

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): May 9, 2023

**PROFIRE ENERGY, INC.**

(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of incorporation)

001-36378  
Commission  
File Number

20-0019425  
(IRS Employer  
Identification No.)

321 South 1250 West, Suite 1, Lindon, Utah  
(Address of principal executive offices)

84042  
(Zip code)

801 796-5127  
(Registrant's telephone number, including area code)

N/A  
(Former name or former address, if changed since last report.)

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 (see General Instruction A.2 below):

- 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))
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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 standards provided pursuant to Section 13(a) of the Exchange Act.

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, \$0.001 Par Value | PFIE              | NASDAQ                                    |

**Item 2.02 Results of Operations and Financial Condition**

On May 9, 2023, Profire Energy, Inc. (the "Company") issued a press release reporting financial results for the three months ended March 31, 2023. A copy of the press release is attached to this Current Report as Exhibit 99.1 and is incorporated herein solely for the purposes of this Item 2.02 disclosure.

The information contained in Items 2.02 and 9.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, except as otherwise expressly set forth by specific reference in such a filing.

**Item 7.01 Regulation FD Disclosure**

On May 9, 2023, the Company announced that its Board of Directors had authorized a share repurchase program allowing the Company to repurchase up to \$2,000,000 worth of the Company's common stock from time to time through April 30, 2024. Any purchases under the program will be made at the discretion of management or may also be made pursuant to a Rule 10b5-1 plan. The size and timing of any purchases will depend on price, market and business conditions and other factors.

The share repurchase program was described in a press release issued by the Company on May 9, 2023, which is attached hereto as Exhibit 99.1.

The information in items 7.01 and 9.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, except as otherwise expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

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| <u>Exhibit Number</u>         | <u>Description</u>  |
|-------------------------------|---|
| <a href="#">99.1</a><br>104.0 | Press Release Announcing Financial Results and Share Repurchase Plan<br>Cover Page Interactive Data File (embedded within the Inline XBRL document) |

**SIGNATURE**

Pursuant to the requirements 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:  
May 9, 2023

PROFIRE ENERGY, INC.  
By: /s/ Ryan W. Oviatt  
Ryan W. Oviatt  
Co-Chief Executive Officer

## Profire Energy Reports Financial Results for First Quarter 2023

*Company Reports Second-Highest Quarterly Revenue and Best Ever Net Income in Company History  
Announces \$2M Share Repurchase Program*

**LINDON, Utah May 9, 2023** - Profire Energy, Inc. (NASDAQ: PFIE), a technology company (the "Company") that provides solutions which enhance the efficiency, safety, and reliability of industrial combustion appliances, today reported financial results for its first quarter ending March 31, 2023. A conference call will be held on Wednesday, May 10, 2023 at 8:30 a.m. ET to discuss the results.

### First Quarter Summary

- Revenue of \$14.6 million, a 53% increase from prior year quarter
- Gross profit of \$7.8 million, a 72% increase compared to 1Q22
- Gross margin of 53.8%, a 590 basis point increase from the same quarter of last year
- Net income of \$2.6 million, or \$0.05 per diluted share
- Generated EBITDA of \$3.6 million
- Cash and investments of \$16.3 million with no debt

“We have achieved eight quarters of sequential revenue growth as we continue to improve and deliver consistent operational and financial results across our business.” said Rvan Oviatt, Co-Chief Executive Officer and CFO of Profire Energy. “We also recorded a meaningful improvement in gross margin despite continued supply chain challenges and inflationary pressures. We will continue to make additional investments in our diversification efforts and other strategic opportunities with the objective of delivering long-term shareholder value.”

### First Quarter 2023 Financial Results

Total revenues for the period equaled \$14.6 million, compared to \$14.0 million in the fourth quarter of 2022 and \$9.5 million in the prior-year quarter. The sequential and year-over-year increases were primarily driven by ongoing customer demand, price increases on the products we sell, ongoing historical strength in oil and natural gas prices, and continued progress in our strategic diversification efforts.

Gross profit was \$7.8 million, compared to \$6.6 million in the fourth quarter of 2022 and \$4.6 million in the prior-year quarter. Gross margin was 53.8% of revenues, compared to 47.0% of revenues in the prior quarter and 47.9% of revenues in the first quarter of 2022. The sequential increase is due to pricing initiatives and more favorable product, service and customer mix while the year-over-year increase reflects higher revenues and greater fixed cost coverage.

Total operating expenses were \$4.5 million, compared to \$4.3 million in the fourth quarter of 2022 and \$3.9 million in the year-ago quarter. The increase is related to inflation in employee-related costs and other costs across the business.

Compared with the same quarter last year, operating expenses for G&A increased 19%, R&D increased 9% and depreciation decreased by 14%.

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Net income was \$2.6 million, or \$0.05 per diluted share, compared to net income of \$1.8 million or \$0.04 per diluted share in the fourth quarter of 2022 and \$627,161 or \$0.01 per diluted share in the same quarter last year.

“Our first quarter 2023 results built upon the momentum we generated in the second half of 2022, recording our second-highest quarterly revenue in company history once again,” stated Cameron Tidball, Co-CEO of Profire Energy. “The combination of the industry’s multi-year deferred capital expenditures and ongoing strong demand for oil and gas are increasing the necessity of our legacy products, and we continue to gain traction with our diversification strategy across industrial markets. We remain focused on growth through both our core legacy business and diversified revenue streams within the petroleum industry as well as new market segments. Overall, we are pleased with our start to 2023 and are confident in our ability to capitalize on the opportunities ahead.”

### **Share Repurchase Program**

On May 3, 2023, the Company’s board of directors authorized a repurchase program as a means of opportunistically returning capital to shareholders. The program authorizes the repurchase of up to \$2,000,000 of the Company’s common stock through April 30, 2024.

Repurchases will be made at management’s discretion as part of the Company’s capital allocation strategy based on the best interests of both the Company and its shareholders, subject to the availability of stock, general market conditions, the trading price of the stock, alternative uses for capital, and the Company’s financial performance. The actual amount of common stock to be repurchased, the timing of repurchases and the price at which the shares are repurchased will depend on future market conditions and on potential alternative uses for the Company’s cash resources. Additionally, the repurchases may also be made under a Rule 10b5-1 plan, which would permit shares to be repurchased when the Company might otherwise be precluded from doing so under insider trading laws. Open market repurchases will be conducted in accordance with applicable legal requirements.

The repurchase program may be suspended, terminated or modified at any time for any reason, including market conditions, the cost of repurchasing shares, the availability of alternative investment opportunities, liquidity, and other factors deemed appropriate. The repurchase program does not obligate the Company to repurchase any particular number of shares.

### **Conference Call**

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Profire Energy Executives will host the call, followed by a question and answer period.

Date: Wednesday, May 10, 2023

Time: 8:30 a.m. ET (6:30 a.m. MT)

Toll-free dial-in number: 1-855-327-6937

International dial-in number: 1-631-891-4304

The conference call will be webcast live and available for replay via this link: [https://viaid.webcasts.com/starthere.jsp?ei=1610085&tp\\_key=d7950f6a2f](https://viaid.webcasts.com/starthere.jsp?ei=1610085&tp_key=d7950f6a2f)

The webcast replay will be available for one year.

Please call the conference telephone number five minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting the conference call, please contact Todd Fugal at 1-801-796-5127.

A replay of the call will be available via the dial-in numbers below after 1:00 p.m. ET on the same day through May 24, 2023.

Toll-free replay number: 1-844-512-2921

International replay number: 1-412-317-6671

Replay Pin Number: 10021694

#### **About Profire Energy, Inc.**

Profire Energy is a technology company providing solutions that enhance the efficiency, safety, and reliability of industrial combustion appliances while mitigating potential environmental impacts related to the operation of these devices. It is primarily focused in the upstream, midstream, and downstream transmission segments of the oil and gas industry. However, in recent years, we have completed many installations of our burner-management solutions in other industries that we believe will be applicable as we expand our addressable market over time. Profire specializes in the engineering and design of burner and combustion management systems and solutions used on a variety of natural and forced draft applications. Its products and services are sold primarily throughout North America. It has an experienced team of sales and service professionals that are strategically positioned across the United States and Canada. Profire has offices in London, Utah; Victoria, Texas; Homer, Pennsylvania; Greeley, Colorado; Millersburg, Ohio; and Acheson, Alberta, Canada. For additional information, visit [www.profireenergy.com](http://www.profireenergy.com).

*Cautionary Note Regarding Forward-Looking Statements. Statements made in this release that are not historical are forward-looking statements. This release contains forward-looking statements, including, but not limited to statements regarding the Company's expected growth, the Company's plans to make investments to support revenue diversification, and the Company's plans regarding a share repurchase program. Forward-looking statements are not guarantees of future results or performance and involve risks, assumptions and uncertainties that could cause actual events or results to differ materially from the events or results described in, or anticipated by, the forward-looking statements. Factors that could materially affect such forward-looking statements include certain economic, business, public market and regulatory risks and factors identified in the company's periodic reports filed with the Securities and Exchange Commission. All forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All forward-looking statements are made only as of the date of this release and the Company assumes no obligation to update forward-looking statements to reflect subsequent events or circumstances, except as required by law. Readers should not place undue reliance on these forward-looking statements.*

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**Contact:**

**Profire Energy, Inc.**

Ryan Oviatt, Co-CEO & CFO

(801) 796-5127

**Three Part Advisors**

Steven Hooser, Partner

214-872-2710

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## About Non-GAAP Financial Measures

To supplement our consolidated financial statements, which statements are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measure of earnings before interest, taxes, depreciation and amortization (“EBITDA”). The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We use this non-GAAP financial measure for financial and operational decision making and as a means to evaluate period-to-period comparisons. Our management believes that this non-GAAP financial measure provides meaningful supplemental information regarding our performance. We believe that both management and investors benefit from referring to this non-GAAP financial measure in assessing our performance and when planning, forecasting, and analyzing future periods. We believe this non-GAAP financial measure is useful to investors both because it allows for greater transparency with respect to key metrics used by management in its financial and operational decision making.

The Following is a tabular presentation of EBITDA, including a reconciliation to net income which the Company believes to be the most directly comparable US GAAP financial measure.

|  | 3/31/2023    |
|--|--------------|
| EBITDA Calculation:                    | 3 months     |
| Net Income                             | \$ 2,589,621 |
| add back net income tax expense        | \$ 816,815   |
| add back net interest expense          | \$ (58,980)  |
| add back depreciation and amortization | \$ 262,039   |
| EBITDA calculated                      | \$ 3,609,495 |

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**PROFIRE ENERGY, INC. AND SUBSIDIARIES**  
Condensed Consolidated Balance Sheets

|   | As of          |                   |
|---|----------------|-------------------|
|   | March 31, 2023 | December 31, 2022 |
| <b>ASSETS</b>   |                |                   |
| <b>CURRENT ASSETS</b>   |                |                   |
| Cash and cash equivalents   | \$ 7,219,356   | \$ 7,384,578      |
| Short-term investments  | 2,071,834      | 1,154,284         |
| Accounts receivable, net  | 12,308,290     | 10,886,145        |
| Inventories, net (note 3)   | 10,589,023     | 10,293,980        |
| Prepaid expenses and other current assets (note 4)  | 2,650,823      | 2,314,639         |
| Total Current Assets  | 34,839,326     | 32,033,626        |
| <b>LONG-TERM ASSETS</b>   |                |                   |
| Long-term investments   | 7,052,725      | 7,503,419         |
| Financing right-of-use asset  | 106,760        | 120,239           |
| Property and equipment, net   | 10,330,685     | 10,423,964        |
| Intangible assets, net  | 1,225,154      | 1,268,907         |
| Goodwill  | 2,579,381      | 2,579,381         |
| Total Long-Term Assets  | 21,294,705     | 21,895,910        |
| <b>TOTAL ASSETS</b>   | \$ 56,134,031  | \$ 53,929,536     |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                |                   |
| <b>CURRENT LIABILITIES</b>  |                |                   |
| Accounts payable  | \$ 1,962,882   | \$ 2,955,506      |
| Accrued liabilities (note 5)  | 2,922,928      | 3,573,994         |
| Current financing lease liability (note 6)  | 51,821         | 53,646            |
| Income taxes payable  | 834,542        | 205,169           |
| Total Current Liabilities   | 5,772,173      | 6,788,315         |
| <b>LONG-TERM LIABILITIES</b>  |                |                   |
| Net deferred income tax liability   | 701,406        | 488,858           |
| Long-term financing lease liability (note 6)  | 56,522         | 67,883            |
| <b>TOTAL LIABILITIES</b>  | 6,530,101      | 7,345,056         |
| <b>STOCKHOLDERS' EQUITY (note 7)</b>  |                |                   |
| Preferred stock: \$0.001 par value, 10,000,000 shares authorized: no shares issued or outstanding   | —              | —                 |
| Common stock: \$0.001 par value, 100,000,000 shares authorized: 52,390,017 issued and 47,351,887 outstanding at March 31, 2023, and 52,143,901 issued and 47,105,771 outstanding at December 31, 2022 | 52,391         | 52,144            |
| Treasury stock, at cost   | (7,336,323)    | (7,336,323)       |
| Additional paid-in capital  | 32,096,662     | 31,737,843        |
| Accumulated other comprehensive loss  | (3,224,110)    | (3,294,873)       |
| Retained earnings   | 28,015,310     | 25,425,689        |
| TOTAL STOCKHOLDERS' EQUITY  | 49,603,930     | 46,584,480        |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>   | \$ 56,134,031  | \$ 53,929,536     |

*These financial statements should be read in conjunction with the Form 10-Q and accompanying footnotes.*

**PROFIRE ENERGY, INC. AND SUBSIDIARIES**  
Condensed Consolidated Statements of Income and Comprehensive Income (Loss)  
(Unaudited)

|  | For the Three Months Ended March 31, |                   |
|--|--------------------------------------|-------------------|
|  | 2023                                 | 2022              |
|  |                                      | (See Note 1)      |
| <b>REVENUES (note 8)</b>                                       |                                      |                   |
| Sales of products, net   | \$ 13,628,512                        | \$ 8,878,423      |
| Sales of services, net   | 924,949                              | 624,717           |
| <b>Total Revenues</b>  | <b>14,553,461</b>                    | <b>9,503,140</b>  |
| <b>COST OF SALES</b>   |                                      |                   |
| Cost of sales - product  | 5,974,339                            | 4,382,700         |
| Cost of sales - services                                       | 746,014                              | 563,736           |
| <b>Total Cost of Sales</b>                                     | <b>6,720,353</b>                     | <b>4,946,436</b>  |
| <b>GROSS PROFIT</b>  | <b>7,833,108</b>                     | <b>4,556,704</b>  |
| <b>OPERATING EXPENSES</b>                                      |                                      |                   |
| General and administrative                                     | 4,047,969                            | 3,392,379         |
| Research and development                                       | 336,452                              | 308,316           |
| Depreciation and amortization                                  | 142,887                              | 167,015           |
| <b>Total Operating Expenses</b>                                | <b>4,527,308</b>                     | <b>3,867,710</b>  |
| <b>INCOME FROM OPERATIONS</b>                                  | <b>3,305,800</b>                     | <b>688,994</b>    |
| <b>OTHER INCOME (EXPENSE)</b>                                  |                                      |                   |
| Gain on sale of assets   | 53,075                               | 95,842            |
| Other expense  | (9,553)                              | (18,081)          |
| Interest income  | 58,047                               | 21,545            |
| Interest expense   | (933)                                | (697)             |
| <b>Total Other Income</b>                                      | <b>100,636</b>                       | <b>98,609</b>     |
| <b>INCOME BEFORE INCOME TAXES</b>                              | <b>3,406,436</b>                     | <b>787,603</b>    |
| <b>INCOME TAX EXPENSE</b>                                      | <b>(816,815)</b>                     | <b>(160,442)</b>  |
| <b>NET INCOME</b>  | <b>\$ 2,589,621</b>                  | <b>\$ 627,161</b> |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                       |                                      |                   |
| Foreign currency translation gain (loss)                       | \$ (5,524)                           | \$ 158,359        |
| Unrealized gains (losses) on investments                       | 76,287                               | (287,126)         |
| <b>Total Other Comprehensive Income (Loss)</b>                 | <b>70,763</b>                        | <b>(128,767)</b>  |
| <b>COMPREHENSIVE INCOME</b>                                    | <b>\$ 2,660,384</b>                  | <b>\$ 498,394</b> |
| <b>BASIC EARNINGS PER SHARE</b>                                | <b>\$ 0.05</b>                       | <b>\$ 0.01</b>    |
| <b>FULLY DILUTED EARNINGS PER SHARE</b>                        | <b>\$ 0.05</b>                       | <b>\$ 0.01</b>    |
| <b>BASIC WEIGHTED AVG NUMBER OF SHARES OUTSTANDING</b>         | <b>47,174,518</b>                    | <b>47,481,439</b> |
| <b>FULLY DILUTED WEIGHTED AVG NUMBER OF SHARES OUTSTANDING</b> | <b>48,612,833</b>                    | <b>48,536,418</b> |

*These financial statements should be read in conjunction with the Form 10-Q and accompanying footnotes.*

**PROFIRE ENERGY, INC. AND SUBSIDIARIES**  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

|  | For the Three Months Ended March 31, |              |
|--|--------------------------------------|--------------|
|  | 2023                                 | 2022         |
| <b>OPERATING ACTIVITIES</b>  |                                      |              |
| Net income   | \$ 2,589,621                         | \$ 627,161   |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                                      |              |
| Depreciation and amortization expense  | 262,039                              | 281,119      |
| Gain on sale of property and equipment   | (53,075)                             | (95,842)     |
| Bad debt expense   | 41,792                               | 28,453       |
| Stock awards issued for services   | 223,047                              | 138,503      |
| Changes in operating assets and liabilities:   |                                      |              |
| Accounts receivable  | (1,108,889)                          | (1,663,295)  |
| Income taxes receivable/payable  | 629,371                              | 439,034      |
| Inventories  | (292,119)                            | (530,568)    |
| Prepaid expenses and other current assets  | (335,832)                            | 49,283       |
| Deferred tax asset/liability   | 212,548                              | 47,030       |
| Accounts payable and accrued liabilities   | (1,646,723)                          | (513,227)    |
| Net Cash Provided by (Used in) Operating Activities                                      | 521,780                              | (1,192,349)  |
| <b>INVESTING ACTIVITIES</b>  |                                      |              |
| Proceeds from sale of property and equipment   | 97,886                               | 112,982      |
| Sale (purchase) of investments   | (390,548)                            | 679,636      |
| Purchase of property and equipment   | (153,755)                            | (207,848)    |
| Net Cash Provided by (Used in) Investing Activities                                      | (446,417)                            | 584,770      |
| <b>FINANCING ACTIVITIES</b>  |                                      |              |
| Value of equity awards surrendered by employees for tax liability                        | (242,506)                            | (91,098)     |
| Cash received in exercise of stock options   | —                                    | —            |
| Purchase of treasury stock   | —                                    | (622,263)    |
| Principal paid towards lease liability   | (6,947)                              | (12,629)     |
| Net Cash Used in Financing Activities  | (249,453)                            | (725,990)    |
| Effect of exchange rate changes on cash  | 8,868                                | 24,766       |
| NET DECREASE IN CASH   | (165,222)                            | (1,308,803)  |
| CASH AT BEGINNING OF PERIOD  | 7,384,578                            | 8,188,270    |
| CASH AT END OF PERIOD  | \$ 7,219,356                         | \$ 6,879,467 |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>                                 |                                      |              |
| <b>CASH PAID FOR:</b>  |                                      |              |
| Interest   | \$ 933                               | \$ 697       |
| Income taxes   | \$ —                                 | \$ —         |
| <b>NON-CASH FINANCING AND INVESTING ACTIVITIES</b>                                       |                                      |              |
| Common stock issued in settlement of accrued bonuses                                     | \$ 378,526                           | \$ 212,787   |

*These financial statements should be read in conjunction with the Form 10-Q and accompanying footnotes.*