

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

DON DISHION, Individually and on Behalf
of All Others Similarly Situated,

Plaintiff,

v.

POWER SOLUTIONS INTERNATIONAL,
INC., DINO XYKIS, and XUN LI,

Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

DEMAND FOR JURY TRIAL

Plaintiff Don Dishion (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Power Solutions International, Inc. (“Power Solutions” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Power Solutions; and (c) review of other publicly available information concerning Power Solutions.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Power Solutions securities between May 8, 2025 and March 2, 2026, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Power Solutions designs, manufactures, and sells engines and power systems. The Company mainly sells small engines used in either industrial equipment like forklifts, transportation vehicles like transit buses, or in some cases, micro-power systems. Throughout the first half of fiscal year 2025, as the Company’s transportation end market declined, Power Solutions pivoted to lean into the booming data center market. The Company claimed that providing onsite power generation solutions amid the AI-driven data center expansion was driving both strong present and future performance, including immediate financial benefits due to the purportedly “high growth, higher-margin” business.

3. On November 6, 2025, after the market closed, Power Solutions released its third quarter 2025 financial results, revealing that “gross margin in the third quarter of 2025 was 23.9%,”

a decrease of 5.0%” year over year due in part to “*temporary inefficiencies related to our accelerated production ramp-up*” for “key data center product lines.” Further, the Company revealed it “anticipates ... sales growth of 45%” for full year 2025, which indicated a sharp deceleration as the Company had reported year-over-year growth of 74% in the second quarter and 65% in the third quarter 2025.

4. On this news, Power Solutions’ stock price fell \$15.55, or 19.14%, to close at \$65.69 per share on November 7, 2025, on unusually heavy trading volume.

5. On March 2, 2026, after the market closed, Power Solutions issued a press release announcing fourth quarter and full year 2025 financial results, revealing that *gross margin declined 8% year-over-year* due to “*operating inefficiencies related to [the Company’s] accelerated production ramp-up for data center product lines.*” Further, the Company provided its outlook for 2026, including only “*moderate margin improvement* from the products serving data center markets.” The press release also revealed the Company was “executing specific actions to improve supply chain performance and manufacturing cost structures” but only now “*beginning* to see measurable improvements, which [it] expect to build and support margin expansion *over time.*”

6. Following these disclosures, Power Solutions stock fell \$24.84 or 28.97% to close at \$60.91 on March 3, 2026, on unusually heavy trading volume.

7. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) the Company overstated its ability to capture sales demand for its power systems solutions, particularly within the data center market; (2) the Company understated the impact of its enhancements to

manufacturing capacity to meet demand within the data center market, including the expected costs and the nature of the related “inefficiencies”; and (3) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

8. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

9. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

10. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

11. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company’s principal executive offices are located in this District.

12. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the U.S. mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

13. Plaintiff Don Dishion, as set forth in the accompanying certification, incorporated by reference herein, purchased Power Solutions securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

14. Defendant Power Solutions is incorporated under the laws of Delaware with its principal executive offices located in Wood Dale, Illinois. Power Solutions' common stock trades on the NASDAQ under the symbol "PSIX."

15. Defendant Dino Xykis ("Xykis") was the Company's Chief Executive Officer ("CEO") at all relevant times.

16. Defendant Xun Li ("Li") was the Company's Chief Financial Officer ("CFO") at all relevant times.

17. Defendants Xykis and Li (together, the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of the Company's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

18. Power Solutions designs, manufactures, and sells engines and power systems. The Company mainly sells small engines used in either industrial equipment like forklifts, transportation vehicles like transit buses, or in some cases, micro-power systems.

Materially False and Misleading

Statements Issued During the Class Period

19. The Class Period begins on May 8, 2025.¹ On that day, Power Solutions issued a press release announcing first quarter 2025 financial results. The press release touted the Company’s sales growth from its recent pivot into the data center market as indicative of “the growing demand for our solutions particularly in power systems, combined with company wide operational enhancements and a continued commitment to financial discipline.” The press release also touted its strong margins as indicative of this “*improved mix*” of business. The Company further purported to assure investors that “*as part of our prioritization of the rapidly expanding data center sector, the Company is focused on improving and increasing our manufacturing capacity and capabilities to meet customers’ evolving demand for our products.*” Specifically, the press release stated as follows, in relevant part:

Financial Highlights

(\$ in millions, except per share amounts)

	<u>Quarter Ended</u>		Change
	March 31, 2025	March 31, 2024	
Net sales	\$135.4	\$95.2	42%
Gross Profit	\$40.3	\$25.8	56%
Net Income	\$19.1	\$7.1	168%
Diluted Earnings per Share	\$0.83	\$0.31	\$0.52

¹ Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all footnotes are omitted.

First Quarter 2025 Results

PSI reported a strong profit for the three months ended March 31, 2025, with net income of \$19.1 million and diluted earnings per share of \$0.83, compared to net income of \$7.1 million and diluted earnings per share of \$0.31 for the first quarter of 2024.

Dino Xykis, Chief Executive Officer, commented, “We are extremely pleased with our first quarter results, which represent the best first quarter performance in the Company’s history. Achieving 42% year-over-year sales growth and a 168% increase in net income reflects the strength of our strategic focus and our team’s relentless execution. This historic performance underscores *the growing demand for our solutions particularly in power systems, combined with company wide operational enhancements and a continued commitment to financial discipline.*”

In addition, we are actively assessing the evolving tariff environment and are committed to proactively mitigating any associated risks through strategic sourcing, pricing actions, and supply chain agility. Our goal is to ensure continuity and competitiveness regardless of external headwinds.”

Sales for the first quarter of 2025 were \$135.4 million, an increase of \$40.2 million, or 42%, compared to the first quarter of 2024, primarily as a result of sales increases of \$44.7 million and \$0.8 million in the power systems and transportation end markets, respectively, offset by a decrease of \$5.2 million within the industrial end market. *This shift in markets reflects the conscious strategic prioritization toward higher growth markets such as data centers as well as oil and gas products. As part of our prioritization of the rapidly expanding data center sector, the Company is focused on improving and increasing our manufacturing capacity and capabilities to meet customers’ evolving demand for our products.* The lower industrial end market sales is primarily driven by reduced demand in the material handling market.

Gross profit increased by \$14.5 million, or 56%, during the first quarter of 2025 as compared to the same period in the prior year. *Gross margin in the first quarter of 2025 was 29.7%, an increase of 2.7% compared to 27.0% in the same period last year, primarily due to improved mix,* pricing actions, and lower warranty costs attributable to the Company’s strategic sales shift away from some of our transportation customers. For the first quarter of 2025, warranty costs were \$0.6 million, as compared to \$1.5 million for the first quarter of 2024.

20. On May 8, 2025, the Company submitted its quarterly report for the period ended March 31, 2025 on a Form 10-Q filed with the SEC. The quarterly report affirmed the previously reported financial results. The report further claimed the Company’s “*growth in net revenue*” was

“*driven by power systems markets, including data center*” sales, and was the result of the Company’s “*prioritization toward higher growth, higher-margin markets.*” The quarterly report alleged, among other things, that “*Pivoting the focus to these markets is driving current net sales growth and profitability.*” Specifically, the quarterly report stated as follows, in relevant part:

Recent Trends and Business Outlook

PSI’s growth in net revenue for the three months in 2025 was driven by power systems markets, including data center and oil and gas products, partially offset by lower sales from more mature, lower-margin markets such as industrial. This shift in markets reflects the Company’s conscious ***strategic prioritization toward higher growth, higher-margin markets*** with less emphasis on more mature markets.

The Company is focused on leading the business through a growth phase with a stronger balance sheet while strategically prioritizing products that demonstrate strong demand and ***higher gross margins.*** Consistent with those goals, the Company is actively pursuing several initiatives to enhance and expand manufacturing capacity to meet the increasing demand from data center markets. ***Pivoting the focus to these markets is driving current net sales growth and profitability.*** Through expanded capacity and strategic partnerships, management expects this positive trend to continue.

* * *

Net Sales

Net sales increased \$40.2 million, or 42%, during the three months ended March 31, 2025 compared to the three months ended March 31, 2024, as a result of sales increases of \$44.7 million and \$0.8 million in the power systems and transportation end markets, respectively, partly offset by a decrease of \$5.2 million in the industrial end market. ***Higher power systems end market sales were primarily due to increased demand for products*** across various applications, with ***the largest increases attributable to products*** used within the packaging market such as enclosures ***servicing the fast-growing data center market,*** and oil and gas products. ***The Company is strategically prioritizing the rapidly expanding data center sector, improving and increasing our manufacturing capacity and capabilities to meet our customers’ evolving demands for our products.*** The lower industrial end market sales is primarily driven by reduced demand in the material handling market. The Company is actively pursuing new industrial customers for sales growth.

21. On August 7, 2025, Power Solutions issued a press release announcing second quarter 2025 financial results. The press release touted the Company’s financial results as well as the pivot into the data center market, including its sales growth, as indicative of “***strong demand for our power systems solutions***” and “***our deliberate strategic focus on higher-growth sectors such as data centers.***” The Company further purported to again assure investors that it was “***prioritizing the rapidly expanding data center sector by enhancing our manufacturing capacity and capabilities to meet evolving customer demand.***” Finally, the press release attributed the decline of gross margins during the quarter merely to sales in “comparatively lower-margin products and ***temporary*** inefficiencies related to our accelerated production ramp-up.” Specifically, the press release stated as follows, in relevant part:

Financial Highlights

(\$ in millions, except per share amounts)	Quarter Ended		Change
	June 30, 2025	June 30, 2024	
Net Sales	\$191.9	\$110.6	74%
Gross Profit	\$54.1	\$35.2	54%
Net Income	\$51.2	\$21.5	138%
Diluted Earnings per Share	\$2.22	\$0.94	\$1.28

Second Quarter 2025 Results

PSI reported record sales and profit for the three months ended June 30, 2025, with sales of \$191.9 million, net income of \$51.2 million and diluted earnings per share of \$2.22, compared to sales of \$110.6 million, net income of \$21.5 million and diluted earnings per share of \$0.94 for the second quarter of 2024. Second quarter 2025 adjusted net income was \$51.8 million, compared to adjusted net income of \$16.6 million for the second quarter of 2024, an increase of 213%.

Dino Xykis, Chief Executive Officer, commented, “We are very pleased with our second quarter results, which marks the strongest sales and profit performance in our Company’s history. ***Achieving 74% year-over-year sales growth and 138% increase in net income reflects strong demand for our power systems solutions,*** the disciplined execution of our strategy, the commitment and dedication of our employees, and favorable tax benefits.

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Sales for the second quarter of 2025 were \$191.9 million, an increase of \$81.3 million, or 74%, compared to the second quarter of 2024, ***primarily as a result of***

a sales increase of \$83.8 million in the power systems end market, offset by a decrease of \$1.6 million and \$0.9 million within the industrial and transportation end markets, respectively. *This shift in market mix reflects our deliberate strategic focus on higher-growth sectors such as data centers* and oil and gas. In particular, we are *prioritizing the rapidly expanding data center sector by enhancing our manufacturing capacity and capabilities to meet evolving customer demand*. The decline in industrial sales is largely attributable to softer demand in the material handling market.

Gross profit increased by \$18.9 million, or 54%, during the second quarter of 2025 as compared to the same period in the prior year. Gross margin in the second quarter of 2025 was 28.2%, a decrease of 3.6% compared to 31.8% in the same period last year. *Gross margin was impacted due to strong sales growth in comparatively lower-margin products and temporary inefficiencies related to our accelerated production ramp-up*.

22. On August 8, 2025, the Company submitted its quarterly report for the period ended June 30, 2025 on a Form 10-Q filed with the SEC. The quarterly report affirmed the previously reported financial results. The report further claimed the Company's "growth in net revenue for the six months in 2025 was driven by power systems markets, including data center" sales, as the result of the Company's "strategic prioritization toward higher growth, higher-margin markets." The quarterly report further reported that the Company is "*Pivoting the focus to these markets is driving current net sales growth and profitability*." Finally, the quarterly report attributed the decline of gross margins merely to sales in "comparatively lower-margin products and *temporary* inefficiencies related to our accelerated production ramp-up." Specifically, the quarterly report stated as follows, in relevant part:

Recent Trends and Business Outlook

PSI's growth in *net revenue for the six months in 2025 was driven by power systems markets, including data center* and oil and gas products, partially offset by lower sales from more mature, lower-margin markets such as industrial. This shift in markets reflects the Company's conscious *strategic prioritization toward higher growth, higher-margin markets* with less emphasis on more mature markets.

The Company is focused on leading the business through a growth phase with a stronger balance sheet while strategically prioritizing products that demonstrate

strong demand and higher gross margins. Consistent with those goals, the Company is actively pursuing several initiatives to enhance and expand manufacturing capacity to meet the increasing demand from data center markets. Pivoting the focus to these markets is driving current net sales growth and profitability. Through expanded capacity and strategic partnerships, management expects this positive trend to continue.

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Net Sales

Net sales increased \$81.3 million, or 74%, during the three months ended June 30, 2025, compared to the three months ended June 30, 2024, as a result of higher sales of \$83.8 million in the power systems end market, partially offset by a decrease of \$1.6 million and \$0.9 million within the industrial and transportation end markets, respectively. This shift in market mix reflects our deliberate strategic focus on higher-growth sectors such as data centers and oil and gas. In particular, we are prioritizing the rapidly expanding data center sector by enhancing our manufacturing capacity and capabilities to meet evolving customer demand. The decline in industrial sales is largely attributable to softer demand in the material handling market.

Net sales increased \$121.5 million, or 59%, during the six months ended June 30, 2025, compared to the six months ended June 30, 2024, as a result of higher sales of \$128.6 million in the power systems end market, partially offset by a decrease of \$6.9 million and \$0.2 million within the industrial and transportation end markets, respectively. *This shift in market mix reflects our deliberate strategic focus on higher-growth sectors such as data centers and oil and gas.* In particular, we are prioritizing the rapidly expanding data center sector by enhancing our manufacturing capacity and capabilities to meet evolving customer demand. The decline in industrial sales is largely attributable to softer demand in the material handling market.

Gross Profit

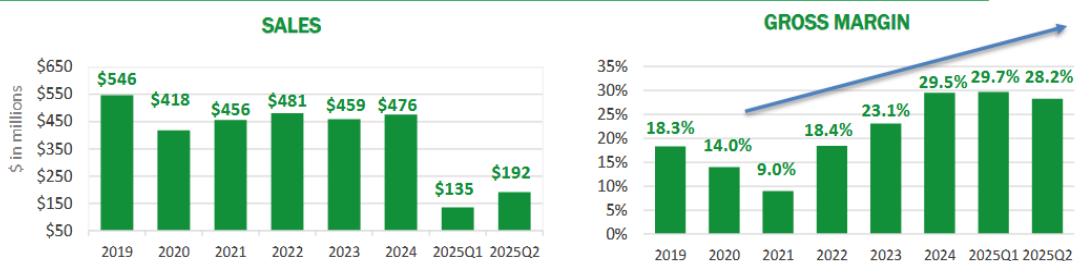
Gross profit increased during the three months ended June 30, 2025 by \$18.9 million, or 54%, compared to the three months ended June 30, 2024. Gross margin was 28.2% and 31.8% during the three months ended June 30, 2025 and 2024, respectively. *The decrease in gross margin is primarily due to strong sales growth in comparatively lower-margin products and temporary inefficiencies related to our accelerated production ramp-up.*

Gross profit increased during the six months ended June 30, 2025 by \$33.4 million, or 55%, compared to the six months ended June 30, 2024. Gross margin was 28.8% and 29.6% during the six months ended June 30, 2025 and 2024, respectively. *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.

23. On September 5, 2025, the Company published an investor update presentation. The presentation touted the Company’s investment highlights, including significant purported “margin expansion opportunities” such as the “*increase mix of Power Systems business, which offers superior margins,*” and the Company’s “*ability to leverage existing infrastructure ... to drive future growth.*” The presentation also reiterated that any decline in gross margins was due merely to “sales growth in comparatively lower margin products and *temporary* inefficiencies related to our accelerated production ramp-up.” Specifically, the presentation stated as follows, in relevant part:

Sales and 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 11

24. The above statements identified in ¶¶19-23 were materially false and/or misleading, and failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) the Company overstated its ability to capture sales demand for its power systems solutions, particularly within the data

center market; (2) the Company understated the impact of its enhancements to manufacturing capacity to meet demand within the data center market, including the expected costs and the nature of the related “inefficiencies”; and (3) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

25. The truth began to emerge on November 6, 2025, after the market closed, when Power Solutions released its third quarter 2025 financial results, revealing that “gross margin in the third quarter of 2025 was 23.9%, *a decrease of 5.0%*” year over year due to “*temporary inefficiencies related to our accelerated production ramp-up*” for “key data center product lines.” Further, the Company revealed it “anticipates ... *sales growth of 45%* for 2025 compared to 2024” despite seeing sales growth of 62% in the third quarter and 74% in the second quarter. Specifically, the press release stated as follows, in relevant part:

Financial Highlights

(\$ in millions, except per share amounts)

	Quarter Ended		Change
	September 30, 2025	September 30, 2024	
Net Sales	\$203.8	\$125.8	62%
Gross Profit	\$48.7	\$36.4	34%
Net Income	\$27.6	\$17.3	59%
Diluted Earnings per Share	\$1.20	\$0.75	\$0.45

Third Quarter 2025 Results

PSI reported record net sales of \$203.8 million and net income of \$27.6 million, or \$1.20 per diluted share, for the three months ended September 30, 2025. This compares to net sales of \$125.8 million and net income of \$17.3 million, or \$0.75 per diluted share, for the same period in 2024, representing increases of 62% in net sales and 59% in net income.

Dino Xykis, Chief Executive Officer, said, “We achieved the highest sales in our company’s history this quarter, delivering strong financial performance with sales increasing 62% and net income rising 59%. These results underscore the robust demand for our power systems solutions, particularly within the data center market. During the quarter, we expanded our manufacturing capacity and increased production across key data center product lines. We are continuing to ramp up

production to ensure on-time delivery while implementing targeted operational improvements to enhance efficiency, execution and future growth going forward.”

Sales for the third quarter of 2025 were \$203.8 million, an increase of \$78.0 million, or 62%, compared to the third quarter of 2024, primarily as a result of a sales increase of \$85.3 million in the power systems end market, offset by a decrease of \$4.7 million and \$2.6 million within the industrial and transportation end markets, respectively. This shift in market mix reflects our deliberate strategic focus on higher-growth sectors such as data centers and oil and gas. In particular, we are prioritizing the rapidly expanding data center sector by enhancing our manufacturing capacity and capabilities to meet evolving customer demand. The decline in industrial sales is largely attributable to softer demand in the materials handling market.

Gross profit increased by \$12.3 million, or 34%, during the third quarter of 2025 as compared to the same period in the prior year. ***Gross margin in the third quarter of 2025 was 23.9%, a decrease of 5.0% compared to 28.9% in the same period last year. Gross margin was impacted due to strong sales growth in comparatively lower-margin products and temporary inefficiencies related to our accelerated production ramp-up.***

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Outlook for 2025

The Company anticipates strong sales growth of 45% for 2025 compared to 2024, driven by expected growth in the power systems end market including products supporting data centers, while sales in the industrial and transportation end markets are projected to remain flat.

26. On November 6, 2025, the Company submitted its quarterly report for the period ended September 30, 2025 on a Form 10-Q filed with the SEC. The quarterly report affirmed the previously reported financial results as well as the Company’s results of operations. The quarterly report purported to maintain that the Company’s “***growth in net revenue***” was “***driven by power systems markets, including data center***” sales, as part of the Company’s “strategic prioritization toward higher growth, ***higher-margin markets.***” The quarterly report continued to claim that “***Pivoting the focus to these markets is driving current net sales growth and profitability.***” Specifically, the quarterly report stated as follows, in relevant part:

Recent Trends and Business Outlook

PSI's growth in net revenue for the nine months in 2025 was driven by power systems markets, including data center and oil and gas products, partially offset by lower sales from more mature, lower-margin markets such as industrial. This shift in markets reflects the Company's conscious strategic prioritization toward higher growth, higher-margin markets with less emphasis on more mature markets.

The Company is focused on leading the business through a growth phase with a stronger balance sheet while strategically prioritizing products that demonstrate strong demand and higher gross margins. Consistent with those goals, the Company is actively pursuing several initiatives to enhance and expand manufacturing capacity to meet the increasing demand from data center markets. *Pivoting the focus to these markets is driving current net sales growth and profitability.* Through expanded capacity and strategic partnerships, management expects this positive trend to continue.

27. On this news, Power Solutions' stock price fell \$15.55, or 19.14%, to close at \$65.69 per share on November 7, 2025, on unusually heavy trading volume.

28. The above statements identified in ¶¶25-26 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) the Company overstated its ability to capture sales demand for its power systems solutions, particularly within the data center market; (2) the Company understated the impact of its enhancements to manufacturing capacity to meet demand within the data center market, including the expected costs and the nature of the related "inefficiencies"; and (3) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

29. Then, on March 2, 2026, after the market closed, Power Solutions issued a press release announcing fourth quarter and full year 2025 financial results, revealing that *gross margin declined 8% year-over-year* due to "operating inefficiencies related to [the Company's]

accelerated production ramp-up for data center product lines.” Further, the Company provided its outlook for 2026, including only “*moderate* margin improvement from the products serving data center markets.” The press release revealed the Company was “executing specific actions to improve supply chain performance and manufacturing cost structures” but only now “*beginning* to see measurable improvements, which [it] expect to build and support margin expansion *over time*.” Specifically, the press release stated as follows, in relevant part:

Financial Highlights

(\$ in millions, except per share amounts)

	Quarter Ended		Change
	December 31, 2025	December 31, 2024	
Net sales	\$191.2	\$144.3	33%
Gross profit	\$41.8	\$43.2	(3)%
Income before income taxes	\$22.7	\$22.8	(1)%
Net income	\$16.1	\$23.3	(31)%
Diluted earnings per share	\$0.70	\$1.01	\$(0.31)

(\$ in millions, except per share amounts)

	Year Ended		Change
	December 31, 2025	December 31, 2024	
Net sales	\$722.4	\$476.0	52%
Gross profit	\$184.9	\$140.5	32%
Income before income taxes	\$103.4	\$70.2	47%
Net income	\$114.0	\$69.3	65%
Diluted earnings per share	\$4.94	\$3.01	\$1.93

Fourth Quarter 2025 Results

PSI reported net sales of \$191.2 million and net income of \$16.1 million, or \$0.70 per diluted share, for the three months ended December 31, 2025. This compares to net sales of \$144.3 million and net income of \$23.3 million, or \$1.01 per diluted share, for the same period in 2024, representing an increase of 33% in net sales and a decrease of 31% in net income.

Dino Xykis, Chief Executive Officer, said, “In 2025, the Company delivered record sales and profitability, with annual sales increasing 52% and annual net income rising 65%. This performance reflects continued demand for our power systems solutions, including demand within the data center market. During the quarter, operating efficiency was impacted by the ramp up of new manufacturing capacity and increased volumes across certain product lines. Management has identified the key drivers and is executing specific actions to improve supply chain performance and manufacturing cost structures. We are beginning to see measurable improvements, which we expect to build and support margin expansion over time.

We recently completed the acquisition of MTL Manufacturing & Equipment, Inc. (“MTL”), a company that specializes in the welding and fabrication of steel components. This acquisition is expected to enhance PSI’s competitive position in the data center market through vertical integration of MTL’s specialized

manufacturing capabilities. The integration is designed to provide improved supply chain control, reduced lead times, and access to MTL's established UL Solutions certifications."

Sales for the fourth quarter of 2025 were \$191.2 million, an increase of \$46.9 million, or 33%, compared to the fourth quarter of 2024, primarily as a result of sales increases of \$46.8 million and \$3.0 million in the power systems and industrial end markets, respectively, partly offset by decreases of \$2.9 million in the transportation end market. This shift in market mix reflects our deliberate strategic focus on higher-growth sectors such as data centers and oil and gas. In particular, we are prioritizing the rapidly expanding data center sector by enhancing our manufacturing capacity and capabilities to meet evolving customer demand.

Gross profit decreased by \$1.4 million, or 3%, during the fourth quarter of 2025 as compared to the same period in the prior year. Gross margin in the fourth quarter of 2025 was 21.9%, a decrease of 8.0% compared to 29.9% in the same period last year. Gross margin was impacted by operating inefficiencies related to our accelerated production ramp-up for data center product lines.

30. Following these disclosures, Power Solutions stock fell \$24.84 or 28.97% to close at \$60.91 on March 3, 2026, on unusually heavy trading volume.

CLASS ACTION ALLEGATIONS

31. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Power Solutions securities between May 8, 2025 and March 2, 2026, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

32. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Power Solutions' shares actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds

or thousands of members in the proposed Class. Millions of Power Solutions shares were traded publicly during the Class Period on the NASDAQ. Record owners and other members of the Class may be identified from records maintained by Power Solutions or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

33. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

34. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

35. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Power Solutions; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

36. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden

of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

37. The market for Power Solutions' securities was open, well-developed, and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Power Solutions' securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Power Solutions' securities relying upon the integrity of the market price of the Company's securities and market information relating to Power Solutions, and have been damaged thereby.

38. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Power Solutions' securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Power Solutions' business, operations, and prospects as alleged herein.

39. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Power Solutions' financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants'

materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

LOSS CAUSATION

40. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

41. During the Class Period, Plaintiff and the Class purchased Power Solutions' securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

42. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Power Solutions, their control over, and/or receipt and/or modification of Power Solutions' allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Power Solutions, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE

(FRAUD-ON-THE-MARKET DOCTRINE)

43. The market for Power Solutions' securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Power Solutions' securities traded at artificially inflated prices during the Class Period. On September 23, 2025 the Company's stock price closed at a Class Period high of \$115.78 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Power Solutions' securities and market information relating to Power Solutions, and have been damaged thereby.

44. During the Class Period, the artificial inflation of Power Solutions' shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Power Solutions' business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Power Solutions and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

45. At all relevant times, the market for Power Solutions' securities was an efficient market for the following reasons, among others:

(a) Power Solutions shares met the requirements for listing, and were listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Power Solutions filed periodic public reports with the SEC and/or the NASDAQ;

(c) Power Solutions regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Power Solutions was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

46. As a result of the foregoing, the market for Power Solutions' securities promptly digested current information regarding Power Solutions from all publicly available sources and reflected such information in Power Solutions' share price. Under these circumstances, all purchasers of Power Solutions' securities during the Class Period suffered similar injury through their purchase of Power Solutions' securities at artificially inflated prices and a presumption of reliance applies.

47. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to

recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

NO SAFE HARBOR

48. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Power Solutions who knew that the statement was false when made.

FIRST CLAIM

Violation of Section 10(b) of The Exchange Act and

Rule 10b-5 Promulgated Thereunder

Against All Defendants

49. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

50. During the Class Period, Defendants carried out a plan, scheme, and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Power Solutions' securities at artificially inflated prices. In furtherance of this unlawful scheme, plan, and course of conduct, Defendants, and each Individual Defendant, took the actions set forth herein.

51. Defendants: (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Power Solutions' securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

52. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Power Solutions' financial well-being and prospects, as specified herein.

53. Defendants employed devices, schemes, and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Power Solutions' value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Power Solutions and its business operations

and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

54. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development, and reporting of the Company's internal budgets, plans, projections, and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

55. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Power Solutions' financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations,

financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

56. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Power Solutions' securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Power Solutions' securities during the Class Period at artificially high prices and were damaged thereby.

57. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Power Solutions was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Power Solutions securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

58. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

59. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM

Violation of Section 20(a) of The Exchange Act

Against the Individual Defendants

60. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

61. Individual Defendants acted as controlling persons of Power Solutions within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

62. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

63. As set forth above, Power Solutions and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.