



**FIRST QUARTER FISCAL 2021**  
**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.

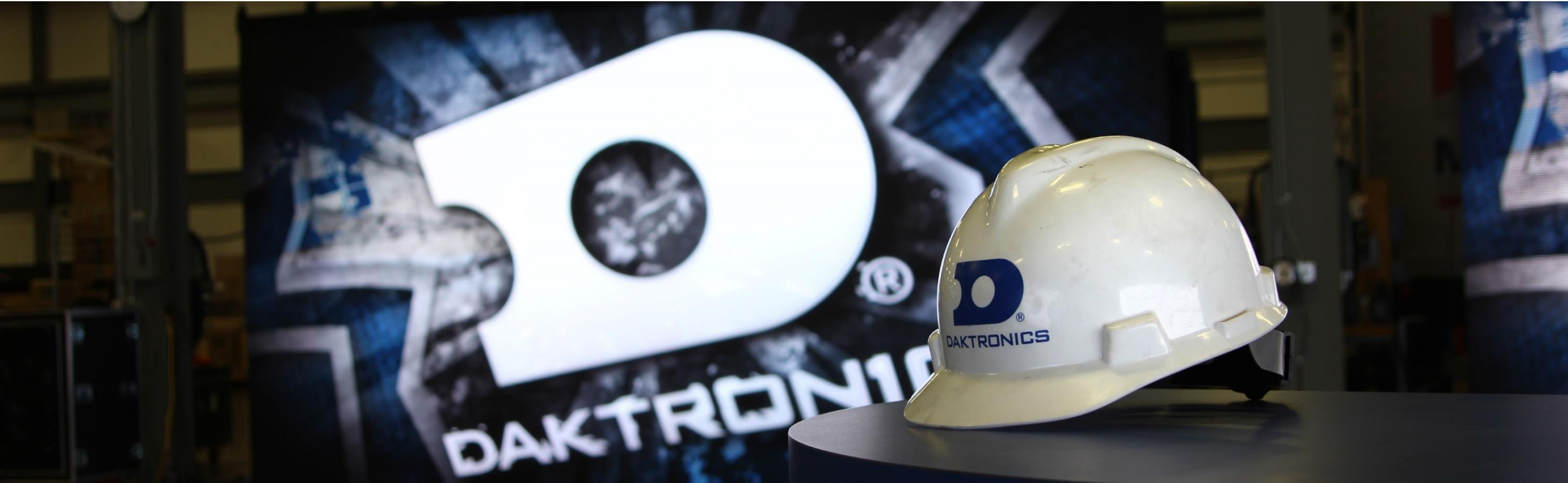
All forward-looking statements involve risks and uncertainties which may be out of our control and may cause actual results to differ materially. Such risks include changes in economic conditions, changes in the competitive and market landscape, including impacts of global trade discussions and policies, the impact of governmental laws, regulations, and orders, as a result of the COVID-19 pandemic, disruptions to our business caused by geopolitical events, military actions, work stoppages, nature disasters, or international health emergencies, such as the COVID-19 pandemic, management of growth, timing and magnitude of future contracts, fluctuations of margins, the introduction of new products and technology, and other important factors as noted and detailed in our 10-K and 10-Q SEC filings.

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.





# DAKTRONICS VISION



To be the world leader at informing and entertaining audiences through dynamic audio-visual communication systems.



# DAKTRONICS MISSION

## Our Values Reflect our Mission

Every day, our values are reflected in the way we build our products and our relationships. We deliver industry-leading value to our customers by:



Engaging our employees through challenging and rewarding opportunities



Developing strategic partnerships with our suppliers



Leveraging our strengths in product innovation, manufacturing and service



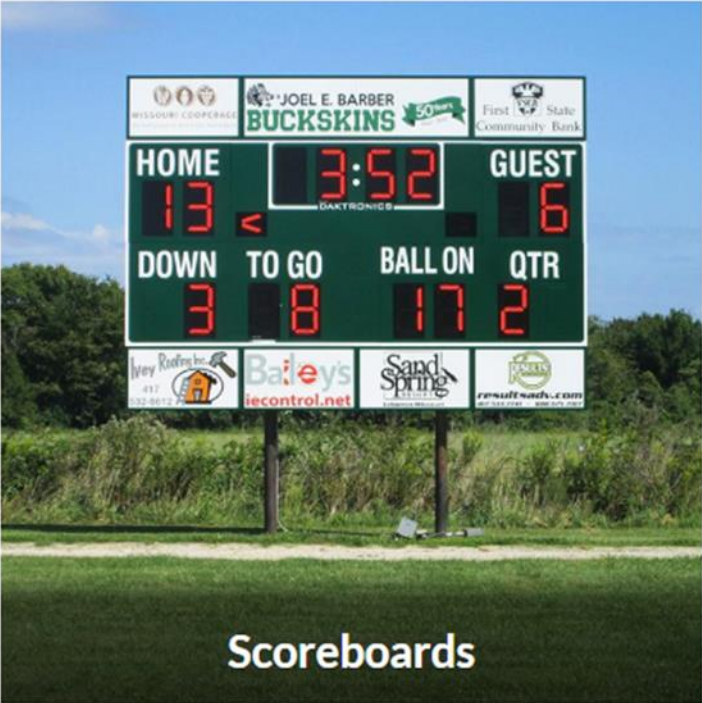
Contributing to the betterment of our communities



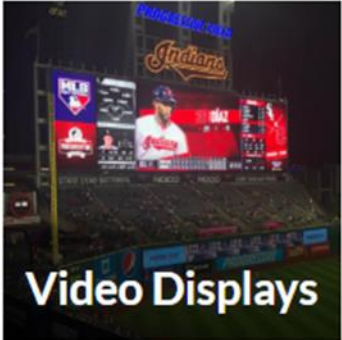
Generating an attractive return for investors



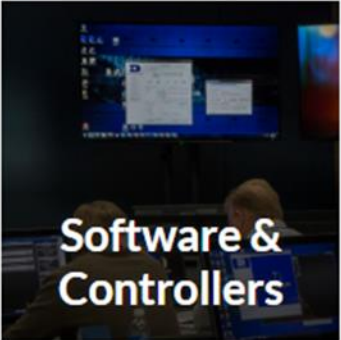
# WORLD LEADER



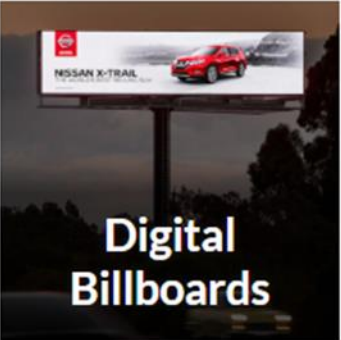
Scoreboards



Video Displays



Software & Controllers



Digital Billboards



Video Walls



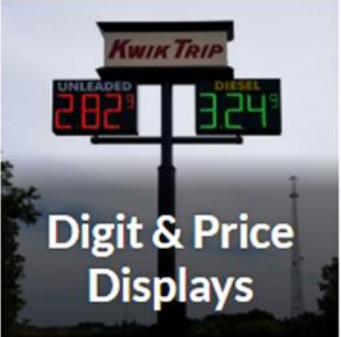
Digital Street Furniture



ITS Dynamic Message Signs



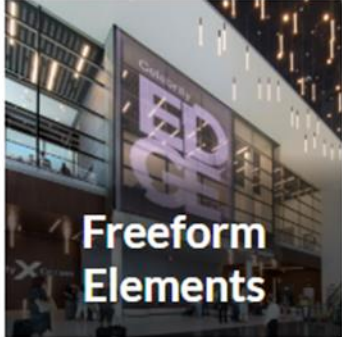
LED Signs



Digit & Price Displays



Indoor LCD Signs



Freeform Elements



Sound Systems



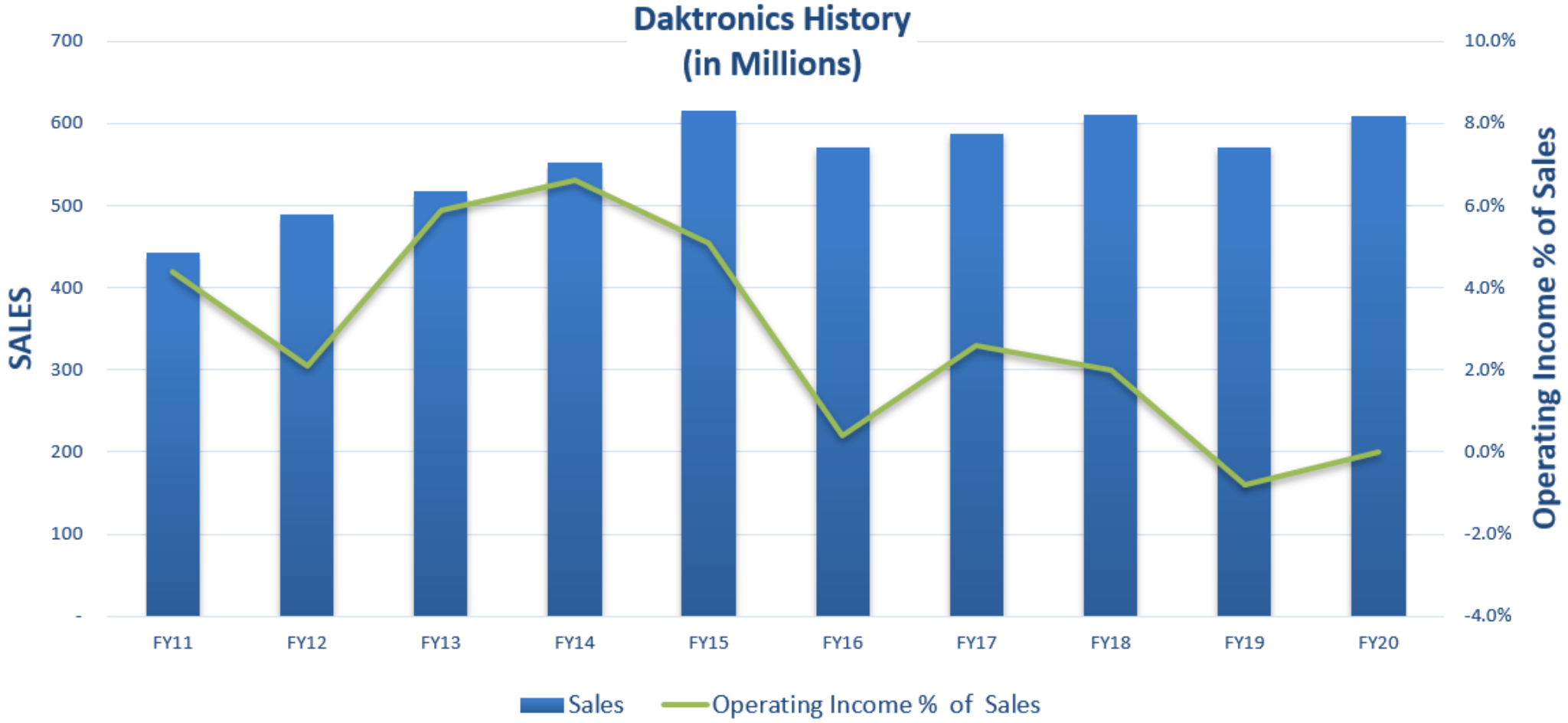
★: Sales Office  
★: Manufacturing Facility

# OFFICES AROUND THE GLOBE

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



# 10 YEAR HISTORY SALES & OPERATING INCOME %



# 10 Year History Free-Cash Flow\*

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Net cash from operations	\$ 41,346	\$ 20,038	\$ 50,749	\$ 36,199	\$ 54,702	\$ 13,354	\$ 39,407	\$ 30,361	\$ 29,546	\$ 10,808
Net capital expenditures	(9,148)	(16,293)	(9,476)	(13,281)	(24,830)	(23,963)	(8,304)	(15,948)	(16,661)	(17,769)
Free cash flow**	\$ 32,198	\$ 3,745	\$ 41,273	\$ 22,918	\$ 29,872	\$ (10,609)	\$ 31,103	\$ 14,413	\$ 12,885	\$ (6,961)

\*\*A non-GAAP measure, please refer to our SEC filings for further definition.

\*\$ in thousands





# 10 Year History Return to Shareholders

- ✓ Long-term dividend history (see chart to the right)
- ✓ Share Repurchase program instituted 2017 for opportunistic stock purchases
- ✓ Because of uncertainties caused by COVID-10, we suspended dividends and share repurchases in April 2020

<b>Fiscal Year</b>	<b>Regular Dividend/ Share</b>	<b>Annualized Dividend Yield</b>	<b>Special Dividend/ Share</b>	<b>Total Dividend Payout (000's)</b>
<b>2012</b> <sup>(1)</sup>	<b>0.220</b>	<b>1.9%</b>	<b>0.400</b>	<b>25,950</b>
<b>2013</b>	<b>0.230</b>	<b>3.6%</b>	<b>0.500</b>	<b>30,859</b>
<b>2014</b> <sup>(2)</sup>	<b>0.390</b>	<b>3.0%</b>	<b>-</b>	<b>16,690</b>
<b>2015</b>	<b>0.400</b>	<b>3.7%</b>	<b>-</b>	<b>17,377</b>
<b>2016</b>	<b>0.400</b>	<b>5.1%</b>	<b>-</b>	<b>17,556</b>
<b>2017</b>	<b>0.270</b>	<b>2.8%</b>	<b>0.040</b>	<b>13,651</b>
<b>2018</b>	<b>0.280</b>	<b>3.1%</b>	<b>-</b>	<b>12,424</b>
<b>2019</b>	<b>0.280</b>	<b>3.8%</b>	<b>-</b>	<b>12,554</b>
<b>2020</b>	<b>0.200</b>	<b>4.5%</b>	<b>-</b>	<b>8,994</b>
<b>2021*</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>

\* - Year to date figures through July 2020

(1) – changed to semi-annual dividend

(2) – changed to quarterly dividend



# 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

## 10 YEAR HISTORY DILUTED EARNINGS PER SHARE (after adjustment for splits)

Fiscal Year	Q1	Q2	Q3	Q4
2012	+ 0.08	+ 0.09	+ 0.04	- 0.01
2013	+ 0.16	+ 0.27	+ 0.06	+ 0.04
2014	+ 0.13	+ 0.27	+ 0.07	+ 0.04
2015	+ 0.20	+ 0.18	+ 0.01	+ 0.08
2016	+ 0.09	+ 0.07	- 0.04	- 0.07
2017	+ 0.13	+ 0.20	- 0.12	+ 0.02
2018	+ 0.19	+ 0.16	- 0.14	- 0.09
2019	+ 0.10	+ 0.19	- 0.07	- 0.24
2020	+ 0.16	+ 0.16	- 0.28	- 0.02
2021	+ 0.17			



# FY2021 FIRST QUARTER AND YTD RESULTS

(\$ in thousands, except per share data)

	Three Months Ended		Percent Change
	1-Aug 2020	3-Aug 2019	
Orders	\$ 122,153	\$ 187,463	-34.8%
Net sales	\$ 143,644	\$ 180,256	-20.3%
Gross profit	35,761	45,505	
Gross margin	24.9%	25.2%	
Operating income	9,549	7,616	25.4%
Operating margin	6.6%	4.2%	
Net income	\$ 7,467	\$ 7,030	6.2%
% of sales	5.2%	3.9%	
Earnings per share (diluted)	\$ 0.17	\$ 0.16	



# FY2020 ANNUAL RESULTS

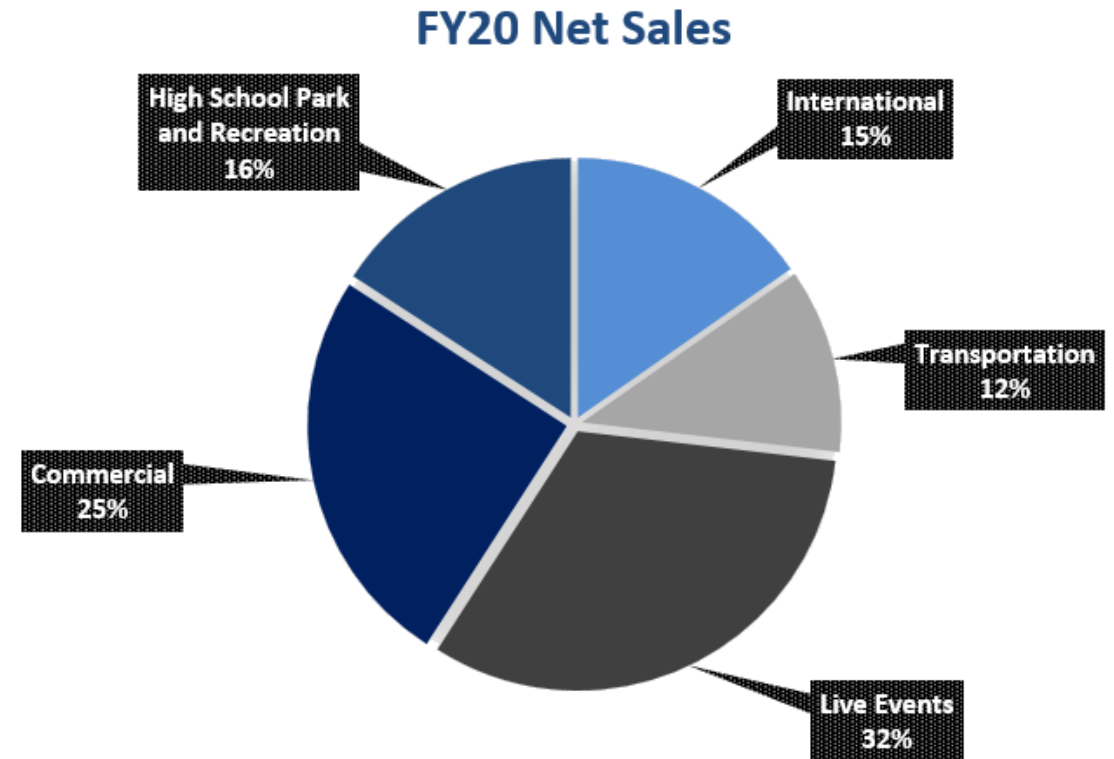
(\$ in thousands, except per share data)

	Twelve Months Ended		Percent Change
	2-May 2020 (53 Weeks)	27-Apr 2019	
Orders	\$ 620,778	\$ 608,880	2.0%
Net sales	\$ 608,932	\$ 569,704	6.9%
Gross profit	138,700	130,294	
Gross margin	22.8%	22.9%	
Operating income	(167)	(4,728)	96.5%
Operating margin	0.0%	-0.8%	
Net income	\$ 491	\$ (958)	151.3%
% of sales	0.1%	-0.2%	
Earnings per share (diluted)	\$ 0.01	\$ (0.02)	



# Business Unit Recap

- ✓ Live Events, Commercial, Transportation, and High School Park and Recreation, include net sales in the United States and Canada
- ✓ International net sales include rest of world and are primarily for solutions for large sports venues, spectacles, third-party advertising, and transportation type solutions



# LIVE EVENTS BUSINESS UNIT



Kansas City Chiefs



# LIVE EVENTS

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

- Professional sports
- College and university
- Arenas

» Competition

- Mitsubishi, Lighthouse, Panasonic, Prismview (Division of Samsung) and others
- Asian competition through U.S. integrators



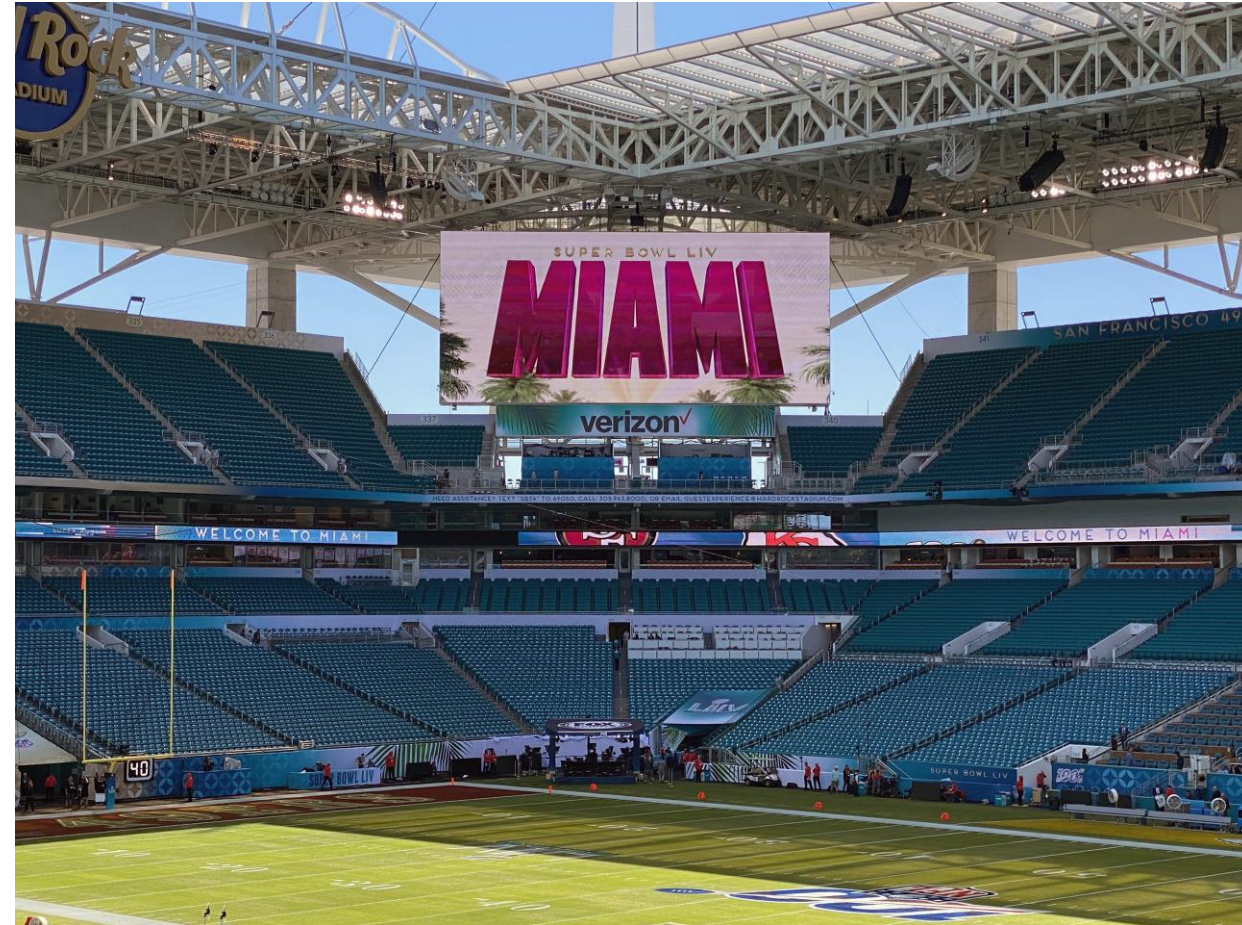
Ralph Englestad Arena



# LIVE EVENTS

## Demand Drivers

- » Facility increased spend to:
  - Enhance attendee event experience
  - Revenue source from advertising
  - Competitive nature to outperform other facilities
- » Lower product costs, driving expansion of marketplace
- » High definition product offering (HD)
- » Replacement cycle (systems can last from 8-12 years)



Hard Rock Stadium

# HIGH SCHOOL PARK AND RECREATION (HSPR)



Brentwood High School, Brentwood, MO



# 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



Centennial High School, Utica, NE



City of Saint Peters, Saint Peters, MO

# HSPR

## » Growth Drivers

- Larger more sophisticated displays in sports venues
- Revenue generation
- Communication medium
- New construction/replacement cycles
- Curriculum usage

## » Competitors

- Formetco, Scorevision, Translux, Nevco, other smaller company manufacturers



Shawnee Mission Aquatics Center, Lenexa, KS



# COMMERCIAL BUSINESS UNIT



Discount Drug Mart  
Canton, OH



McDonalds Times Square  
New York, NY



# COMMERCIAL

- » Sales channel focus
  - Third party advertising/Out of Home Advertising (OOH)
  - On-premise advertising (retail)
  - Spectacular (custom video)
- » Primary offerings
  - Digital billboards
  - Message centers
  - Video display systems/display walls
  - Petroleum displays
  - Dynamic messaging systems



Marquee Media, Sacramento, CA



Kwik Trip, Glencoe, MN



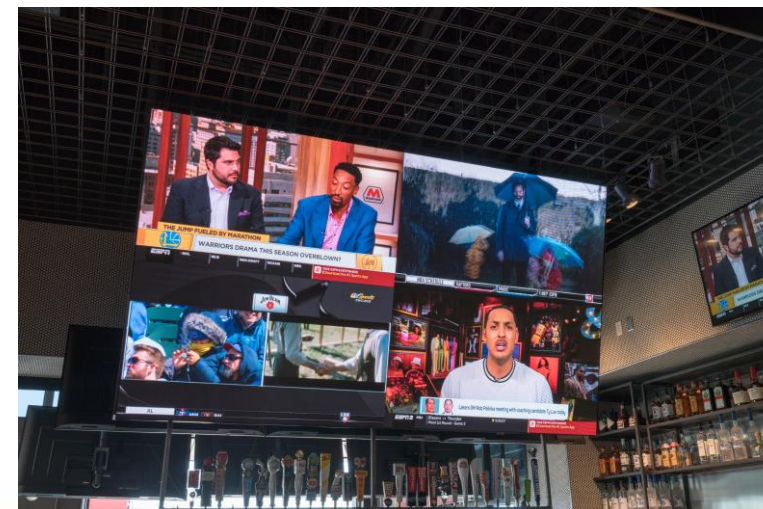
# COMMERCIAL

- » Long-term growth drivers
  - Market adoption, including National Accounts
  - Spectacular use to entertain/advertise in unique locations
  - Effective advertising medium (outdoor and indoor networks)
  - Replacement cycle (7-10 years)
  - Architectural lighting

- » Competitors
  - Message Centers – Optec, Watchfire, Vantage
  - Digital Billboards – Watchfire, Formetco, Optotech
  - Video Projects – Sansi, Prismview, ANC, Integrators using Asian Manufacturers
  - Video Walls – Sansi, Leyard, Absen, Unilumen



Steven Tanger Center for the Performing Arts,  
Greensboro, NC



Buffalo Wild Wings,  
New Caney, TX





# TRANSPORTATION BUSINESS UNIT



Parks Canada Agency Calgary, Alberta



Colorado Department of Transportation



# TRANSPORTATION

- » Three niches
  - Intelligent transportation systems (ITS)
  - Airports
  - Mass Transit
- » Competitors
  - Skyline, Ledstar, Telegra, SES-America, Imago, others



Intelligent Transit Systems (ITS)

*Penn Turnpike, Norristown Interchange, PA*

# TRANSPORTATION

- » Long-term growth drivers
  - Transportation management - increasing traffic demands on constrained infrastructure
  - Governmental funding and investment in infrastructure projects
  - Infographic communication
  - Advertising needs



Public Transportation – Jefferson Station  
Southeastern Pennsylvania Transportation Authority



Richmond International Airport, Richmond, VA



# INTERNATIONAL BUSINESS UNIT



Tottenham Hotspur Football & Athletic Co Ltd  
London, UK



# INTERNATIONAL

## Main products

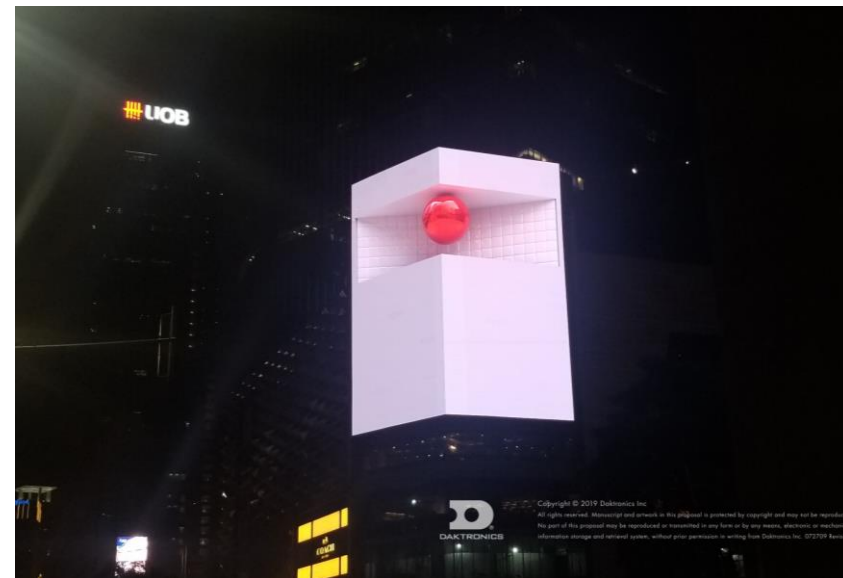
- » Commercial video systems
- » Sports video systems
- » Digital billboard (OOH)
- » Architectural lighting
- » Transportation systems

## Infrastructure

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



Schweizerische Bundesbahnen - Lucerne, Switzerland



PT Mediatronics - Jakarta, Indonesia



# 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, Lighthouse, Panasonic, Barco and other country-specific competitors



Emaar Cafe – Dubai



# LOOKING AHEAD



Westfield Manukau City – Auckland, New Zealand



Tottenham Hotspur Football & Athletic Co Ltd – London, UK



Barclays Capital – New York, New York, USA





# NEAR-TERM EXPECTATIONS

COVID-19 Impact created business uncertainty

- ✓ Business areas impacted differently (Advertising, Events, Tax funding)
- ✓ Timing, longevity and shape of economic recovery not clear

FY2021 focus on prudently managing capacity to demand.

- ✓ Reduced costs related to personnel, contractors, and other discretionary spending
- ✓ Managing working capital and cash requirements

# ACHIEVING LONG-TERM PROFITABLE GROWTH

Over the long-term Continued Global Demand Growth:

- ✓ Continued global market adoption and expansion
- ✓ Natural Replacement cycle
- ✓ Industry leading solutions and continued investment in new technologies
- ✓ Worldwide economic conditions
- ✓ New technologies, applications, customer types



The Colosseum at Caesars  
Palace Las Vegas, Nevada, USA



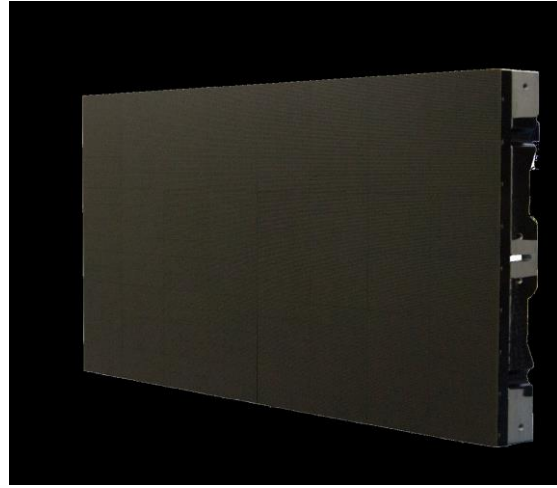
Fiserv Forum, Milwaukee Bucks –  
Milwaukee, Wisconsin, USA



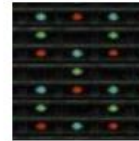
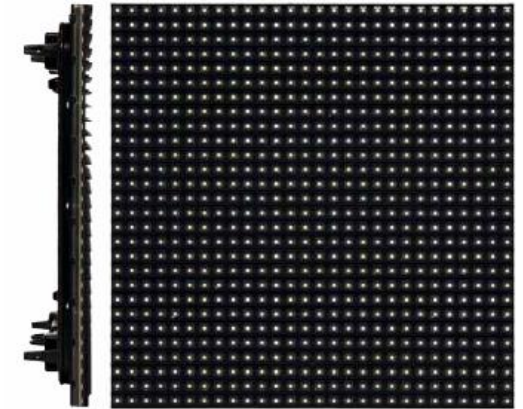
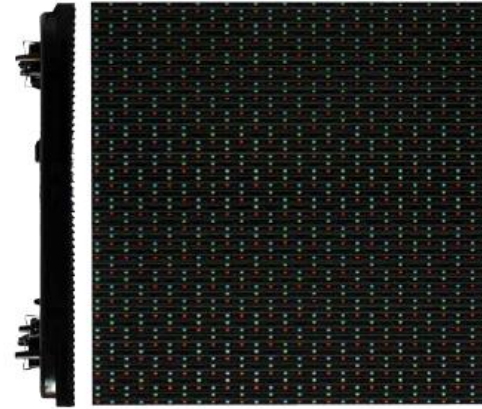
Beijing Indigo – Beijing, China



# SOLUTION EXAMPLES



## MODULE COMPARISON THROUGH-HOLE VS. SURFACE-MOUNT LEDs



THROUGH-HOLE LED MODULE

SURFACE-MOUNT LED MODULE



### Total Event Control

An integrated display control studio allows for flexible, intuitive display control and event management.



### Content Compositing

Powerful content compositing tools allow users to create broadcast-quality presentations.



### Live Data Integration

Streaming data integration makes it possible to enhance graphics with live stats and information.



### Media Players & Processors

Built-in media players and video processors allow for seamless delivery of a wide variety of digital media.





BLUE SERIES VIDEO DISPLAYS



DYNAMIC MESSAGE SIGNS



MESSAGE CENTERS



GOLD SERIES VIDEO DISPLAYS



CONTROL SYSTEMS



DIGITAL BILLBOARDS



DAKTRONICS

# TECHNOLOGY



The background is a complex, futuristic digital landscape. It features a central, glowing blue sphere with a grid pattern, surrounded by various geometric shapes, lines, and data-like structures. The overall color palette is dominated by deep blues and bright, glowing cyan and white highlights, creating a sense of depth and technological sophistication. The lighting is dramatic, with strong highlights and deep shadows, emphasizing the three-dimensional nature of the scene.

# QUESTIONS



# 10 YEAR HISTORY SUPPLEMENTAL INFORMATION

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Net sales	\$441,676	\$489,526	\$518,322	\$551,970	\$615,942	\$570,168	\$586,539	\$610,531	\$569,704	\$608,932
Gross profit	111,484	113,437	133,894	141,710	144,579	121,019	140,415	145,669	130,294	138,700
Operating expenses	91,957	103,162	103,294	105,153	113,294	118,524	124,994	133,209	135,022	138,867
Operating income	19,527	10,275	30,600	36,557	31,285	2,495	15,421	12,460	(4,728)	(167)
Net income	14,244	8,489	22,779	22,206	20,882	2,061	10,342	5,562	(958)	491
Gross profit percentage	25.2%	23.2%	25.8%	25.7%	23.5%	21.2%	23.9%	23.9%	22.9%	22.8%
Operating margin percentage	4.4%	2.1%	5.9%	6.6%	5.1%	0.4%	2.6%	2.0%	(0.8%)	(0.0%)
Weighted average diluted shares outstanding	42,277	42,304	42,621	43,762	44,443	44,456	44,303	44,873	44,926	45,316
Diluted earnings per share	0.34	0.20	0.53	0.51	0.47	0.05	0.23	0.12	(0.02)	0.01
Cash dividend per share	0.60	0.62	0.73	0.39	0.40	0.40	0.31	0.28	0.28	0.20
Working capital	\$128,160	\$119,833	\$125,456	\$140,532	\$149,075	\$123,714	\$127,130	\$132,824	\$119,600	\$91,037
Total assets	327,847	315,967	319,418	357,451	379,479	349,948	355,433	358,800	349,216	372,651
Shareholders' equity	203,102	190,805	188,246	203,119	212,039	201,067	198,286	197,616	187,663	176,980
Backlog	131,000	123,000	141,000	172,000	191,000	181,000	203,000	171,000	202,000	211,000
Product design and development expense	\$18,949	\$23,507	\$23,131	\$23,375	\$24,652	\$26,911	\$29,081	\$35,530	\$35,557	\$37,772
Capital expenditures	9,386	16,524	9,674	13,519	21,837	17,056	8,502	18,127	17,268	18,091
Depreciation and amortization expense	19,641	17,518	15,607	14,501	15,136	16,943	19,392	17,784	18,635	17,718
Cash flow from operations	41,346	20,038	50,749	36,199	53,513	13,581	39,407	30,361	29,546	10,808
Regular dividend per share	0.10	0.22	0.23	0.39	0.40	0.40	0.27	0.28	0.28	0.20
Special dividend per share	0.50	0.40	0.50	-	-	-	0.04	-	-	-
Employees as of year-end:										
Full-time	2,100	2,300	2,210	2,280	2,420	2,470	2,405	2,405	2,412	2,395
Part-time and students	500	520	410	390	330	315	304	308	310	276
Stock price during fiscal year:										
High	\$ 17.30	\$ 11.81	\$ 12.40	\$ 15.80	\$ 14.47	\$ 12.24	\$ 11.00	\$ 10.86	\$ 10.11	\$ 7.78
Low	7.30	7.68	6.39	9.63	10.03	6.90	6.00	8.54	7.14	4.16
Stock price at fiscal year-end	10.72	8.46	9.57	13.06	10.75	8.70	9.46	9.01	7.30	4.45
EBITDA	39,170	27,800	46,200	51,000	46,400	19,400	34,800	30,200	13,900	17,551

