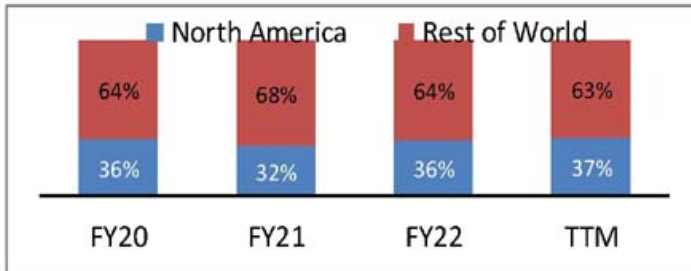
- FY20 impacted by volume decline, primarily O&G, and COVID related impairments and restructuring.
- FY21 unfavorable volume impact due to COVID-19 driven decline in global demand.
- FY22 benefited from improved volume and non-operating gain on building sale.

NET SALES BY CATEGORY



- Marine segment includes marine transmissions, controls, azimuth thrusters, surface drives, propellers and boat management systems.
- Land-Based Transmission products include applications for oilfield and natural gas, military and airport rescue and firefighting.
- Industrial products includes clutches, power take-offs and pump drives sold to the agriculture, recycling, construction and oil and gas markets.

NET SALES MIX BY GEOGRAPHY



- North America net sales decreased significantly in FY20 and FY21, mainly due to decreased activity in the oil and gas markets and the impact of COVID-19.
- Recent increase in ROW sales is due to Veth acquisition, strong Asia Pacific demand and decline in NA O&G activity.

GROSS MARGIN



- Reduced volume, due to impact of COVID-19 on global demand, along with poor product mix impacted GP%.
- Product performance issue recorded in Q1 impacted FY20 by 660 basis points. Excluding this, margin at 22.9% suffered with lower volume and poor product mix – O&G volume.
- FY22 and beyond improved with increased sales volume and more profitable mix, hampered by inflationary pressures and global supply chain challenges.

NET INCOME

(\$ in millions)



- FY20 loss attributed to reduced volume, poor mix and product performance issue. Recorded significant impairment/restructuring as a result of COVID.
- FY21 loss driven by volume impact of COVID-19 pandemic.
- FY22 profit with recovery in volume and non-operating gain on facility sale.
- TTM results impacted by inflationary pressures and global supply chain challenges.

**\$400M
Revenue**

- Hybrid/electric leadership
- Veth global expansion
- Industrial focus
- Acquisitions

**30%
Gross
Profit**

- European cost structure
- Operational efficiencies
- Greater pass-through content (lower margin)

**60%
FCF
Conversion**

- Supply chain processes
- Manufacturing footprint
- Capital spending discipline
- Return dividend



QUICKSHIFT®
You've got to feel it to believe it.

Marine Transmission
MGX 5065
270hp – 570hp



QUICKSHIFT®
You've got to feel it to believe it.

Marine Transmission
MGX 5600
1300hp – 2100hp



Marine Control Drive
(MCD)
5 Models
215hp – 6035hp



Surface Drive



ROLLA™
A Twin Disc Company



Controls
EC 300



Express Joystick



Z-Drives



L-Drives



Tunnel Thrusters



Veth-Jet



**Diesel Engines /
Generator Sets**



Electronics

TRANSMISSION PRODUCTS



TA90-8501
Fracing Transmission
3000hp (2300kW)

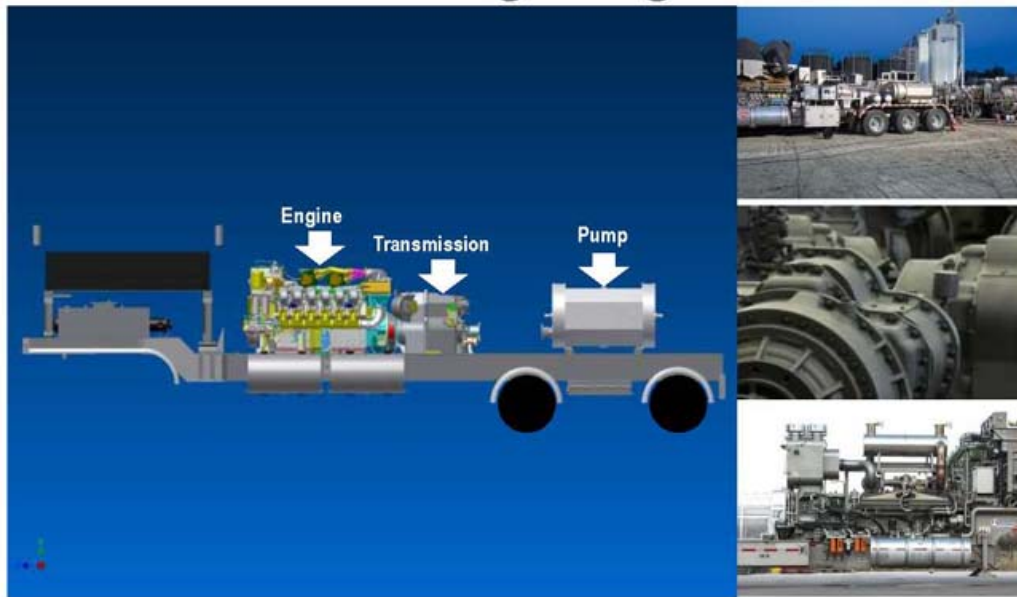


TA90-7500
Fracing Transmission
2600hp (1939kW)



TD61-1180
ARFF Transmission
705hp (526kW)

Frac Rig Diagram



TWIN DISC - STRICTLY CONFIDENTIAL



Power Take-Off
HP1200
Released 3/16



Power Take-Off
SP314



Pump Drive
AM370



Clutch

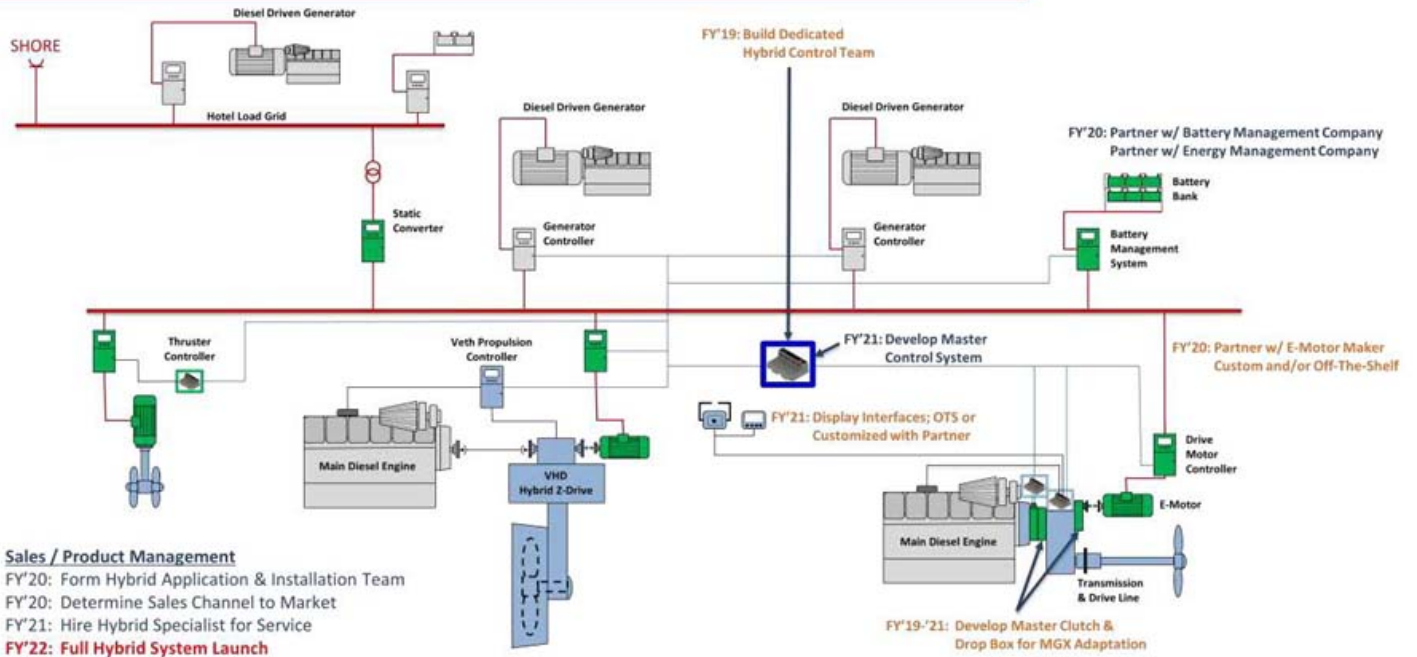


Gear Box



Universal Control Drive

HYBRID SYSTEM – SAMPLE SCHEMATIC



Sales / Product Management

FY'20: Form Hybrid Application & Installation Team

FY'20: Determine Sales Channel to Market

FY'21: Hire Hybrid Specialist for Service

FY'22: Full Hybrid System Launch

1. Regulation to reduce emissions

- International Maritime Organization (UN) sulfur reduction initiative for the global shipping industry
 - Reduce emissions by 50% by 2050
- “Black smoke” reduction initiatives in urban areas and major ports/waterways—invest only in vessels



#Dieselgate

2. Financial incentives to go hybrid

- Governments are offering subsidies to marine companies that install “green” propulsion systems
- In the USA, EPA Volkswagen “Dieselgate” Fund

3. Economics of doing business

- Electrical components for hybrid systems are getting cheaper
- For certain vessel types, the added cost of installing a hybrid system makes sense due to the operation expense savings

WORKBOAT

NEWS ▾

BLOGS ▾

RESOURCES ▾

Study backs plan to shift Washington ferries to hybrid-electric power

By Workboat Staff on SEPTEMBER 4, 2018

SHARE [f](#) [t](#) [in](#)





APPENDIX



RECONCILIATION OF NET INCOME TO EBITDA



(\$ in thousands)

	FY19	FY20	FY21	FY22
Net Income	\$10,673	(\$39,817)	(\$29,719)	\$8,095
Income Taxes	3,711	(4,169)	19,680	1,823
Interest Expense	1,927	1,860	2,358	2,128
Depreciation & Amortization	13,612	11,925	11,243	9,547
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$29,923	(\$30,201)	\$3,562	\$21,593
Net Sales	\$302,663	\$246,838	\$218,581	\$242,913
EBITDA as a % of Sales	9.9%	(12.2%)	1.6%	8.9%

INCOME STATEMENT SUMMARY – Q1



(\$ in thousands)

	FY20	FY21	FY22	FY23
Net Sales	\$59,290	\$46,143	\$47,761	\$55,914
Gross Profit	9,636	10,277	13,447	13,297
<i>% Margin</i>	16.3%	22.3%	28.2%	23.8%
MEA Expense	16,346	13,022	13,091	15,078
Restructuring Impairment	121	405	(2,891)	10
Interest Expense	389	573	530	566
Misc. Exp / (Inc)	691	1,143	355	260
Pretax Earnings	(\$7,911)	(\$4,866)	\$2,362	(\$2,619)
Income Taxes	(1,618)	(929)	382	(688)
Minority Interest	(18)	(42)	(60)	(98)
Net Income	(\$6,311)	(\$3,979)	\$1,920	(\$2,029)
EBITDA	(\$4,614)	(\$1,577)	\$5,382	(\$11)

Non-GAAP Financial Disclosures

Financial information excluding the impact of certain significant items in this presentation are not measures that are defined in U.S. Generally Accepted Accounting Principles ("GAAP"). These items are measures that management believes are important to adjust for in order to have a meaningful comparison to prior and future periods and to provide a basis for future projections and for estimating our earnings growth prospects. Non-GAAP measures are used by management as a performance measure to judge profitability of our business absent the impact of foreign currency exchange rate changes and acquisitions. Management analyzes the company's business performance and trends excluding these amounts. These measures, as well as EBITDA, provide a more consistent view of performance than the closest GAAP equivalent for management and investors. Management compensates for this by using these measures in combination with the GAAP measures. The presentation of the non-GAAP measures in this presentation are made alongside the most directly comparable GAAP measures.

Definition - Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

The sum of, net earnings and adding back provision for income taxes, interest expense, depreciations and amortization expenses: this is a financial measure of the profit generated excluding the above mentioned items.