

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 6, 2024**

**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.)

**222 East Erie Street, Suite 400 Milwaukee, Wisconsin 53202**

(Address of principal executive offices)

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

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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.

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## 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 6, 2024. 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](http://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. The words "believes," "expects," "intends," "plans," "anticipates," "hopes," "likely," "will," and similar expressions identify such forward-looking statements. These statements are based on the Company's expectations and involve risks, uncertainties and other important factors that could cause the actual results performance or achievements of the Company (or entities in which the Company has interests), or industry results, to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Certain factors that could cause the Company's actual future results to differ materially from those discussed are noted in connection with such statements, but other unanticipated factors could arise. Certain risks regarding the Company's forward-looking statements 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, 2024. Readers are cautioned not to place undue reliance on these forward-looking statements which reflect management's view only as of the date of this Form 8-K. The Company undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, conditions or circumstances.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

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EXHIBIT NUMBER DESCRIPTION

99.1 [Presentation Materials](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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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 6, 2024

Twin Disc, Incorporated

/s/ Jeffrey S. Knutson

Jeffrey S. Knutson

Vice President-Finance, Chief

Financial Officer, Treasurer & Secretary



# TWIN DISC, INC

Investor Presentation



## Safe Harbor Statement

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 2024 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](http://www.twindisc.com)), or by request from the Investor Relations department at the Company.

## Non-GAAP Financial Disclosures

Financial information excluding the impact of asset impairments, restructuring charges, foreign currency exchange rate changes and the impact of acquisitions, if any, 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 press release are made alongside the most directly comparable GAAP measures.

## Definitions

Earnings before interest, taxes, depreciation and amortization (EBITDA) is calculated as net earnings or loss excluding interest expense, the provision or benefit for income taxes, depreciation and amortization expenses.

Net debt is calculated as total debt less cash.

Leverage Ratio is calculated as net debt divided by the sum of EBITDA over the last twelve months.

## Financial

- Q1 sales +14.7% vs. YA to \$72.9 million
- Gross margin increased ~30 bps vs. YA to 26.5%
- Q1 EBITDA of \$1.7 million (net loss of \$2.8 million) vs. \$2.3 million (net loss of \$1.2) YA
- Six-month backlog of \$144.3 million higher sequentially and supported by healthy ongoing demand

## Strategic

- Significant shipments of Veth product meeting growing demand
- Consistent backlog growth supported by healthy demand across end markets
- Continued stabilization within Industrial business
- Driving progress with Katsa Oy integration

- Sales increased by 22.9% vs. YA
- Global commercial markets show sustained activity, fostering robust demand
- Veth six-month backlog increased 19.0% sequentially
- Rolla & Veth partnership continue to perform well on strength in luxury yacht market
- Government defense spending surge fueling growth, boosting inquiries for patrol boat projects





- Sales decreased by 7.0% vs. YA
- ARFF transmissions demand driving record backlog
- Oil & Gas exports flat due to slowdown in Asia Pacific
- Meeting demand for replacement parts within legacy military



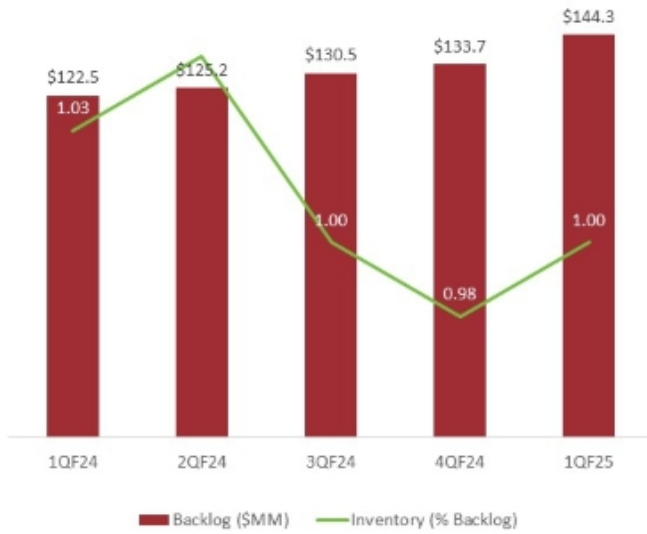
- Sales increased by 61.3% vs. YA
- Continued sequential improvement in demand and strong order trends
- Volume growth supported by Katsa Oy
- Softer demand primarily for commoditized products; higher-content products showing resilience



# CONTINUED BACKLOG GROWTH



## BACKLOG AND INVENTORY % OF BACKLOG



- 6-month backlog continuing to increase on sequential and year-over-year basis
  - FX contributed \$3.4 million sequentially
  - Veth backlog growing on sustained demand

Note: Backlog figures are reflective of a six-month period. The six-month order backlog is considered more representative of operating conditions than total backlog.

Leading Hybrid/Electric solution provider for niche marine and land-based applications

Continued expansion of Veth product to reach 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 and Marine Technology (Hybrid focus)



# FINANCIAL OVERVIEW

TWIN(DISC

## SALES

(\$ in millions)



- Continued healthy demand across global markets
- Operational execution driving performance
- Adjusting for divestiture of BCS in FY 2024, Q1 2025 revenue was \$11.1 million, or 18.0%, higher than the prior year quarter

## EARNINGS PER SHARE



- Foreign currency loss of \$1.1 million negatively impact EPS by \$0.08 in Q1 FY25.
- EPS impacted by additional interest expense on Katsa acquisition (\$0.02) and additional pension amortization (\$0.04).

## SALES BY PRODUCT GROUP

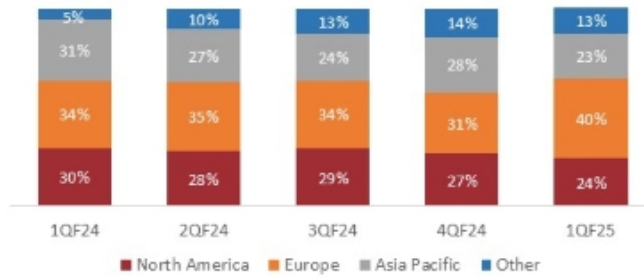
(\$ in millions)



Sales growth driven by strength within Marine and Propulsion Systems and Industrials:

- Consistent market demand
- Geographic expansion
- Strategic partnerships
- Recovery in Industrials sales supported by Katsa acquisition

## SALES MIX BY GEOGRAPHY



- Decreasing proportion of overall sales in North American market continued, with demand remaining steady
- European market capturing a greater proportion of total sales

# STRONG BALANCE SHEET



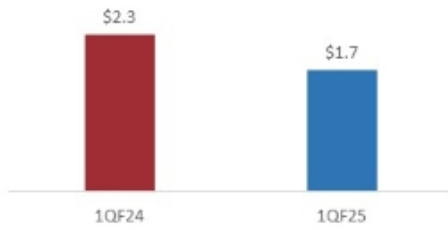
## BALANCE SHEET

(\$ in millions)

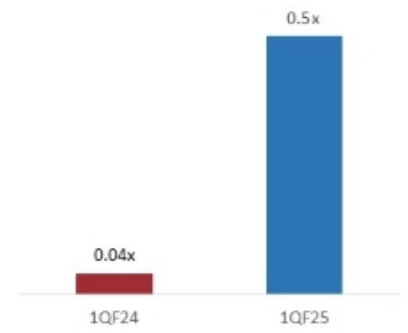


## EBITDA

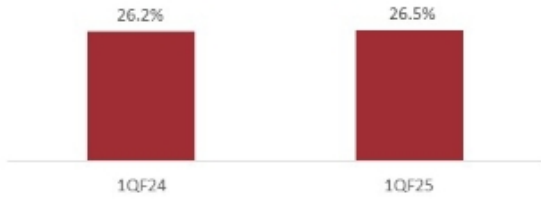
(\$ in millions)



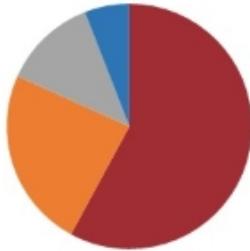
## LEVERAGE RATIO



## TWIN DISC GROSS MARGIN



## FIRST QUARTER GROSS PROFIT BY PRODUCT GROUP



■ Marine & Propulsion Systems ■ Land-Based Transmissions ■ Industrial ■ Other

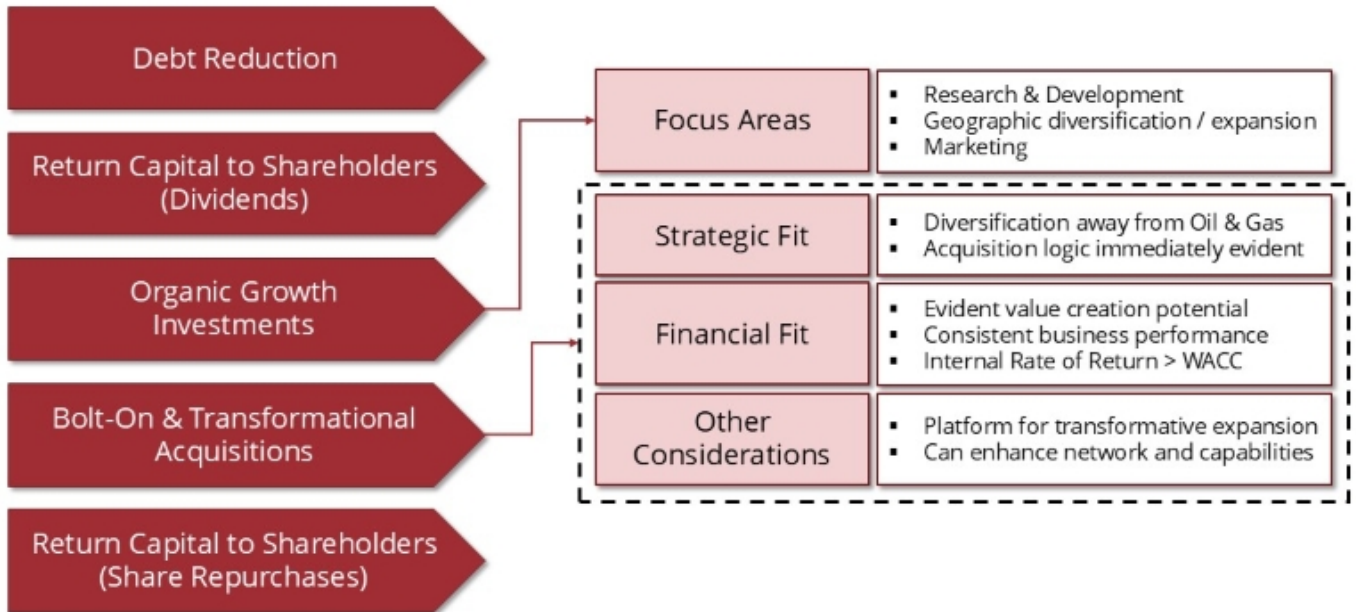
## FIRST QUARTER GROSS MARGIN DRIVERS

- Gross margin increased sequentially by 30 basis points vs. YA
- Capturing tailwinds from pricing actions executed throughout FY 2023
- Pursuing cost reduction activities and operational efficiencies

## INFLATION & SUPPLY CHAIN EXPECTATIONS

- Near-term shipment delays as certain suppliers face delivery challenges and customers delayed delivery, resulting in unfavorable mix impact





- Robust sales growth driving performance improvement in the quarter along with continued margin expansion
- Healthy backlog growth supported by consistent demand across end markets
- Remaining well-equipped to navigate through economic uncertainty, bolstered by a strong financial profile



# Q&A

Fiscal 2025 First Quarter Earnings Call





# APPENDIX

TWIN(DISC

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO REPORTED FINANCIAL MEASURES



## RECONCILIATION OF TOTAL DEBT TO NET DEBT (In thousands; unaudited)

	September 27, 2024	September 29, 2023
Current maturities of long-term debt	2,000	2,000
Long-term debt	27,794	19,657
<b>Total debt</b>	<b>\$29,794</b>	<b>\$21,657</b>
Less cash	16,711	20,428
<b>Net debt</b>	<b>\$13,083</b>	<b>\$1,229</b>

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO REPORTED FINANCIAL MEASURES



## RECONCILIATION OF CONSOLIDATED NET INCOME TO EBITDA (In thousands; unaudited)

	1Q25 LTM	1QF25	FY24	4QF24	3QF24	2QF24	1QF24
Net income (loss) attributable to Twin Disc	\$9,393	\$(2,765)	\$10,989	\$7,410	\$3,822	\$930	\$(1,173)
Interest expense	1,685	636	1,443	394	263	392	394
Income tax expense	4,203	627	4,121	1,515	398	1,662	546
Depreciation and amortization	10,731	3,238	9,981	2,484	2,474	2,535	2,488
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$26,016	\$1,736	\$26,535	\$11,804	\$6,957	\$5,520	\$2,255

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO REPORTED FINANCIAL MEASURES



## NET DEBT TO EBITDA LEVERAGE RATIO CALCULATION

	1QF25	1QF24
Net debt	\$13,083	\$1,229
LTM EBITDA	26,016	27,444
Leverage Ratio	0.5x	0.04x