



OUTDOOR SPECTACULARS



DYNAMIC MESSAGE SIGNS



MESSAGE CENTERS



INDOOR HIGH RESOLUTION



CONTROL SYSTEMS



DIGITAL BILLBOARDS

# Investor Presentation

Sidoti Conference - March 2024  
NASDAQ: DAKT



# SAFE HARBOR STATEMENT

In addition to statements of historical fact, this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and is intended to enjoy the protection of that Act.

These forward-looking statements reflect the Company's expectations or beliefs concerning future events. The Company cautions that these and similar statements involve risk and uncertainties which could cause actual results to differ materially from our expectations, including, but not limited to, changes in economic and market conditions, management of growth, timing and magnitude of future contracts and orders, fluctuations in margins, the introduction of new products and technology, the impact of adverse weather conditions, increased regulation and other risks described in the company's SEC filings, including its Annual Report on Form 10-K for its 2023 fiscal year.

Forward-looking statements are made in the context of information available as of the date stated. The Company undertakes no obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur.



# COMPANY HIGHLIGHTS



Compelling Q3 FY2024 TTM KPIs<sup>(1)</sup>

Daktronics provides best-in-class audio-video displays, message displays and scoreboards to inform, entertain, and persuade audiences

**~\$812 Million**

*Sales<sup>(1)</sup>*

**#1**

*North American LED video display provider<sup>(2)</sup>*

**Largest**

*Growing American brand by revenue for past 3-years<sup>(2)</sup>*

**120+**

*Countries featuring Daktronics products*

**12K+**

*Total customers<sup>(3)</sup>*

**3<sup>rd</sup>**

*Largest CY 2022 Market Share worldwide<sup>(2)</sup>*

1) 3rd Quarter FY 2024 Trailing 12 month.

2) Futuresource Consulting Report "Global LED Display Market Report (2023)".

3) From Company data.

# INVESTMENT HIGHLIGHTS

- ❑ A global industry leader in **best-in-class video communication displays** and **control systems**
- ❑ Only US manufacturer of **scale** with **global footprint** and **servicing** by **geographic market**
- ❑ **Technology leadership** with **high-quality products**, **high-touch service**
- ❑ **Large, growing domestic and international markets**
- ❑ **Poised for revenue, earnings, cash flow acceleration** on **resolution** of **past 3 years' operational challenges** and **strengthened balance sheet**



Inform – Entertain – Persuade

# INTERCONNECTED SYSTEMS TO INFORM AUDIENCES, ENTERTAIN AND ENGAGE FANS



## Live Events

Video displays for large sports & live entertainment venues



## International

Video displays for large sports/entertainment venues, advertising, and transportation



## Commercial

Billboards & video displays for advertising and self-promotion



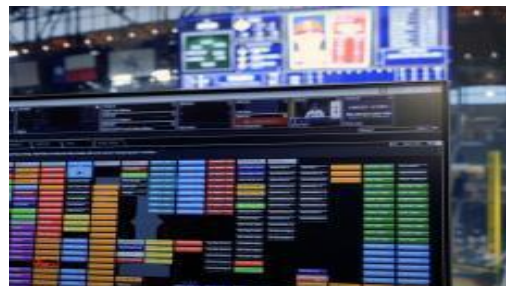
## High School Park and Recreation

Video and scoring systems for education and local community use



## Transportation

Navigation and information displays for ITS systems on mass transit, roads & highways



## Control Capabilities

Intuitive software to create, manage, and schedule content for engagement with fans and audiences

# REVENUE and GROSS PROFIT BREAKOUT (Q3 2024 TTM)

## Live Events

- Complex, audience, fan-driven sale
- 28.1% Gross Profit, 40% of Net Sales

## Commercial

- On-premise and out-of-home advertising reach
- 21.2% Gross Profit, 20% of Net Sales

## Transportation

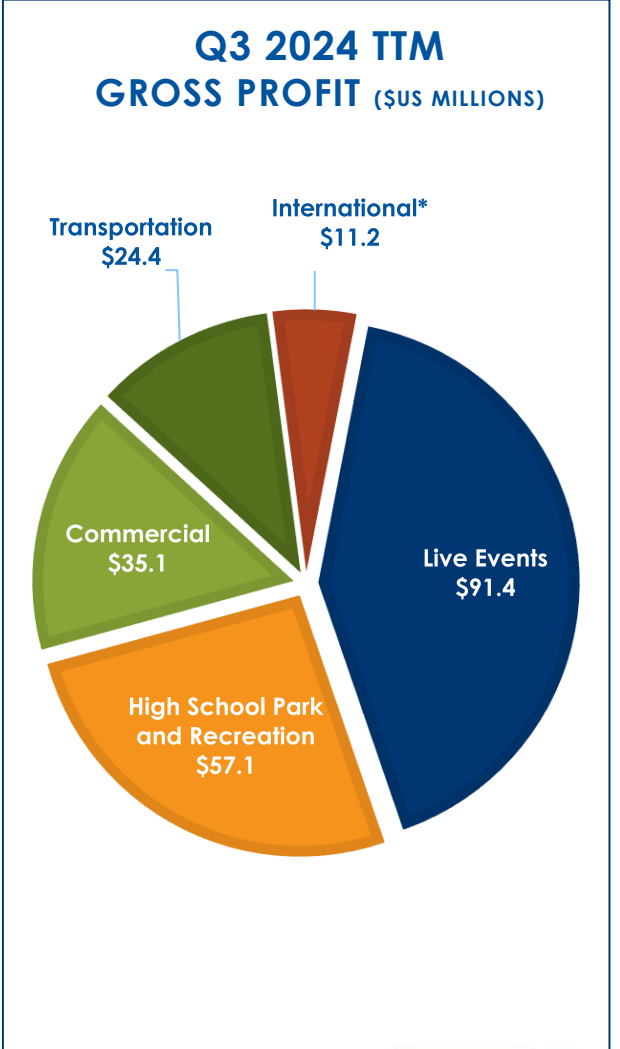
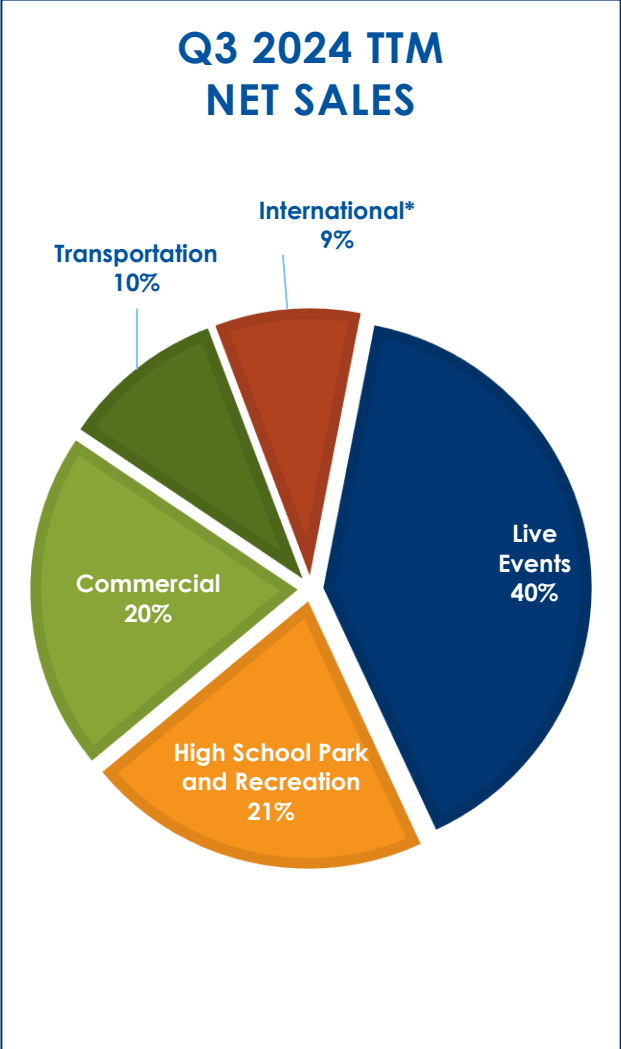
- High barriers to entry, in all 50 states
- 30.6% Gross Profit, 10% of Net Sales

## International\*

- Demand drivers align with domestic segments
- 15.7% Gross Profit, 9% of Net Sales

## High School Parks and Recreation

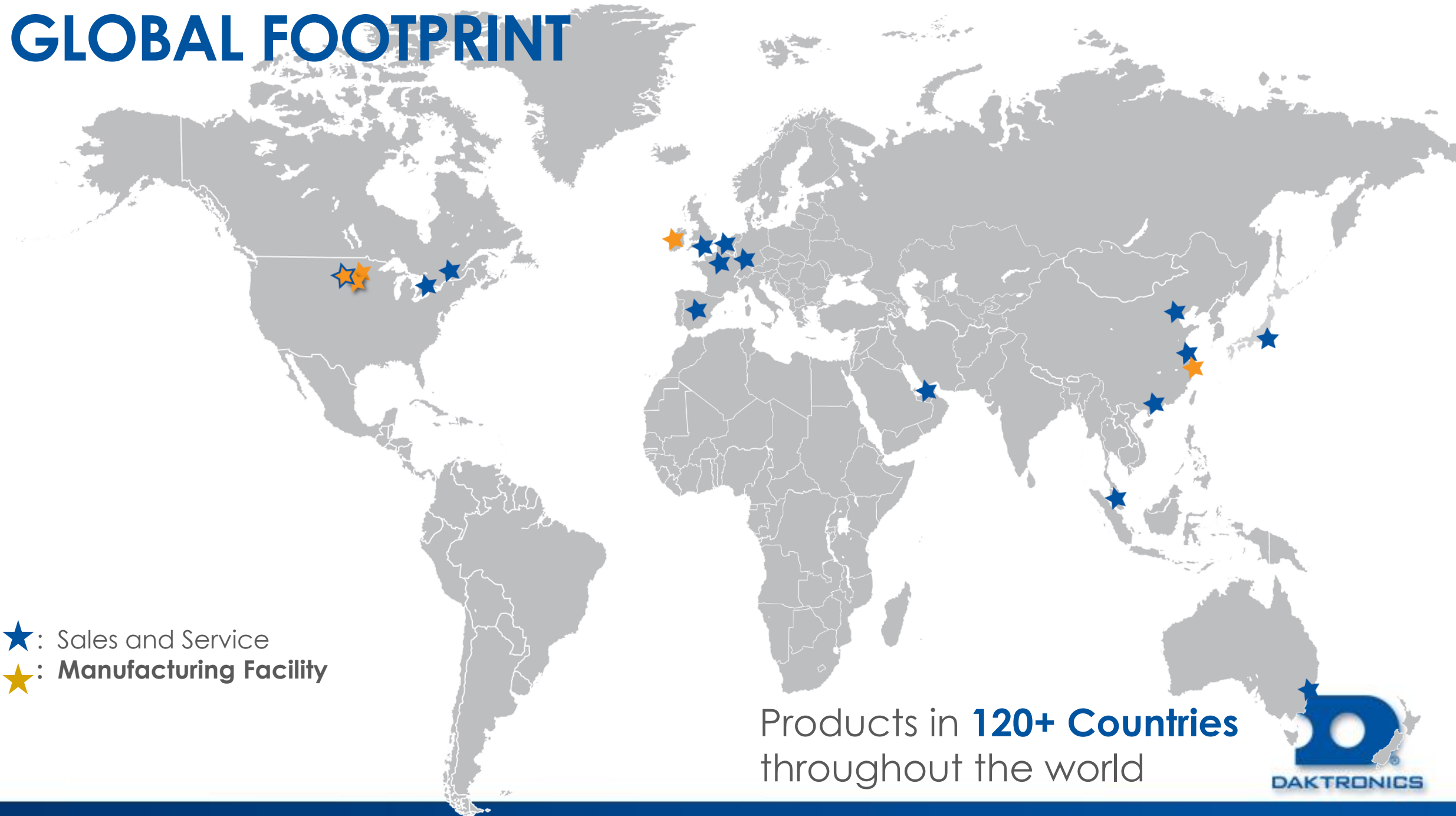
- Emulating features of larger sports venues
- 33.7% Gross Profit, 21% of Net Sales



\* Geographies outside of US, Canada – primarily solutions for large sports venues, commercial spectaculars, third-party advertising, and transportation solutions



# GLOBAL FOOTPRINT



★: Sales and Service  
★: Manufacturing Facility

Products in **120+ Countries** throughout the world



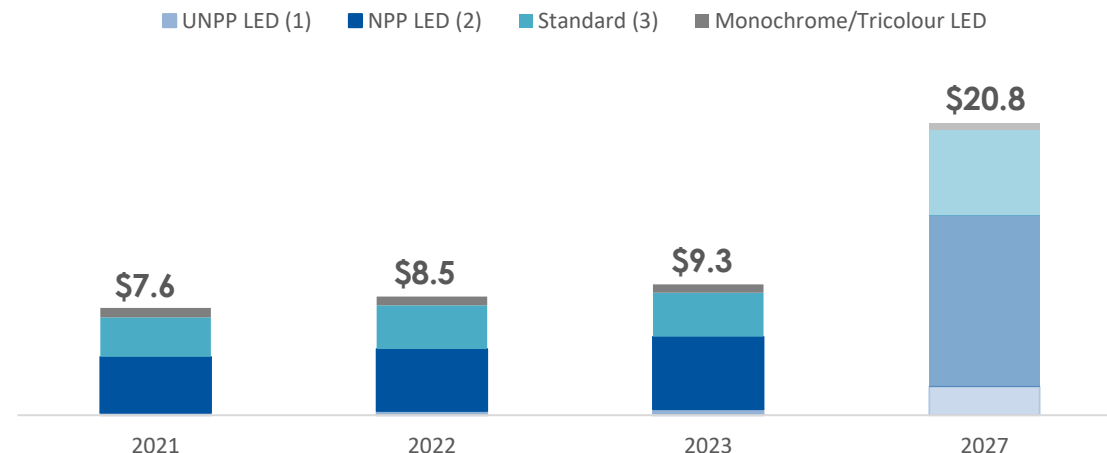
# DURABLE LED MARKET OPPORTUNITY



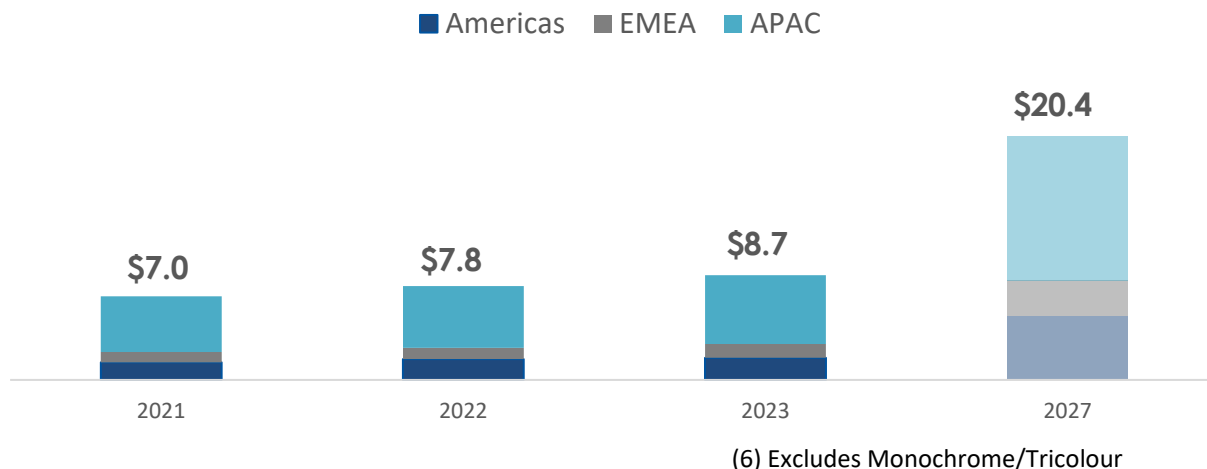
## Increased Global Demand Bolsters Pipeline & Stable Cash Flows

- **2023 annual LED market reached \$9.3 Billion** – YoY increase of 9.4% from 2022
- **Growth expected** to continue in the **high-teens to low-20% through CY 2027**
- **Projected LED market growth to be led by:**
  - **APAC: 16% CAGR** with **15% originating outside of China**
  - **Americas: 23.5% CAGR** led by the US
  - **Narrow pixel, standard, and intro to UNPP**
- **Daktronics:** strong position in the Americas, second largest market outside of China with **46% of total addressable market in North America as of 2022.**
- **Daktronics:** Increased **overall market share to 9.5%** from 7.6%.

## (\$US Billions) Worldwide LED Video Display Market by Type<sup>(5)</sup>

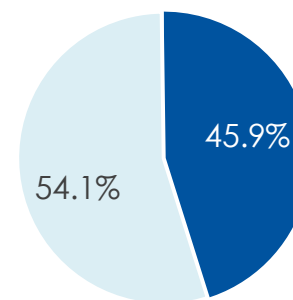


## (\$US Billions) Worldwide LED Video Display Sales by Region<sup>(5)</sup>



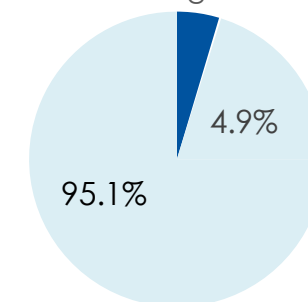
## Daktronics Total Addressable Market Presence

North America (NA) \$1.5 bn Market<sup>(4)</sup>



■ Daktronics NA Market Share  
 ■ Competitors NA Market Share

\$1.7 bn International Market excluding China<sup>(5)</sup>



■ Daktronics International Market Share  
 ■ Competitors International Market Share

1) Ultra Narrow Pixel Pitch (UNPP) defined as less than or equal to 0.9mm pixel pitch.

2) Narrow Pixel Pitch (NPP) defined as equal to or greater than 1.0mm and equal to or less than 2.5mm pixel pitch.

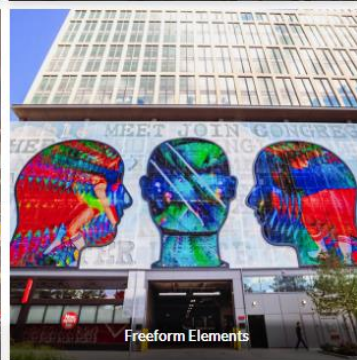
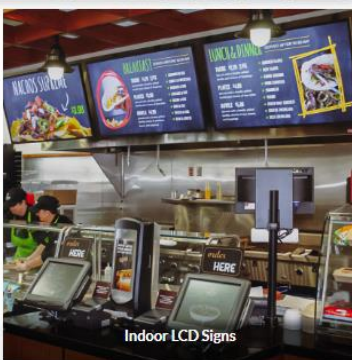
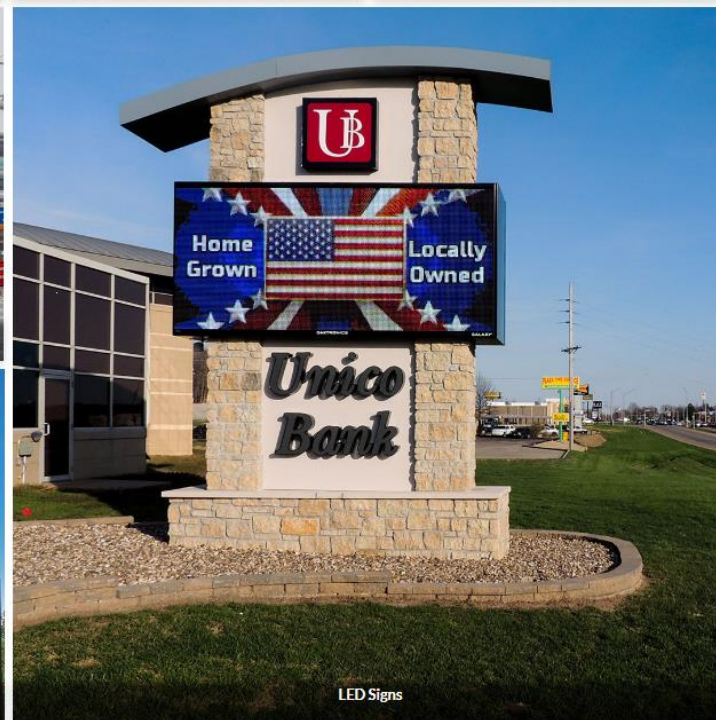
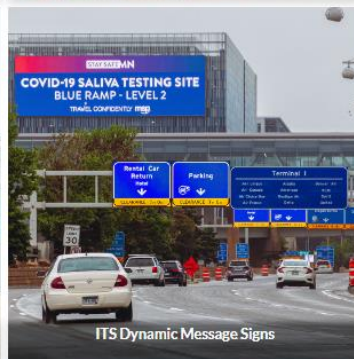
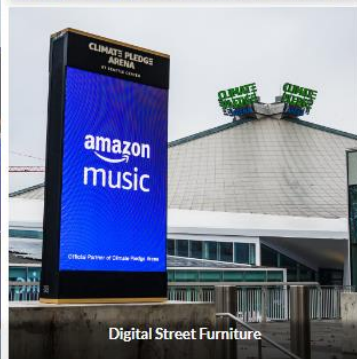
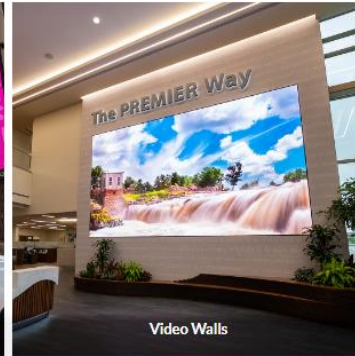
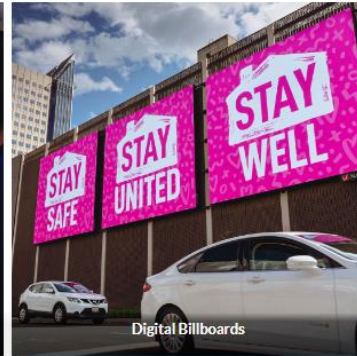
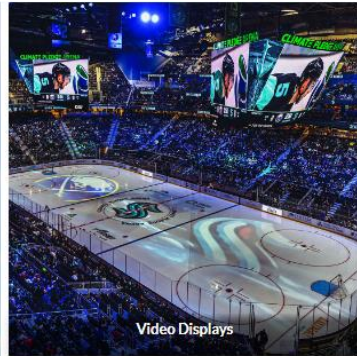
3) Standard defined as equal to or greater than 2.6mm pixel pitch.

4) FY2023 DAKT North America orders includes the Net Sales of Commercial, Live Events, HSPR and Transportation business segments in the US and Canada / North America total addressable market, as calculated in the Futuresource "Global LED Display Market Report (2023)".

5) FY2023 DAKT International business segment Net Sales / the sum of the international total addressable market excluding China and North America, as calculated in the Futuresource "Global LED Display Market Report (2023)".



# INDUSTRY LEADER

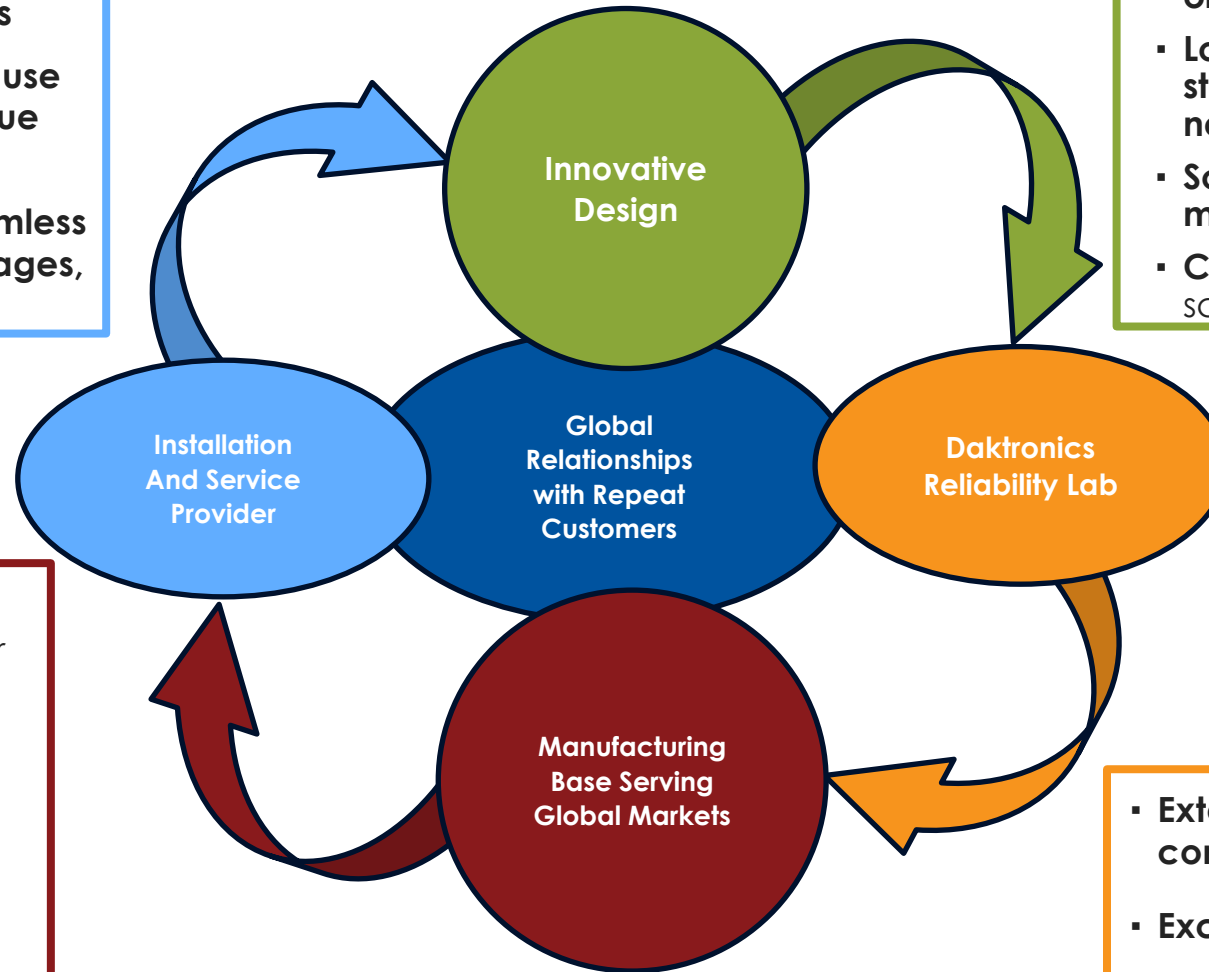


# FULL-SERVICE – DESIGN, MANUFACTURE, INSTALL – LIFETIME SUPPORT



- **Continuous service and support post-sale fulfills critical needs and drives repeat business from top customers**
- **Support through lifetime of display use and operation for additional revenue streams**
- **Content development creates seamless production for customers that engages, informs, and entertains audiences**

- **Design flexibility, integrated systems offerings**
- **Long-term quality and reliability standards regardless of environment and need**
- **Software / controllers ease content management**
- **Constant innovation to advance art and science of display communications**



- **Strategic manufacturing facility placement in US, Ireland, China for regional service and customer support**
- **Strict quality control with in-house expertise, highly skilled labor, state-of-the-art facilities**
- **Experienced executive team and manufacturing process to meet large orders and complex projects**



- **Extensive on-site Reliability Lab – Every component undergoes rigorous testing**
- **Exceeds industry standard**
- **Long display lifetime with high-contrast, true-to-life images is crucial for creating impression on customers**

# GLOBAL RELATIONSHIPS WITH REPEAT CUSTOMERS

- **Demonstrated success cultivates long-term relationships** for replacement cycles and additional sales opportunities
- **Grow profitably** in core and adjacent customer types and geographies **through strategic offering expansion tailored to customer needs**
- **Demand prioritization** for focus on growth and profitable market verticals
- **Unified Sales and Project coordinator support and ongoing Service** – real time quotes, booking, project delivery success paired with ongoing service support to keep systems operating and looking their best
- **Diversified product specialization** with expertise collaboration across complex projects ensures satisfaction & delivery – High quality regardless of complexity



# Developing and Applying Future Technologies

## Today:

- Narrow Pixel Pitch (NPP)
- High Resolution Outdoor
- Event Control - Live 3D rendering
- Cloud based Control Platform



## Future potential technologies:

- MicroLED – Narrow Pixel Pitch
- Reflective – low power displays
- Intelligent Power Management
- SAAS Control Solutions



## Future potential markets:

- Transportation - International
- Street Level Advertising
- AV integrator applications



# STRATEGIC EXECUTION

## Actions taken in past three years:

- Diversified supply chain
- Improved operating processes
- Normalizing inventory levels
- Built inflation benchmarks into contracts and processes
- Aligned cost base for demand
- Completed financing

## Solidifying Foundation to Drive Profitable Growth:

### Maximize Customer Experience

- Return to customer expected lead-times
- Communicate value proposition
- Drive services / control system SaaS revenue

### Further Increase Operating Efficiency

- Robust integrated planning system
- Improve shipping processes
- Increase global factory utilization

### Organizational and Sales Efficiency

- Drive consistency throughout organization
- Cross-vertical sales and marketing collaboration
- Efficient, cross-informational pricing

### Deepen Market Penetration

- Broaden share of existing wallets
- Capture new customers
- Test direct/indirect channels in new geographies

### Accelerate Business Automation

- Upgrade financial reporting and scenario planning
- Enhance internal data reporting and capture
- Field service automation / Salesforce tools

### Explore Acquisitions

- Targeting:
  - New products/technologies that satisfy customer needs
  - New adjacent verticals and/or geographies

**Drive revenue growth, margin expansion, cash generation  
to deliver long-term shareholder returns**



# INVESTMENT HIGHLIGHTS

- ❑ A global industry leader in **best-in-class video communication displays** and **control systems**
- ❑ Only **US manufacturer of scale** with **global footprint** and **servicing** by **geographic market**
- ❑ **Technology leadership** with **high-quality products**, **high-touch service**
- ❑ **Large, growing domestic and international markets**
- ❑ **Poised for revenue, earnings, cash flow acceleration** on **resolution** of **past 3 years' operational challenges** and **strengthened balance sheet**



Riyadh, Saudi Arabia

**Inform – Entertain – Persuade**



WEC Energy Group

# QUESTIONS?



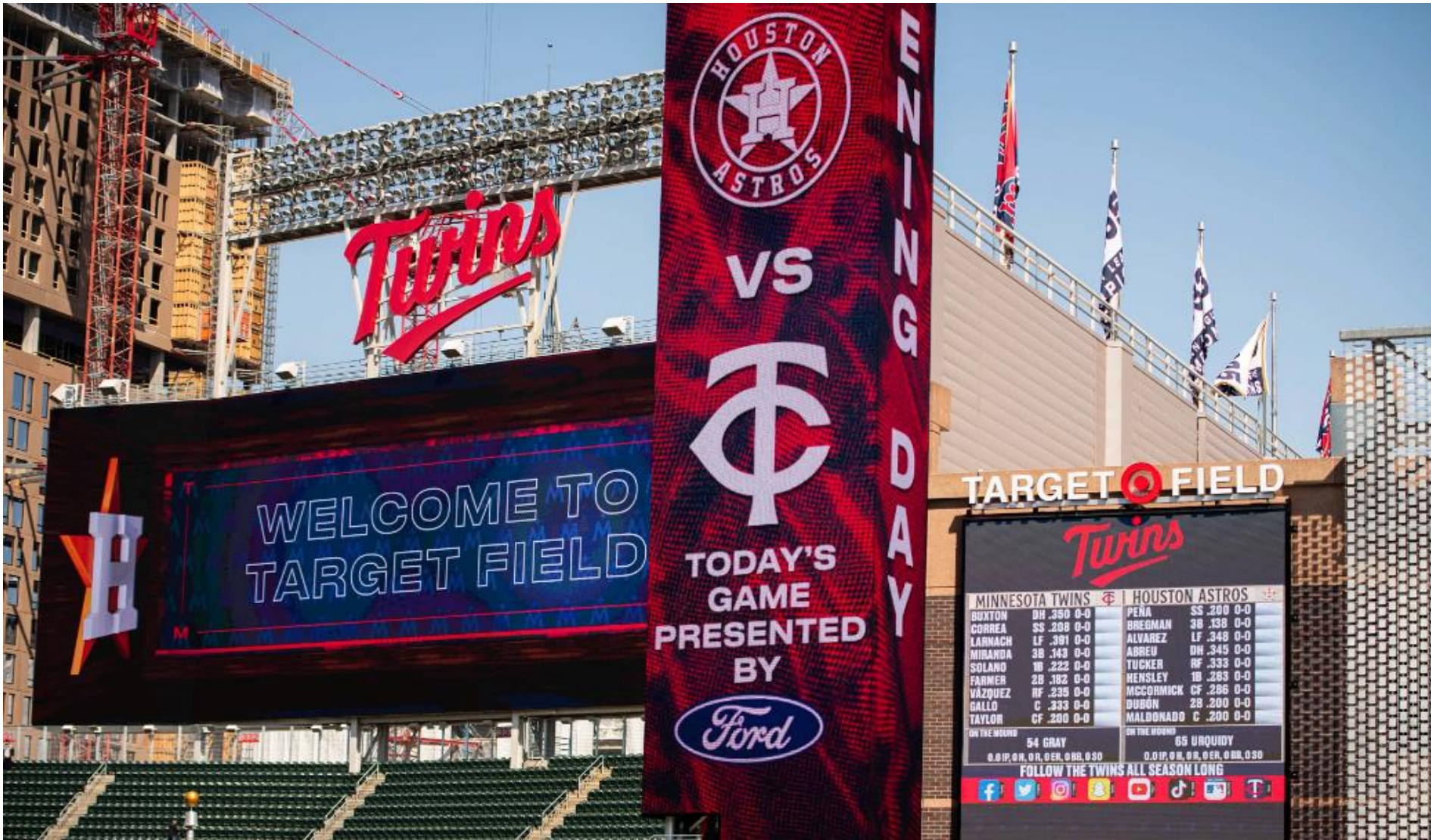


Lusail Boulevard – Qatar

# APPENDIX



# LIVE EVENTS BUSINESS UNIT



Minnesota Twins



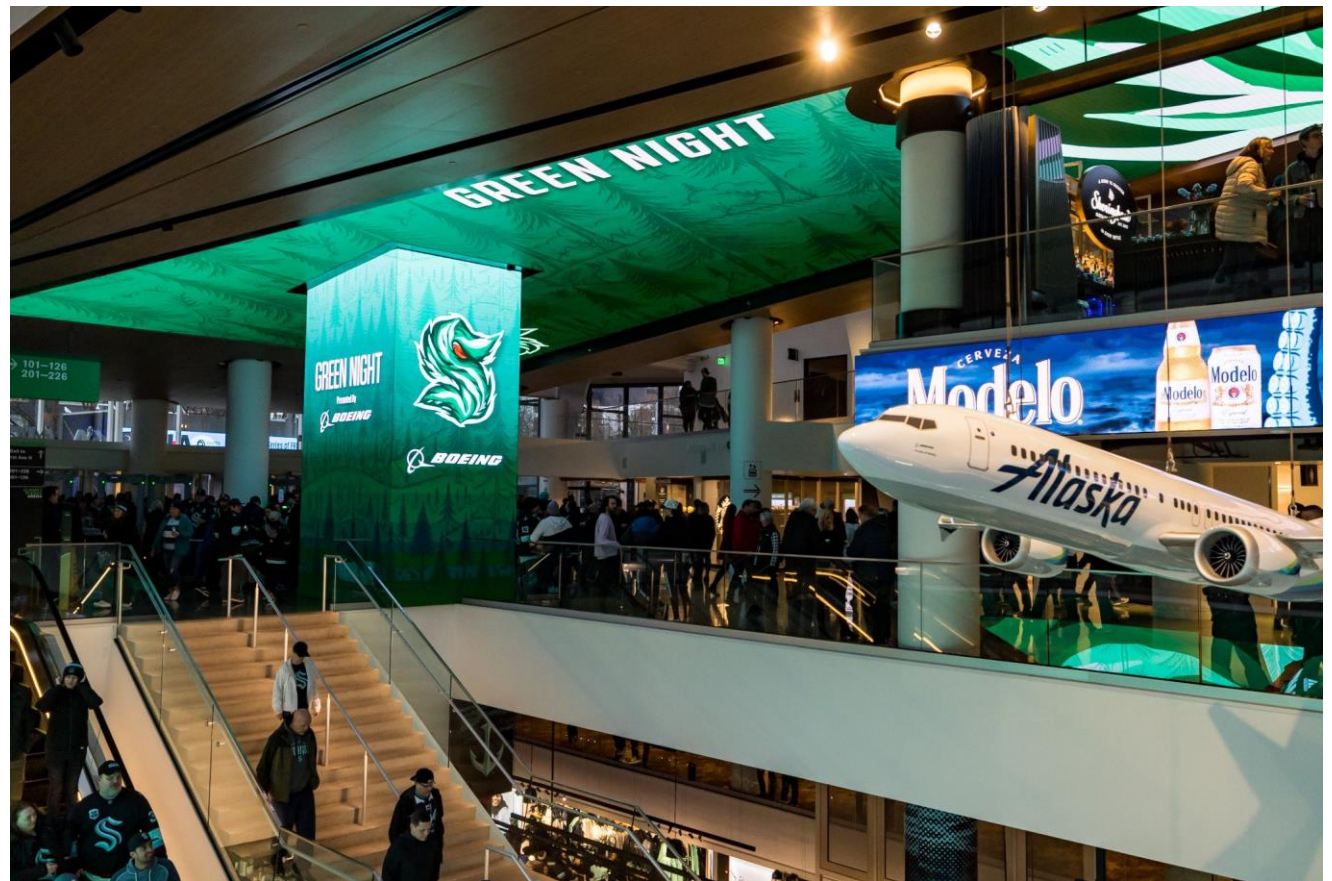
# LIVE EVENTS

» Video display solutions for large sports venues and live entertainment facilities

- Professional sports
- College and university
- Arenas

» Competition

- Samsung, SNA Displays, Leyard, ANC, Yaham, Mitsubishi, and others
- Asian competition through U.S. integrators



Climate Pledge Arena

# LIVE EVENTS

## Demand Drivers

- » Facility increased spend to:
  - Enhance attendee event experience
  - Revenue source from advertising
  - Competitive nature to outperform other facilities
  - Attract athletes
- » Lower product costs and technological advances, driving expansion of marketplace
- » High definition product offering (HD)
- » Replacement cycle (systems can last from 8-12 years)
- » Post-installation services provide recurring revenue streams



# HIGH SCHOOL PARK AND RECREATION (HSPR) BUSINESS UNIT

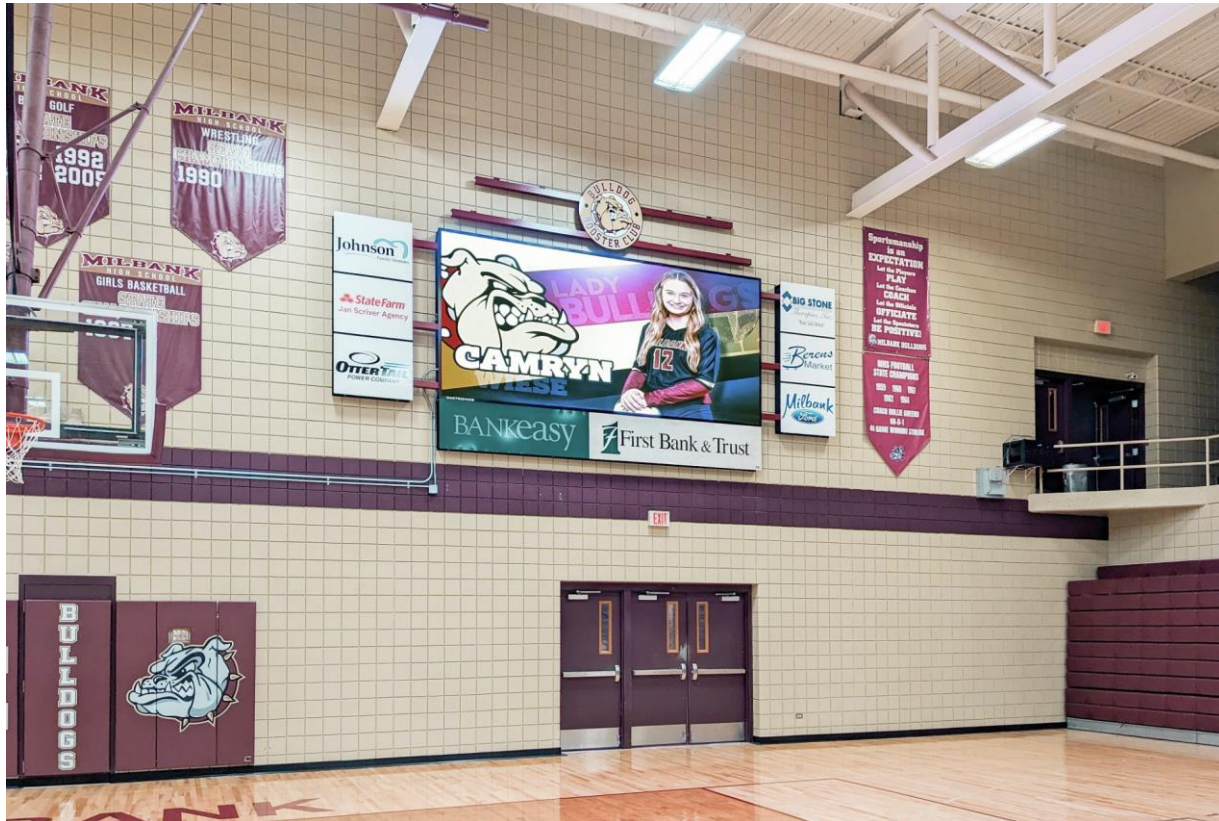


Jackson Academy, MS



# HSPR

- » Video and scoring systems and message centers to
  - Elementary and high schools, junior colleges
  - Park and recreation departments
- » Primary funding is through local sponsors and advertisers



Milbank High School, SD



Perry Central High School, KY

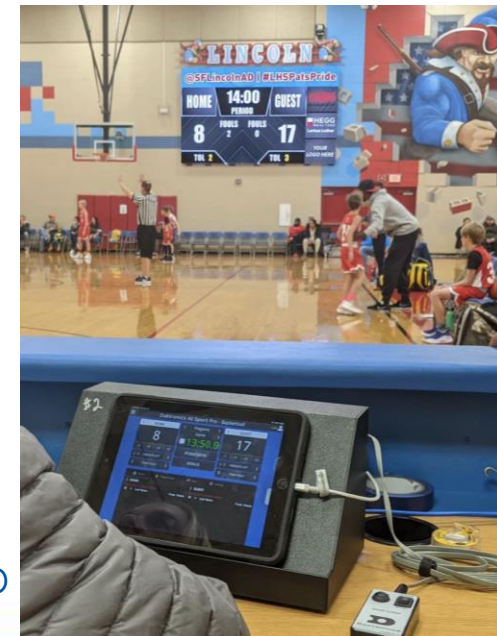
# HSPR

## » Growth Drivers

- Larger more sophisticated displays in sports venues
- Revenue generation
- Communication medium
- New construction/replacement cycles
- Offerings for academic curriculum usage and mobile scoring solutions

## » Competitors

- Fair-Play by Translux, Scorevision, Translux, Nevco, Spectrum, Electro-Mech Scoreboards, Watchfire, Digital Displays, Formetco
- Other smaller company manufacturers



Lincoln High School, SD

# COMMERCIAL BUSINESS UNIT



Lakeside Casino, IA



Astral Media Outdoor, Canada



Caliber Car Wash, SC



# COMMERCIAL

- » Sales channel focus
  - Third party advertising/Out of Home Advertising (OOH)
  - On-premise advertising (retail)
  - AV Integrator and Spectacular (custom video)
- » Customers include sign and billboard companies, national retailers, quick-serve restaurants, casinos, shopping malls, and petroleum retailers.
- » Primary offerings
  - Digital billboards
  - Message centers
  - Video display systems/display walls
  - Petroleum displays
  - Dynamic messaging systems



Software One, WI



Simonson, MN



# COMMERCIAL

- » Long-term growth drivers
  - Market adoption, including National Accounts
  - Spectacular use to entertain/advertise in unique locations
  - Effective advertising medium (outdoor and indoor networks) – increased customer foot-traffic for customer
  - Replacement cycle (7-10 years)
  - Architectural lighting
  
- » Competitors
  - Message Centers/Digital Billboards: Watchfire, Vantage, Samsung, Formetco, Optec, Optotec
  - Video Projects/Walls: SNA USA, Prismview, Playnar/Leyard, Yaham, ANC, Integrators using Asian Manufacturers



Hollywood Casino, OH



Burger King, MO

# TRANSPORTATION BUSINESS UNIT



*New Jersey Turnpike*



*Long Island Rail Road, NY*

# TRANSPORTATION

- » Three niches
  - Intelligent transportation systems (ITS)
  - Airports
  - Mass Transit
- » Customers include governmental transportation departments, industry contractors, airlines, mass transit, and other related customers
- » Competitors
  - Skyline
  - Ledstar
  - Telegra
  - SWARCO
  - Sunrise SESA Technologies, Inc
  - LG-MRI
  - Adaptive Micro Systems
  - Solari USA
  - others



Appleton International Airport, WI



Nevada Department of Transportation, Las Vegas

# TRANSPORTATION

## » Long-term growth drivers

- Transportation management - increasing traffic demands on constrained infrastructure expanding use of dynamic messaging systems
- Governmental funding and investment in infrastructure projects
- Infographic communication
- Advertising needs



Seattle Monorail, WA



Denver International Airport, CO

# INTERNATIONAL BUSINESS UNIT



Mall of Qatar  
Doha, Qatar

# INTERNATIONAL

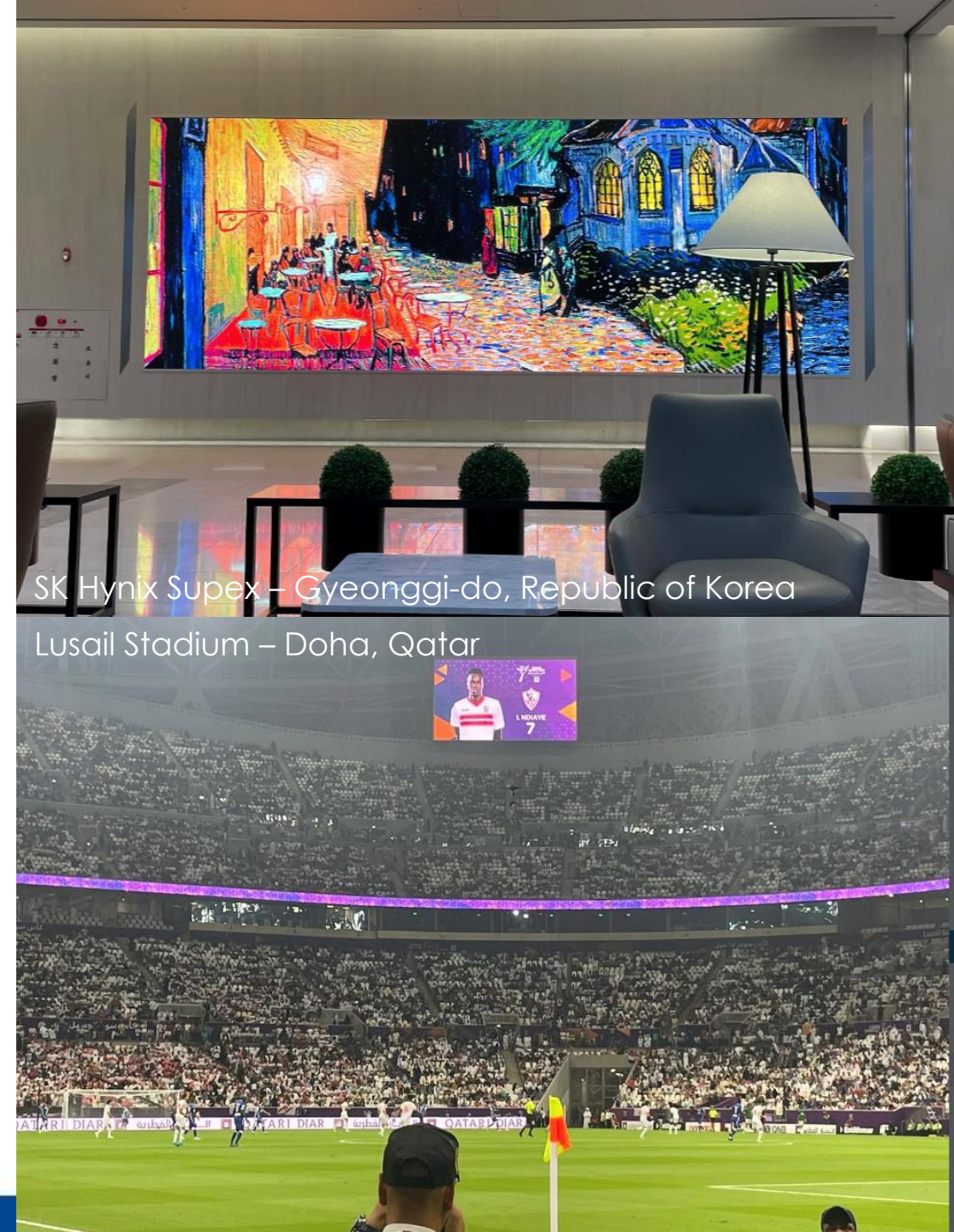
Wide range of products coupled with geographic coverage

- » Commercial video systems
- » Sports video systems
- » Digital billboard (OOH)
- » Architectural lighting
- » Transportation systems

Customers include companies focused on sports, advertising, transportation and retail around the world but excludes the United States & Canada

## Infrastructure

- » World-wide sales & service offices
- » International Manufacturing:
  - China- architectural lighting and video displays
  - Ireland – transportation products



SK Hynix Supex – Gyeonggi-do, Republic of Korea

Lusail Stadium – Doha, Qatar

# INTERNATIONAL

## » Growth opportunities

- 3<sup>rd</sup> party advertising/Out of Home Advertising
- Live Events facilities/sports
- European/Middle East transportation systems
- Increased geographical coverage

## » Competitors: Absen, Samsung, Aoto, Leyard, Unilumen, Mitsubishi, LG Electronics, Lighthouse, Panasonic, and other country-specific competitors



Hills Estate Mall – Dubai, UAE



Xin Chang Museum – Beijing, China

# FINANCIAL INFORMATION



NASCAR Hall of Fame  
Charlotte, NC



Rivers Casino  
Portsmouth, VA



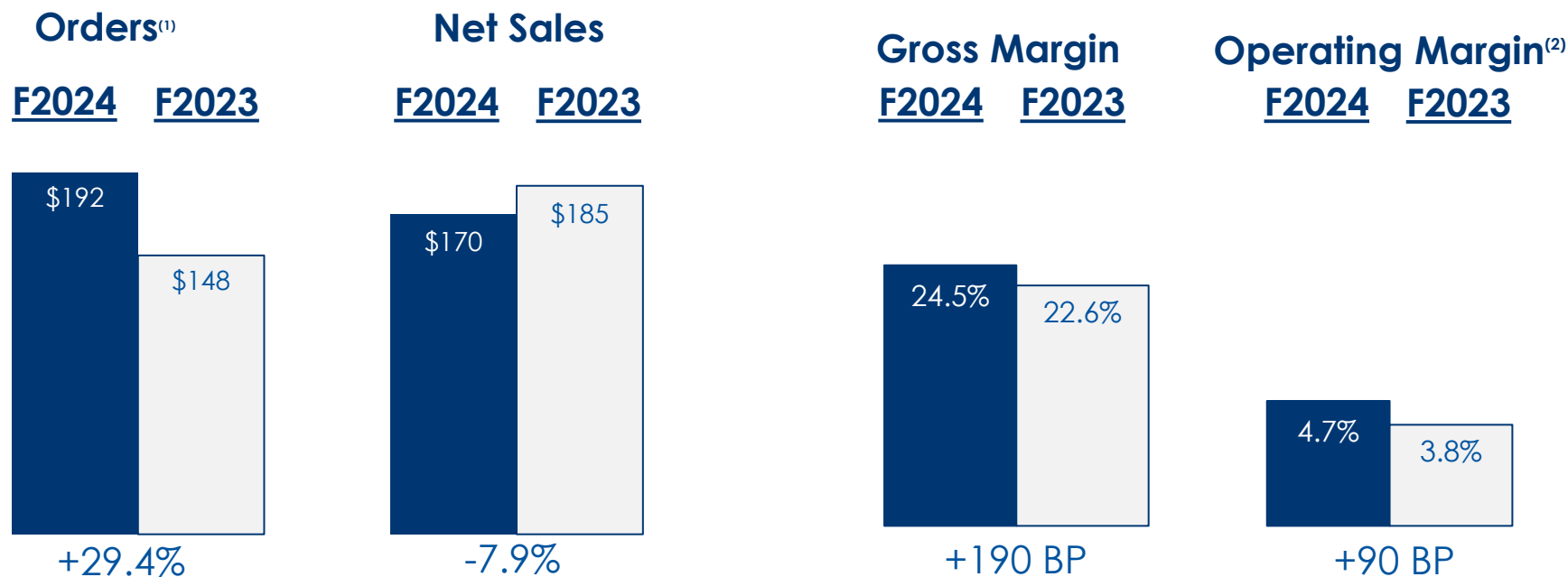
Premier Bankcard  
Sioux Falls, SD





# FQ3 FY2024 FINANCIAL HIGHLIGHTS

(\$ in millions, except per share data)



(\$ in thousands, except per share data)

	FQ3 2024	FQ3 2023	Change
Cash, net of debt	\$ 27,227	\$ (12,908)	-310.9%
Working capital	\$ 205,269	\$ 129,435	58.6%
Operating cashflow	\$ 9,478	\$ 12,451	-23.9%

Note: Percentages are calculated based on actual amounts. Due to rounding, totals may not equal the sum of the items in the chart above.

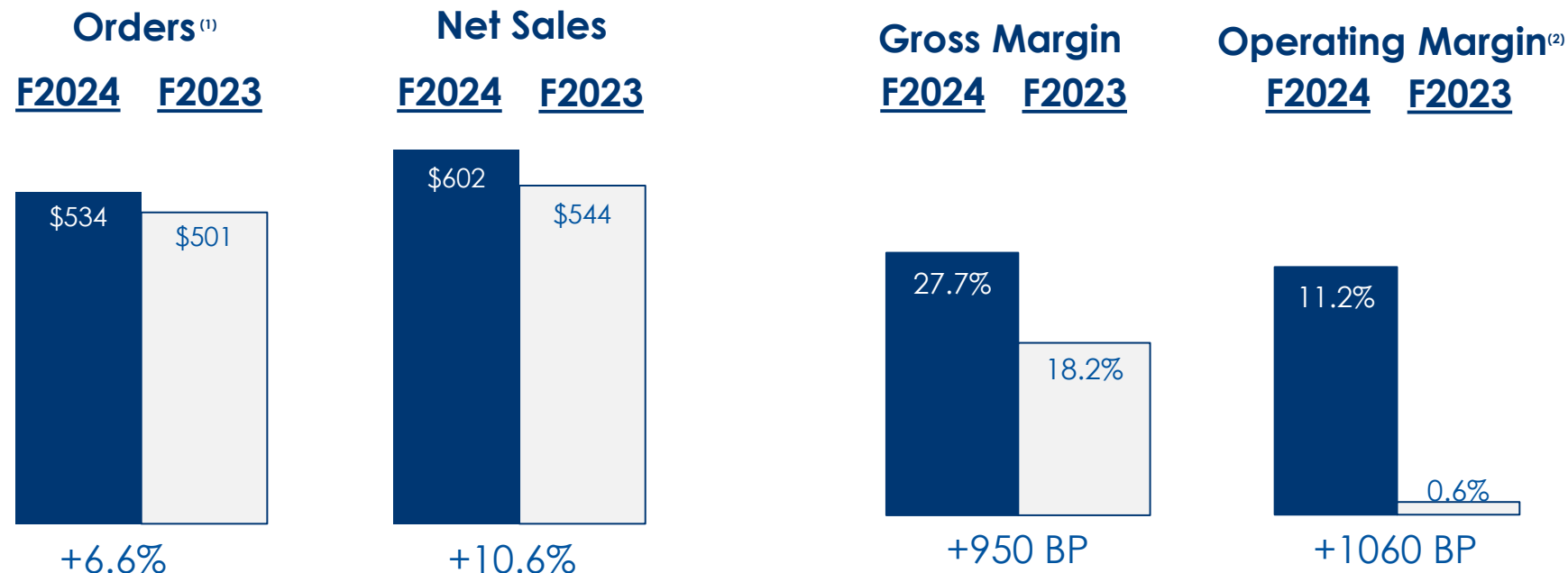
(1) Orders and backlog are not measures defined by accounting principles generally accepted in the United States of America ("GAAP"), and our methodology for determining orders and backlog may vary from the methodology used by other companies in determining their orders and backlog amounts. For more information related to backlog, see Part I, Item 1. Business of our Annual Report on Form 10-K for the fiscal year ended April 29, 2023. This release does not include a reconciliation of orders or backlog, as it would be impractical to do so without unreasonable effort.

(2) In evaluating its business, Daktronics considers and uses adjusted operating income as a key measure of its operating performance. The term adjusted operating income is not defined under GAAP and is not a measure of operating income, cash flows from operating activities, or other GAAP figures and should not be considered alternatives to those computations. We define non-GAAP adjusted operating income as operating income plus asset impairments. Management believes non-GAAP adjusted operating income is a useful indicator of our financial performance and our ability to generate cash flows from operations. Our definition of non-GAAP adjusted operating income may not be comparable to similarly titled definitions used by other companies. The table above reconciles non-GAAP adjusted operating income to comparable GAAP financial measures. Adjusted operating margin was 6.3% for FQ3 F2023.



# YTD FY2024 FINANCIAL HIGHLIGHTS

(\$ in millions, except per share data)



(\$ in thousands, except per share data)

	YTD 2024	YTD 2023	Change
Cash, net of debt	\$ 27,227	\$ (12,378)	-320.0%
Working capital	\$ 205,269	\$ 129,435	58.6%
Operating cashflow	\$ 53,789	\$ (9,487)	767.0%

Note: Percentages are calculated based on actual amounts. Due to rounding, totals may not equal the sum of the items in the chart above.

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# FY2024 YTD Financial Highlights

(\$ in thousands, except per share data)

	Nine Months Ended		Percent Change
	24-Jan 2024	28-Jan 2023	
Orders	\$ 534,386	\$ 501,404	6.6%
Net sales	602,203	544,334	10.6%
Gross profit	167,064 27.7%	99,211 18.2%	68.4%
Operating income	67,688 11.2%	3,125 0.6%	2066.0%
Net income	32,103	(14,597)	319.9%
Diluted earnings per share	0.69	(0.32)	
Cash, net of debt	\$ 26,323	\$ (15,563)	269.1%
Working Capital	\$ 205,270	\$ 129,435	58.6%
Operating cashflow	\$ 53,789	\$ (9,486)	667.0%

Record profitability

- Supply chain stabilization
- Utilization of increased capacity
- Realization of pricing adjustments
- Management of expenses

And Balance Sheet/Cash Management

- Financing complete
- Inventory and Receivable levels normalizing
- Cash flow generation from profits and working capital management

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# FY2024 THIRD Quarter Financial Highlights

(\$ in thousands, except per share data)

	Three Months Ended				Percent Change
	27-Jan 2024		28-Jan 2023		
Orders	\$ 192,062		\$ 148,374		29.4%
Net sales	170,304		184,975		-7.9%
Gross profit	41,718	24.5%	41,713	22.6%	0.0%
Operating income	8,036	4.7%	7,118	3.8%	12.9%
Net income	10,742		3,714		189.2%
Diluted earnings per share	0.09		0.08		
Cash, net of debt	\$ 26,323		\$ (15,563)		269.1%
Working Capital	\$ 205,270		\$ 129,435		58.6%
Operating cashflow	\$ 53,789		\$ (9,486)		667.0%

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# FY2023 Annual Financial Highlights

(\$ in thousands, except per share data)

	Twelve Months Ended		Percent Change
	26-Apr 2023	30-Apr 2022	
Orders	\$ 680,954	\$ 846,071	-19.5%
Net sales	754,196	610,970	23.4%
Gross profit	151,355 20.1%	116,697 19.1%	29.7%
Operating income	21,388 2.8%	4,046 0.7%	428.6%
Net income	6,803	592	1049.2%
Diluted earnings per share	0.15	0.01	
Cash, net of debt	\$ 6,531	\$ 18,008	-63.7%
Working Capital	\$ 132,495	\$ 103,877	27.5%
Operating cashflow	\$ 15,024	\$ (27,035)	155.6%

FY2022 –

- Pandemic implications to profitability, with recovery of order volume.
- FY2023 Supply Chain Challenges
- Second half FY2023 improved throughput with increased strategic capacity additions, pricing, which lead to improved profitability

← Supply chain stabilization

← Normalizing inventory

(1) Orders and backlog are not measures defined by accounting principles generally accepted in the United States of America ("GAAP"), and our methodology for determining orders and backlog may vary from the methodology used by other companies in determining their orders and backlog amounts. For more information related to backlog, see Part I, Item 1. Business of our Annual Report on Form 10-K for the fiscal year ended April 29, 2023. This release does not include a reconciliation of orders or backlog, as it would be impractical to do so without unreasonable effort.

# More about Daktronics

- ✓ 52/53 Week Fiscal Years ending in April
- ✓ Seasonality to results (Sports/Construction season)
- ✓ Video systems comprise a large portion of business with standard systems and services comprising the remaining
- ✓ Large video systems projects may include general contracting with lower margin %, but add margin \$
- ✓ Customer delivery schedules & sports season impact quarterly results
- ✓ Q3 Includes 2 major holidays

## 5 YEAR HISTORY and CURRENT FISCAL YEAR DILUTED EARNINGS PER SHARE

Fiscal Year	Q1	Q2	Q3	Q4
2019	+ 0.10	+ 0.19	- 0.07	- 0.24
2020	+ 0.16	+ 0.16	- 0.28	- 0.02
2021	+ 0.17	+ 0.08	0.00	+ 0.01
2022	+ 0.08	+ 0.05	- 0.10	- 0.02
2023	- 0.12	- 0.29	+ 0.08	+ 0.47
2024	+ 0.42	+0.05	+ 0.09	





OUTDOOR SPECTACULARS



DYNAMIC MESSAGE SIGNS



MESSAGE CENTERS



INDOOR HIGH RESOLUTION



CONTROL SYSTEMS



DIGITAL BILLBOARDS

# Technology

