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GM Selects Power Solutions International as its Alternative-Fuel Specialty Vehicle Modifier in North America

New agreement expands PSI's alternative-fuel on-road market reach

WOOD DALE, Ill., Nov. 21, 2016 (GLOBE NEWSWIRE) -- General Motors (GM) has selected Power Solutions International (PSI) (NASDAQ:PSIX) as its alternative-fuel specialty vehicle modifier in North America. The agreement authorizes PSI to perform alternative-fuel conversions, including natural gas (CNG) and propane (LPG) options, on a range of GM specialty vehicles for fleet, commercial and retail markets.

GM vehicles covered by the agreement include Silverado and Sierra 2500HD and 3500HD pickup trucks, Express and Savana passenger vans, cargo vans and commercial cutaway vehicles, and low cab forward 3500HD and 4500HD trucks. PSI plans to begin taking orders before the first of the year 2017.

"We're very excited about this latest agreement with GM and the on-road opportunities that it unlocks for us," said Gary Winemaster, PSI's Chairman and Chief Executive Officer. "It demonstrates GM's confidence in PSI and makes us an integral part of its renewed effort in the alternative-fuel pickup, van, cutaway and light-duty truck markets. We're also positioned to get in on the ground floor as an up-fitter for GM's reentry into the medium-duty truck business."

PSI's history with GM dates back to 1996, and includes hundreds of thousands of engines placed into industrial and on-road OEM applications. In 2013, the two companies signed a multi-year supply agreement enabling PSI to sell GM 4.8-liter and 6.0-liter engines and 4L90E transmissions to on-road markets. The new collaboration represents another major step in PSI's growing on-road business, extending its reach to passenger and light-duty Class 2 and 3 pickups, vans and cutaways in addition to the Class 4-7 trucks and buses that it already outfits.

Mr. Winemaster noted that PSI was chosen because it met all of GM's needs in terms of alternative-fuel experience, market expertise and business model fit, now and looking to the future. PSI has built a solid track record with a wide variety of fuels in industrial and on-road applications, while demonstrating an ability to adapt to changing market conditions and opportunities. To strengthen its on-road position, the company purchased Bi-Phase Technologies in 2015 in order to take advantage of its patented leak-proof injector technology for propane fuel systems. Overall, PSI's nimbler business model will enable it to cost-effectively tackle small and medium-sized markets.

Under the new agreement, GM customers will be able to maintain their OEM powertrain warranties with the PSI alternative-fuel conversions, a considerable value that no other aftermarket provider can offer. PSI will be the point of sale company for the fuel conversion systems including components, such as injectors, tanks, electronics and harnessing. It will be responsible for the validation and EPA / CARB certification for the converted vehicles, as well as warranty, service and aftermarket sales for the conversions.

"PSI has years of design knowledge and experience working with GM engines and controls. We know we can provide the level of quality GM demands from all of its products," said Winemaster. "We've also invested and developed our own proprietary, certified CNG on-road fuel systems and engine controls, which situates us well for upcoming 2018 certification requirements."

Winemaster explained that these requirements will make it much more difficult for other aftermarket alternative-fuel system providers to avoid costly certification investments. The costs, which can run into millions of dollars, may be too prohibitive for many providers to meet.

Alternative-fuel conversions are increasingly attractive for a growing number of companies with sustainability goals and commitments, businesses in states with favorable incentives and initiatives related to alternative fuels like California, and for sectors such as utilities, which have already invested in alternative-fuel infrastructure.

"We see fleets looking for vertically integrated alternative-fuel engine solutions where solutions can come from one provider. That is what PSI can provide. This puts us in a good position to become a market leader in the industry," said Winemaster.

For more information on PSI and its products, visit <http://www.psiengines.com>.

About Power Solutions International, Inc.

Power Solutions International, Inc. (PSI or the Company) is a leader in the design, engineer and manufacture of emissions-certified, alternative-fuel power systems. PSI provides integrated turnkey solutions to leading global original equipment manufacturers in the industrial and on-road markets. The Company's unique in-house design, prototyping, engineering and testing capacities allow PSI to customize clean, high-performance engines that run on a wide variety of fuels, including natural gas, propane, biogas, gasoline and diesel.

PSI develops and delivers complete industrial power systems that are used worldwide in stationary and mobile power generation applications supporting standby, prime, and Co-generation power (CHP) applications; mobile industrial applications that include forklifts, aerial lifts, industrial sweepers, aircraft ground support, arbor, agricultural and construction equipment. In addition, PSI develops and delivers power systems purpose built for the Class 3 through Class 7 medium duty trucks and buses for the North American and Asian markets. For more information on PSI, visit www.psiengines.com.

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