

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 31, 2026

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_ to \_\_\_.

Commission File Number: 001-38747



**Daktronics, Inc.**

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of  
Incorporation or Organization)

46-0306862

(I.R.S. Employer Identification No.)

**201 Daktronics Drive**

**Brookings,**

**SD**

**57006**

(Address of Principal Executive Offices) (Zip Code)

**(605) 692-0200**

(Registrant's Telephone Number, Including Area Code)

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 Stock, par value \$0.00001 per share	DAKT	Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Accelerated filer   
Non-accelerated filer   
Smaller reporting company   
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 accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

**The number of shares of the registrant's common stock outstanding as of February 23, 2026 was 48,298,110.**



**DAKTRONICS, INC. AND SUBSIDIARIES**  
FORM 10-Q  
For the Quarter Ended January 31, 2026

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**PART I. FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS**

**DAKTRONICS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except per share data) (unaudited)

	<u>January 31, 2026</u>	<u>April 26, 2025</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 144,424	\$ 127,507
Accounts receivable, net	114,326	92,762
Inventories	103,596	105,839
Contract assets	48,314	41,169
Current maturities of long-term receivables	3,599	2,437
Prepaid expenses and other current assets	10,929	8,520
Income tax receivables	608	3,217
Total current assets	<u>425,796</u>	<u>381,451</u>
Property and equipment, net	64,208	73,884
Long-term receivables, less current maturities	1,862	1,030
Goodwill	3,710	3,188
Intangibles, net	3,371	568
Debt issuance costs, net	—	1,289
Right of use, investment in affiliates, and other assets	17,077	9,378
Deferred income taxes	30,352	32,104
TOTAL ASSETS	<u>\$ 546,376</u>	<u>\$ 502,892</u>

**DAKTRONICS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (continued)**  
(in thousands, except per share data) (unaudited)

	January 31, 2026	April 26, 2025
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt	\$ 1,150	\$ 1,500
Accounts payable	63,571	46,669
Contract liabilities	65,847	69,050
Accrued expenses	45,790	41,705
Warranty obligations	12,514	12,706
Income taxes payable	2,684	375
<b>Total current liabilities</b>	<b>191,556</b>	<b>172,005</b>
Long-term warranty obligations	24,884	23,124
Long-term contract liabilities	19,985	18,421
Other long-term obligations	6,224	6,839
Long-term debt, net	9,902	10,487
Deferred income taxes	87	85
<b>Total long-term liabilities</b>	<b>61,082</b>	<b>58,956</b>
<b>STOCKHOLDERS' EQUITY:</b>		
Preferred Shares, \$0.00001 par value, authorized 5,000 shares; no shares issued and outstanding	—	—
Common stock, \$0.00001 par value, authorized 115,000 shares; 53,565 and 53,030 shares issued as of January 31, 2026 and April 26, 2025, respectively	—	—
Additional paid-in capital	195,552	189,940
Retained earnings	164,871	127,910
Treasury stock, at cost, 5,272 and 3,979 shares as of January 31, 2026 and April 26, 2025, respectively	(62,536)	(39,759)
Accumulated other comprehensive loss	(4,149)	(6,160)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>293,738</b>	<b>271,931</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 546,376</b>	<b>\$ 502,892</b>

See notes to Condensed Consolidated Financial Statements.

**DAKTRONICS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
Net sales	\$ 181,871	\$ 149,507	\$ 630,096	\$ 583,926
Cost of sales	138,242	112,726	459,570	431,584
<b>Gross profit</b>	<b>43,629</b>	<b>36,781</b>	<b>170,526</b>	<b>152,342</b>
Operating expenses:				
Selling	15,335	14,471	48,225	44,811
General and administrative	15,844	16,498	43,901	43,771
Product design and development	10,528	9,440	31,643	28,902
	41,707	40,409	123,769	117,484
<b>Operating income (loss)</b>	<b>1,922</b>	<b>(3,628)</b>	<b>46,757</b>	<b>34,858</b>
Nonoperating income (expense):				
Interest income (expense), net	1,072	508	2,523	710
Change in fair value of convertible note	—	(14,083)	—	(25,369)
Other income (expense), net	518	(613)	(1,683)	(2,612)
<b>Income (loss) before income taxes</b>	<b>3,512</b>	<b>(17,816)</b>	<b>47,597</b>	<b>7,587</b>
Income tax expense (benefit)	502	(660)	10,636	8,283
<b>Net income (loss)</b>	<b>\$ 3,010</b>	<b>\$ (17,156)</b>	<b>\$ 36,961</b>	<b>\$ (696)</b>
Weighted average shares outstanding:				
Basic	48,489	47,764	48,696	46,944
Diluted	49,257	47,764	49,528	46,944
Earnings per share:				
Basic	\$ 0.06	\$ (0.36)	\$ 0.76	\$ (0.01)
Diluted	\$ 0.06	\$ (0.36)	\$ 0.75	\$ (0.01)

See notes to Condensed Consolidated Financial Statements.

**DAKTRONICS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(in thousands)  
(unaudited)

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
Net income (loss)	\$ 3,010	\$ (17,156)	\$ 36,961	\$ (696)
Other comprehensive income (loss):				
Cumulative translation adjustments	1,392	(1,320)	2,001	(878)
Unrealized gain (loss) on available-for-sale securities, net of tax	—	(9)	10	11
Total other comprehensive income (loss), net of tax	<u>1,392</u>	<u>(1,329)</u>	<u>2,011</u>	<u>(867)</u>
Comprehensive income (loss)	<u>\$ 4,402</u>	<u>\$ (18,485)</u>	<u>\$ 38,972</u>	<u>\$ (1,563)</u>

See notes to Condensed Consolidated Financial Statements.

**DAKTRONICS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(in thousands)  
(unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total
	Number	Amount			Number	Amount		
<b>Balance as of April 26, 2025</b>	53,030	\$ —	\$ 189,940	\$ 127,910	(3,979)	\$ (39,759)	\$ (6,160)	\$ 271,931
Net income	—	—	—	16,470	—	—	—	16,470
Cumulative translation adjustments	—	—	—	—	—	—	279	279
Share-based compensation	—	—	947	—	—	—	—	947
Exercise of stock options	18	—	128	—	—	—	—	128
Employee savings plan activity	60	—	648	—	—	—	—	648
Treasury stock purchased	—	\$ —	\$ —	\$ —	(648)	(10,652)	\$ —	(10,652)
<b>Balance as of August 2, 2025</b>	53,108	\$ —	\$ 191,663	\$ 144,380	(4,627)	\$ (50,411)	\$ (5,881)	\$ 279,751
Net income	—	—	—	17,481	—	—	—	17,481
Cumulative translation adjustments	—	—	—	—	—	—	330	330
Unrealized gain on available-for-sale securities, net of tax	—	—	—	—	—	—	10	10
Share-based compensation	—	—	1,011	—	—	—	—	1,011
Common stock issued upon vesting of Restricted Stock Units	168	—	—	—	—	—	—	—
Exercise of stock options	160	—	1,039	—	—	—	—	1,039
Shares withheld for taxes on Restricted Stock Unit issuances	(36)	—	(607)	—	—	—	—	(607)
Treasury stock purchase	—	—	—	—	(97)	(1,564)	—	(1,564)
<b>Balance as of November 1, 2025</b>	53,400	\$ —	\$ 193,106	\$ 161,861	(4,724)	\$ (51,975)	\$ (5,541)	\$ 297,451
Net income	—	—	—	3,010	—	—	—	3,010
Cumulative translation adjustments	—	—	—	—	—	—	1,392	1,392
Share-based compensation	—	—	1,687	—	—	—	—	1,687
Exercise of stock options	55	—	329	—	—	—	—	329
Common stock issued upon vesting of Restricted Stock Units	42	—	—	—	—	—	—	—
Employee savings plan activity	68	—	734	—	—	—	—	734
Treasury stock purchase	—	—	—	—	(548)	(10,561)	—	(10,561)
Conversion of an equity award to a liability award	—	—	(304)	—	—	—	—	(304)
<b>Balance as of January 31, 2026</b>	53,565	\$ —	\$ 195,552	\$ 164,871	(5,272)	\$ (62,536)	\$ (4,149)	\$ 293,738

See notes to Condensed Consolidated Financial Statements.

**DAKTRONICS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(continued)  
(in thousands)  
(unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total
	Number	Amount			Number	Amount		
<b>Balance as of April 27, 2024</b>	48,121	\$ 65,525	\$ 52,046	\$ 138,031	(1,907)	\$ (10,285)	\$ (6,525)	\$ 238,792
Net loss	—	—	—	(4,946)	—	—	—	(4,946)
Cumulative translation adjustments	—	—	—	—	—	—	128	128
Share-based compensation	—	—	520	—	—	—	—	520
Exercise of stock options	331	3,148	—	—	—	—	—	3,148
Employee savings plan activity	71	569	—	—	—	—	—	569
<b>Balance as of July 27, 2024</b>	48,523	\$ 69,242	\$ 52,566	\$ 133,085	(1,907)	\$ (10,285)	\$ (6,397)	\$ 238,211
Net income	—	—	—	21,406	—	—	—	21,406
Cumulative translation adjustments	—	—	—	—	—	—	314	314
Unrealized gain on available-for-sale securities, net of tax	—	—	—	—	—	—	20	20
Share-based compensation	—	—	530	—	—	—	—	530
Exercise of stock options	183	1,040	—	—	—	—	—	1,040
Shares withheld for taxes on Restricted Stock Unit issuances	(37)	—	(591)	—	—	—	—	(591)
Common stock issued upon vesting of Restricted Stock Units	141	—	—	—	—	—	—	—
<b>Balance as of October 26, 2024</b>	48,810	\$ 70,282	\$ 52,505	\$ 154,491	(1,907)	\$ (10,285)	\$ (6,063)	\$ 260,930
Net loss	—	—	—	(17,156)	—	—	—	(17,156)
Cumulative translation adjustments	—	—	—	—	—	—	(1,320)	(1,320)
Unrealized gain (loss) on available-for-sale securities, net of tax	—	—	—	—	—	—	(9)	(9)
Share-based compensation	—	—	573	—	—	—	—	573
Exercise of stock options	118	868	—	—	—	—	—	868
Employee savings plan activity	78	624	—	—	—	—	—	624
Treasury stock purchase	—	—	—	—	(536)	(9,016)	—	(9,016)
Settlement of convertible note	—	—	36,797	—	—	—	—	36,797
<b>Balance as of January 25, 2025</b>	49,006	\$ 71,774	\$ 89,875	\$ 137,335	(2,443)	\$ (19,301)	\$ (7,392)	\$ 272,291

See notes to Condensed Consolidated Financial Statements.

**DAKTRONICS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

	Nine Months Ended	
	January 31, 2026	January 25, 2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 36,961	\$ (696)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	14,738	14,707
Gain on sale of property, equipment and other assets	(167)	(118)
Share-based compensation	3,645	1,623
Equity in loss of affiliates	1,767	2,594
(Reversal of) allowance for credit losses on affiliate loan	(545)	—
Provision for (recoveries of) doubtful accounts, net	774	(481)
Deferred income taxes, net	1,787	877
Change in fair value of convertible note	—	25,369
Change in operating assets and liabilities	(4,638)	30,964
<b>Net cash provided by operating activities</b>	<b>54,322</b>	<b>74,839</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(10,395)	(14,668)
Proceeds from sales of property, equipment and other assets	553	212
Loans to equity investees	(5,150)	(3,326)
Acquisition, net of cash acquired	44	—
<b>Net cash used in investing activities</b>	<b>(14,948)</b>	<b>(17,782)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowings on notes payable	1,400	—
Payments on notes payable	(2,596)	(1,733)
Principal payments on long-term obligations	(104)	(310)
Payments for common shares repurchased	(22,777)	(9,016)
Proceeds from exercise of stock options	1,496	5,056
Tax payments related to RSU issuances	(607)	(591)
<b>Net cash used in financing activities</b>	<b>(23,188)</b>	<b>(6,594)</b>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	731	28
<b>NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>16,917</b>	<b>50,491</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH:</b>		
Beginning of period	127,507	81,678
End of period	\$ 144,424	\$ 132,169
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for:		
Interest	\$ 693	\$ 2,657
Income taxes, net of refunds	3,876	16,622
<b>Supplemental schedule of non-cash investing and financing activities:</b>		
Purchases of property and equipment included in accounts payable	494	2,890
Contributions of common stock under the employee stock purchase plan	1,382	1,192
Settlement of convertible note	—	36,797

See notes to Condensed Consolidated Financial Statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(dollar and share amounts in thousands, except per share data)

(unaudited)

### Note 1. Basis of Presentation

Daktronics, Inc. and its subsidiaries (the “Company”, “Daktronics”, “we”, “our”, or “us”) are recognized industry leaders in the design and manufacturing of electronic scoreboards, programmable display systems, and large-screen video displays serving sporting, commercial, and transportation markets.

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and the applicable rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial reporting. In the opinion of management, these financial statements reflect all adjustments necessary for a fair presentation of the Company’s financial position, results of operations, and cash flows for the periods presented. All such adjustments are of a normal recurring nature.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent liabilities. Significant estimates include, but are not limited to, revenue recognition, warranty obligations, the fair value of long-term debt and investments in affiliates, income tax provisions, and stock-based compensation. Actual results may differ materially from those estimates due to inherent uncertainties.

Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to SEC rules and regulations. The balance sheet as of April 26, 2025, has been derived from the audited financial statements as of that date but does not include all disclosures required for annual financial statements. These interim financial statements should be read in conjunction with the Company’s audited financial statements and notes thereto included in its Annual Report on Form 10-K for the fiscal year ended April 26, 2025 (the “Form 10-K”).

The Company operates on a 52- or 53-week fiscal year ending on the Saturday closest to April 30. When April 30 falls on a Wednesday, the fiscal year ends on the preceding Saturday. Each fiscal quarter consists of 13 weeks, except in a 53-week fiscal year, where the first quarter includes 14 weeks. The nine months ended January 31, 2026, and January 25, 2025, included 40 and 39 weeks of operations, respectively.

There have been no material changes to the Company’s significant accounting policies and estimates as disclosed in the Form 10-K.

### Cash and cash equivalents

Cash and cash equivalents are presented in the Condensed Consolidated Balance Sheets with the corresponding totals reported in the Condensed Consolidated Statements of Cash Flows. The Company had no restricted cash or restricted cash equivalents as of January 31, 2026 or January 25, 2025.

We maintain foreign currency cash accounts to support our global operations. These balances are subject to fluctuations in foreign exchange rates, which may impact our consolidated financial position and results of operations.

As of January 31, 2026, our total cash and cash equivalents were \$144,424, of which \$130,644 were denominated in U.S. dollars. Included in the U.S. dollar-denominated balances were \$9,164 held by our foreign subsidiaries. The remaining \$13,780 were denominated in foreign currencies, with \$11,704 maintained in accounts held by our foreign subsidiaries.

### Recent Accounting Pronouncements

#### *Accounting Standards Adopted*

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). ASU 2023-07 requires enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and for interim periods within fiscal years beginning after December 15, 2024, with

early adoption permitted. ASU 2023-07 requires the retrospective adoption method. The Company adopted ASU 2023-07 for annual periods beginning in the fiscal year ended April 26, 2025, noting there were no changes to our reportable segments. The Company has adopted ASU 2023-07 for interim periods beginning in the fiscal year ending May 2, 2026.

#### *Accounting Standards Not Yet Adopted*

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 requires the disclosure of specified additional information in its income tax rate reconciliation and to provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the disaggregation of the disclosures of income taxes paid by federal, state, and foreign taxes, with further disaggregation required for significant individual jurisdictions. The Company is required to adopt this guidance for its annual reporting in fiscal year 2026 on a prospective basis. Early adoption and retroactive application are permitted. We are currently evaluating the impact of ASU 2023-09 on our income tax disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03"), requiring disclosure in the notes to the financial statements of specified information about certain costs and expenses. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and for interim periods beginning after December 15, 2027; however, early adoption is permitted and can be applied either prospectively or retrospectively. We are currently evaluating the impact of ASU 2024-03 on our expense disaggregation disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU 2025-05"). ASU 2025-05 provides a practical expedient that all entities can use when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*. Under this practical expedient, an entity is allowed to assume that the current conditions it has applied in determining credit loss allowances for current accounts receivable and current contract assets remain unchanged for the remaining life of those assets. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, and interim reporting periods in those years. Entities that elect the practical expedient and, if applicable, make the accounting policy election are required to apply the amendments prospectively. The Company is required to adopt this guidance in fiscal year 2027 on a prospective basis. We are currently evaluating the impact of ASU 2025-05 on our expense disaggregation disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)* ("ASU 2025-06"), which modernizes the accounting for internal-use software costs to reflect current development practices. The update eliminates the previous three-stage model (preliminary, application development, and post-implementation) and instead introduces a principles-based approach. Under the new guidance, capitalization begins when (1) management authorizes and commits to funding the project, and (2) it is probable the project will be completed and the software will be used for its intended purpose. ASU 2025-06 is effective for annual periods beginning after December 15, 2027, with early adoption permitted and transition options including prospective, retrospective, or modified retrospective application. We are currently evaluating the impact of ASU 2025-06 on our accounting policies and disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* ("ASU 2025-11"). The update provides clarifications intended to improve the consistency and usability of interim disclosure requirements, including a comprehensive listing of required interim disclosures and a new disclosure principle for reporting material events occurring after the most recent annual period. The amendments do not change the underlying objectives of interim reporting but are designed to enhance clarity in application. ASU 2025-11 is effective for annual periods beginning after December 15, 2027, including interim periods within that annual period. We are currently evaluating the impact of ASU 2025-11 on our accounting policies and disclosures.

#### **Note 2. Investments in Affiliates**

We account for investments in other entities using the equity method when our ownership interest provides us with the ability to exercise significant influence over the operating and financial policies of the investee. Our assessment of significant influence considers factors such as ownership percentage, board representation, participation in policy-making decisions, commercial arrangements, and material intercompany transactions.

#### Miortech

We evaluated our investment in an affiliate of Miortech Holding B.V. (dba Etulipa) (“Miortech”), which is focused on low-power outdoor electrochroming technology. As of January 31, 2026, our ownership interest in Miortech was 55.9 percent. Despite our majority ownership, we determined Miortech is a variable interest entity (“VIE”) and, based on management’s analysis, Daktronics is not the primary beneficiary as the power criterion was not met. Accordingly, we do not consolidate this entity but account for our investment in such entity under the equity method.

As of January 31, 2026 and April 26, 2025, the carrying value of our equity method investment in Miortech was zero. Our proportional share of the affiliate loss with respect to Miortech is recorded in “Other expense, net” in our Condensed Consolidated Statements of Operations. For the three and nine months ended January 31, 2026, our share of such affiliate losses were \$223 and \$752, respectively, compared to \$212 and \$693, respectively, for the three and nine months ended January 25, 2025.

Additionally, we have provided funding to Miortech through a promissory note (the “Miortech Affiliate Note”). During the nine months ended January 31, 2026, we advanced \$930 to Miortech under the Miortech Affiliate Note, as compared to \$1,340 during fiscal year 2025. Accrued interest on the Miortech Affiliate Note was \$177 and \$149 as of January 31, 2026 and April 26, 2025, respectively. The total face value of the outstanding Miortech Affiliate Note was \$5,250 and \$3,809 as of January 31, 2026 and April 26, 2025, respectively. These balances are included in “Right of use, investment in affiliates, and other assets” in our Condensed Consolidated Balance Sheets. We periodically assessed the Miortech Affiliate Note for impairment and expected credit losses, and concluded that no impairment existed for the periods ended January 31, 2026 and April 26, 2025.

The balance of our Miortech Affiliate Note totaled \$3,813 and \$3,123 as of January 31, 2026 and April 26, 2025, respectively.

### XDC

On December 22, 2025, the Company acquired a display business (the “Display Business”) consisting of intellectual property, equipment assets, technical expertise, contract rights, other personal property, and related assets (collectively, the “Display Business Assets”) from X Display Company Technology Limited (“XDC,” and such acquisition, the “XDC Acquisition”). Historically, the Company held an equity interest in XDC which was accounted for under the equity method. Refer to “Note 6. Business Combinations” of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information on this acquisition.

As of April 26, 2025, the carrying value of our equity method investment in XDC was zero. Our proportional share of the affiliate loss in XDC is recorded in “Other expense, net” in our Condensed Consolidated Statements of Operations. For the three and nine months ended January 31, 2026, our share of affiliate losses recognized through December 22, 2025 with respect to XDC were \$303 and \$1,015, respectively, compared to \$550 and \$1,901, respectively, for the three and nine months ended January 25, 2025.

We had provided funding to XDC through promissory notes, some of which were convertible (collectively, the “XDC Affiliate Notes”). During fiscal 2026, through December 22, 2025, we advanced \$4,100 to XDC under the XDC Affiliate Notes, as compared to \$3,225 during fiscal year 2025. Accrued interest on the XDC Affiliate Notes was \$499 and \$689 as of December 22, 2025 and April 26, 2025, respectively. The total face value of the outstanding XDC Affiliate Note was \$16,034 as of April 26, 2025. These balances are included in “Right of use, investment in affiliates, and other assets” in our Condensed Consolidated Balance Sheets. We periodically assessed the XDC Affiliate Notes for impairment and expected credit losses. During the fourth quarter of fiscal 2025, we recorded a provision of \$15,480 related to an XDC Affiliate Note deemed uncollectible. During fiscal 2026, through December 22, 2025, an additional provision of \$1,012 was recorded for another XDC Affiliate Note expected to be uncollectible. These provisions are included in “Other expense, net.” Prior to the XDC Acquisition, we forgave \$16,492 of the XDC Affiliate Notes.

Additionally, we also engage in related party transactions with XDC, primarily for research and development services. For the nine months ended January 31, 2026 and January 25, 2025, we recorded expenses of \$325 and \$593, respectively, in “Product design and development.” Amounts recognized during the nine months ended January 31, 2026 relate to services provided prior to the XDC Acquisition on December 22, 2025. Unpaid amounts related to these services were \$49 and \$109 as of January 31, 2026 and January 25, 2025, respectively, and are included in “Accounts payable.”

### **Note 3. Earnings Per Share**

We compute earnings per share (“EPS”) in accordance with the provisions of Accounting Standards Codification Topic 260, Earnings Per Share. Basic EPS is calculated by dividing net income attributable to holders of our common stock, par

value \$0.00001 per share ("Common Stock"), by the weighted average number of common shares outstanding during the reporting period.

Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised, converted, or otherwise resulted in the issuance of common shares that participate in our earnings.

The following table presents a reconciliation of net income and the number of shares of Common Stock used in the calculation of basic and diluted EPS for the three and nine months ended January 31, 2026, and January 25, 2025:

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
<b>Earnings per share - basic</b>				
Net income (loss)	\$ 3,010	\$ (17,156)	\$ 36,961	\$ (696)
Weighted average shares outstanding	48,489	47,764	48,696	46,944
Basic earnings per share	\$ 0.06	\$ (0.36)	\$ 0.76	\$ (0.01)
<b>Earnings per share - diluted</b>				
Net income (loss)	\$ 3,010	\$ (17,156)	\$ 36,961	\$ (696)
Diluted net income	\$ 3,010	\$ (17,156)	\$ 36,961	\$ (696)
Weighted average common shares outstanding	48,489	47,764	48,696	46,944
Dilution associated with stock compensation plans	768	—	832	—
Weighted average common shares outstanding, assuming dilution	49,257	47,764	49,528	46,944
Diluted earnings per share	\$ 0.06	\$ (0.36)	\$ 0.75	\$ (0.01)

During the three months ended January 31, 2026, 61 shares of potential Common Stock related to stock-based compensation plans were excluded from the computation of diluted EPS because their inclusion would have been anti-dilutive. For the three months ended January 25, 2025, 934 shares of potential common stock, no par value, related to stock-based compensation plans were excluded from the computation of diluted EPS because their inclusion would have been anti-dilutive. The excluded shares include options to purchase 29 shares of common stock, no par value, with a weighted average exercise price of \$11.87.

During the nine months ended January 31, 2026, 51 shares of potential Common Stock related to stock-based compensation plans were excluded from the computation of diluted EPS because their inclusion would have been anti-dilutive. For the nine months ended January 25, 2025, 992 shares of potential common stock, no par value, related to stock-based compensation plans were excluded from the computation of diluted EPS because their inclusion would have been anti-dilutive. The excluded shares include options to purchase 51 shares of common stock, no par value, with a weighted average exercise price of \$10.43.

During the three months ended January 25, 2025, 3,079 potential shares of common stock, no par value, issuable upon conversion of a senior secured convertible promissory note in the original principal amount of \$25,000 dated as of May 11, 2023, issued by the Company to Alta Fox Opportunities Fund, LP (the "Convertible Note") were included in the computation of diluted EPS. For the nine months ended January 25, 2025, 3,697 potential common shares issuable upon conversion of the Convertible Note were not included in the computation of diluted EPS, as their inclusion would have been anti-dilutive.

#### Note 4. Revenue Recognition

##### Disaggregation of revenue

In accordance with ASC 606-10-50, Revenue from Contracts with Customers, we disaggregate revenue based on the nature of the performance obligations and the timing of revenue recognition. This approach is intended to meet the disclosure objective of depicting how the nature, amount, timing, and uncertainty of revenue and cash flows are influenced by

economic factors. It also enables users of the financial statements to understand the relationship between revenue streams and each of our reportable segments.

The following table presents our disaggregated revenue by segment:

<b>Three Months Ended January 31, 2026</b>						
	<b>Commercial</b>	<b>Live Events</b>	<b>High School Park and Recreation</b>	<b>Transportation</b>	<b>International</b>	<b>Total</b>
<b>Type of performance obligation</b>						
Unique configuration	\$ 4,631	\$ 60,254	\$ 7,140	\$ 7,132	\$ 4,333	\$ 83,490
Limited configuration	33,089	6,677	21,704	6,094	9,983	77,547
Service and other	5,786	7,980	2,805	2,047	2,216	20,834
	<u>\$ 43,506</u>	<u>\$ 74,911</u>	<u>\$ 31,649</u>	<u>\$ 15,273</u>	<u>\$ 16,532</u>	<u>\$ 181,871</u>
<b>Timing of revenue recognition</b>						
Goods/services transferred at a point in time	\$ 35,918	\$ 9,918	\$ 21,470	\$ 7,535	\$ 10,928	\$ 85,769
Goods/services transferred over time	7,588	64,993	10,179	7,738	5,604	96,102
	<u>\$ 43,506</u>	<u>\$ 74,911</u>	<u>\$ 31,649</u>	<u>\$ 15,273</u>	<u>\$ 16,532</u>	<u>\$ 181,871</u>

<b>Nine Months Ended January 31, 2026</b>						
	<b>Commercial</b>	<b>Live Events</b>	<b>High School Park and Recreation</b>	<b>Transportation</b>	<b>International</b>	<b>Total</b>
<b>Type of performance obligation</b>						
Unique configuration	\$ 19,513	\$ 186,012	\$ 26,668	\$ 24,769	\$ 20,660	\$ 277,622
Limited configuration	103,527	26,233	101,229	21,552	36,016	288,557
Service and other	17,385	23,947	9,066	6,801	6,718	63,917
	<u>\$ 140,425</u>	<u>\$ 236,192</u>	<u>\$ 136,963</u>	<u>\$ 53,122</u>	<u>\$ 63,394</u>	<u>\$ 630,096</u>
<b>Timing of revenue recognition</b>						
Goods/services transferred at a point in time	\$ 111,923	\$ 35,625	\$ 101,122	\$ 26,062	\$ 38,456	\$ 313,188
Goods/services transferred over time	28,502	200,567	35,841	27,060	24,938	316,908
	<u>\$ 140,425</u>	<u>\$ 236,192</u>	<u>\$ 136,963</u>	<u>\$ 53,122</u>	<u>\$ 63,394</u>	<u>\$ 630,096</u>

**Three Months Ended January 25, 2025**

	Commercial	Live Events	High School Park and Recreation	Transportation	International	Total
<b>Type of performance obligation</b>						
Unique configuration	\$ 7,361	\$ 29,934	\$ 5,970	\$ 11,228	\$ 7,494	\$ 61,987
Limited configuration	24,997	8,227	20,534	5,974	7,909	67,641
Service and other	5,618	7,911	2,863	1,587	1,900	19,879
	<u>\$ 37,976</u>	<u>\$ 46,072</u>	<u>\$ 29,367</u>	<u>\$ 18,789</u>	<u>\$ 17,303</u>	<u>\$ 149,507</u>
<b>Timing of revenue recognition</b>						
Goods/services transferred at a point in time	\$ 27,229	\$ 11,184	\$ 20,384	\$ 6,921	\$ 8,599	\$ 74,317
Goods/services transferred over time	10,747	34,888	8,983	11,868	8,704	75,190
	<u>\$ 37,976</u>	<u>\$ 46,072</u>	<u>\$ 29,367</u>	<u>\$ 18,789</u>	<u>\$ 17,303</u>	<u>\$ 149,507</u>

**Nine Months Ended January 25, 2025**

	Commercial	Live Events	High School Park and Recreation	Transportation	International	Total
<b>Type of performance obligation</b>						
Unique configuration	\$ 19,129	\$ 181,541	\$ 24,888	\$ 38,810	\$ 14,500	\$ 278,868
Limited configuration	79,135	28,161	91,928	19,507	27,436	246,167
Service and other	17,350	22,185	8,628	4,440	6,288	58,891
	<u>\$ 115,614</u>	<u>\$ 231,887</u>	<u>\$ 125,444</u>	<u>\$ 62,757</u>	<u>\$ 48,224</u>	<u>\$ 583,926</u>
<b>Timing of revenue recognition</b>						
Goods/services transferred at a point in time	\$ 87,470	\$ 37,101	\$ 92,286	\$ 22,302	\$ 30,659	\$ 269,818
Goods/services transferred over time	28,144	194,786	33,158	40,455	17,565	314,108
	<u>\$ 115,614</u>	<u>\$ 231,887</u>	<u>\$ 125,444</u>	<u>\$ 62,757</u>	<u>\$ 48,224</u>	<u>\$ 583,926</u>

See "Note 5. Segment Reporting" for a disaggregation of revenue by geography.

**Contract balances**

Contract assets represent revenue recognized for performance obligations satisfied but not yet billed and include unbilled receivables. Unbilled receivables reflect an unconditional right to payment that is subject only to the passage of time and are reclassified to accounts receivable once billed in accordance with contractual terms.

Contract liabilities represent amounts billed to customers in excess of revenue recognized to date and are recognized as revenue when the related performance obligations are satisfied.

The following table summarizes the changes in our contract assets and contract liabilities for the periods presented:

	January 31, 2026	April 26, 2025	Dollar Change	Percent Change
Contract assets	\$ 48,314	\$ 41,169	\$ 7,145	17.4 %
Contract liabilities - current	65,847	69,050	(3,203)	(4.6)
Contract liabilities - noncurrent	19,985	18,421	1,564	8.5

The changes in our contract assets and contract liabilities from April 26, 2025 to January 31, 2026 were primarily driven by the timing of billing schedules and revenue recognition. These fluctuations are influenced by the contractual payment terms and the seasonal nature of the sports markets.

No significant impairments of contract assets were identified during the three months ended January 31, 2026.

For service-type warranty contracts, revenue is allocated to the related performance obligation and recognized over time, while associated costs are recognized as incurred. Earned and unearned revenues related to these contracts are reported within the “Contract assets” and “Contract liabilities” line items in our Condensed Consolidated Balance Sheets.

The following table summarizes the changes in unearned service-type warranty contracts, net, for the nine months ended January 31, 2026:

	January 31, 2026
Balance as of April 26, 2025	\$ 35,129
New contracts sold	41,342
Less: reductions for revenue recognized	(38,362)
Foreign currency translation and other	(77)
Balance as of January 31, 2026	<u>\$ 38,032</u>

Contracts in progress identified as loss contracts as of January 31, 2026 and April 26, 2025 were immaterial. Provisions for such losses are recorded in the “Accrued expenses” line item in our Condensed Consolidated Balance Sheets.

During the nine months ended January 31, 2026, we recognized \$61,213 of revenue that was previously recorded as contract liabilities as of April 26, 2025.

#### Remaining performance obligations

As of January 31, 2026, the aggregate amount of the transaction price allocated to the remaining performance obligations was \$412,511. This consists of \$342,338 related to product agreements and \$70,173 related to service agreements. We expect approximately \$355,718 of these obligations to be recognized as revenue within the next 12 months, with the remainder recognized thereafter.

While remaining performance obligations represent legally binding business commitments, they are subject to change due to cancellations, deferrals, or scope adjustments. Known changes—including project cancellations, scope revisions, foreign currency exchange fluctuations, and deferrals—are reflected or excluded from the reported balance, as appropriate.

Revenue recognized during the nine months ended January 31, 2026 and January 25, 2025 related to performance obligations satisfied in prior periods was immaterial.

#### **Note 5. Segment Reporting**

The following table presents selected financial information for each of our five reportable segments for the periods indicated:

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
<b>Net sales:</b>				
Commercial	\$ 43,506	\$ 37,976	\$ 140,425	\$ 115,614
Live Events	74,911	46,072	236,192	231,887
High School Park and Recreation	31,649	29,367	136,963	125,444
Transportation	15,273	18,789	53,122	62,757
International	16,532	17,303	63,394	48,224
<b>Total consolidated net sales</b>	<b>181,871</b>	<b>149,507</b>	<b>630,096</b>	<b>583,926</b>
<b>Cost of Sales:</b>				
Commercial	31,399	28,890	101,348	87,795
Live Events	59,803	37,278	181,134	182,095
High School Park and Recreation	22,150	20,075	91,436	81,032
Transportation	10,795	11,863	36,925	39,410
International	14,095	14,620	48,727	41,252
<b>Gross profit:</b>				
Commercial	12,107	9,086	39,077	27,819
Live Events	15,108	8,794	55,058	49,792
High School Park and Recreation	9,499	9,292	45,527	44,412
Transportation	4,478	6,926	16,197	23,347
International	2,437	2,683	14,667	6,972
<b>Total consolidated gross profit</b>	<b>43,629</b>	<b>36,781</b>	<b>170,526</b>	<b>152,342</b>
<b>Less:</b>				
Selling	15,335	14,471	48,225	44,811
General and administrative	15,844	16,498	43,901	43,771
Product design and development	10,528	9,440	31,643	28,902
Interest (income) expense, net	(1,072)	(508)	(2,523)	(710)
Change in fair value of convertible note	—	14,083	—	25,369
Other (income) expense, net	(518)	613	1,683	2,612
<b>Income (loss) before income taxes</b>	<b>\$ 3,512</b>	<b>\$ (17,816)</b>	<b>\$ 47,597</b>	<b>\$ 7,587</b>
<b>Depreciation and amortization:</b>				
Commercial	\$ 1,104	\$ 1,060	\$ 3,271	\$ 3,217
Live Events	1,222	1,456	3,710	4,297
High School Park and Recreation	680	522	2,010	1,588
Transportation	198	203	594	610
International	452	542	1,330	1,654
<b>Total depreciation and amortization for reportable segments</b>	<b>3,656</b>	<b>3,783</b>	<b>10,915</b>	<b>11,366</b>
Unallocated corporate depreciation and amortization	1,494	1,130	3,823	3,341
<b>Total depreciation and amortization</b>	<b>\$ 5,150</b>	<b>\$ 4,913</b>	<b>\$ 14,738</b>	<b>\$ 14,707</b>

No single geographic region, other than the United States, represents a material portion of our net sales or our property and equipment, net of accumulated depreciation.

The following table provides a summary of net sales and property and equipment, net of accumulated depreciation, for the United States and all other geographic areas:

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
<b>Net sales:</b>				
United States	\$ 161,356	\$ 127,159	\$ 551,850	\$ 518,816
Outside United States	20,515	22,348	78,246	65,110
	<u>\$ 181,871</u>	<u>\$ 149,507</u>	<u>\$ 630,096</u>	<u>\$ 583,926</u>
			January 31, 2026	April 26, 2025
<b>Property and equipment, net of accumulated depreciation:</b>				
United States			\$ 56,667	\$ 66,701
Outside United States			7,541	7,183
			<u>\$ 64,208</u>	<u>\$ 73,884</u>

We serve a diverse customer base across global markets for our products and services. No individual customer accounted for 10 percent or more of our net sales during the reporting period. Accordingly, we are not economically dependent on a limited number of customers for the sale of our products and services.

We also source raw materials and components from a broad network of suppliers. No single supplier represented 10 percent or more of our cost of sales. However, our global supply chain is complex and subject to geopolitical and transportation risks. Additionally, we rely on certain single-source suppliers, which may constrain availability or result in delays in obtaining critical materials and components required for manufacturing.

#### Note 6. Business Combinations

On December 22, 2025, the Company acquired the Display Business from XDC, which consisted of intellectual property, equipment assets, technical expertise, contract rights, other personal property, and related assets.

The Display Business Assets acquired by the Company pursuant to the XDC Acquisition comprise substantially all of the Display Business's assets. Certain employees of XDC were also hired by the Company in connection with the acquisition. As consideration for the hiring of such employees and the acquisition of the Display Business Assets, the Company assumed specific liabilities of XDC and settled a portion of principal and accrued interest owed to the Company by XDC under certain promissory notes. The total consideration for the XDC Acquisition was \$4,141. We accounted for the XDC Acquisition as a business combination using the acquisition method of accounting and performed an allocation of the purchase price to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date.

The acquisition is not significant to our condensed consolidated financial statements and as such we have not included disclosures of the allocation of the purchase price. Additionally, we have not included any pro forma disclosures as the results of its operations are not significant to our consolidated financial results. The results of XDC's Display Business operations have been included in our condensed consolidated financial statements since the date of acquisition.

#### Note 7. Goodwill

The following table summarizes changes in the carrying amount of goodwill for each reportable segment with a goodwill balance for the nine months ended January 31, 2026:

	Live Events	Commercial	Transportation	Total
<b>Balance as of April 26, 2025</b>	\$ —	\$ 3,159	\$ 29	\$ 3,188
Foreign currency translation	—	56	16	72
XDC Acquisition	153	148	149	450
<b>Balance as of January 31, 2026</b>	<u>\$ 153</u>	<u>\$ 3,363</u>	<u>\$ 194</u>	<u>\$ 3,710</u>

We perform an analysis of goodwill on an annual basis, and it is tested for impairment more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. Our annual impairment assessment is performed during the third quarter of each fiscal year, based on the goodwill balance as of the first business day of that quarter. As of January 31, 2026, our most recent annual goodwill impairment test concluded that no impairment existed.

As part of the XDC Acquisition, we recorded \$450 of goodwill which is related to the value of the assembled workforce acquired and is not deductible for tax purposes.

As of January 31, 2026 and April 26, 2025, the total accumulated goodwill impairments were \$4,576.

### Note 8. Financing Agreements

The following table summarizes the components of our long-term debt as of the dates indicated:

	January 31, 2026	April 26, 2025
Mortgage	\$ 11,213	\$ 12,375
<b>Long-term debt, gross</b>	<u>11,213</u>	<u>12,375</u>
Debt issuance costs, net	(161)	(388)
Current portion	(1,150)	(1,500)
<b>Long-term debt, net</b>	<u>\$ 9,902</u>	<u>\$ 10,487</u>

### Credit Agreements

On November 26, 2025, the Company entered into a new \$71,500 senior secured credit facility (the “New Credit Facility”) pursuant to a Credit Agreement (the “New Credit Agreement”), between and among the Company, JPMorgan Chase Bank, N.A., as administrative agent (the “Administrative Agent”), the Lenders, and the other Loan Parties. The following capitalized terms have specific meanings as defined in the New Credit Agreement: Lenders; Loan Parties; Adjusted Term SOFR Rate; Adjusted Daily Simple SOFR; CB Floating Rate; Total Leverage Ratio; and Fixed Charge Coverage Ratio.

The New Credit Facility created pursuant to the New Credit Agreement is comprised of:

- a \$60,000 revolving credit facility (the “Revolver”), maturing on November 26, 2028 (the “Maturity Date”); and
- an \$11,500 term loan (the “New Term Loan”), amortizing in equal quarterly installments of \$288, with the remaining principal due on the Maturity Date.

The Revolver and the New Term Loan are guaranteed by the Loan Parties and are secured by perfected, first-priority liens on substantially all personal property and assets of the Company and the other Loan Parties, including intellectual property, pursuant to a new pledge and security agreement and related collateral documents (collectively, the “New Security Agreement”). The New Security Agreement replaced the prior pledge and security agreement entered into in connection with the Prior Credit Agreement (as defined herein).

Borrowings under the New Credit Facility bear interest, at one of the following rates to be selected by the Company, in its discretion: (i) the Adjusted Term SOFR Rate plus a 0.10% margin; (ii) the Adjusted Daily Simple SOFR plus a 0.10% margin; or (iii) the CB Floating Rate with a 0.00% margin. Amounts repaid under the New Term Loan may not be reborrowed. Undrawn commitments under the Revolver accrue a commitment fee of 0.20% per year.

Letters of credit issued under the Revolver accrue customary fees and generally must expire no later than five business days prior to the Maturity Date.

The financial covenants under the New Credit Agreement require the Company to maintain (i) a maximum quarterly Total Leverage Ratio of 3.00 to 1.00 and (ii) a minimum Fixed Charge Coverage Ratio of 1.25 to 1.00. There is a limited ability to exclude certain unfinanced capital expenditures from these calculations when specified liquidity thresholds are met. These covenants apply to borrowings under both the Revolver and the New Term Loan. The New Credit Agreement includes customary representations, covenants, and events of default, including limitations on incurring additional debt, liens, investments, asset sales, restricted payments, and affiliate transactions.

Proceeds from the New Credit Facility may be used to refinance existing indebtedness and for working capital and other general corporate purposes.

As of January 31, 2026, the Company was in compliance with all covenants under the New Credit Agreement and other agreements related to the New Credit Facility. There were no advances under the New Term Loan portion of our line of credit, and the balance of letters of credit issued and outstanding under the Revolver was approximately \$1,911. As of January 31, 2026, \$58,089 of the New Credit Facility remains in place and available for borrowing.

In connection with entering into the New Credit Agreement, the Company terminated its prior senior credit facility dated May 11, 2023 (as amended, the "Prior Credit Agreement"), which consisted of an asset-based revolving credit facility and a delayed draw term loan. All outstanding obligations under the Prior Credit Agreement were repaid in full, and all related liens, including the mortgage on the Company's Brookings, South Dakota real property, were released. No material early termination penalties were incurred in connection with the termination of the Prior Credit Agreement. Certain customary obligations, including indemnification and confidentiality provisions, survive the termination of the Prior Credit Agreement.

### **Convertible Note**

As of January 31, 2026 and April 26, 2025, there was no outstanding balance under the Convertible Note. During fiscal 2025, the Company fully settled the Convertible Note through a series of forced conversions in accordance with its terms. These conversions resulted in the issuance of shares of Common Stock to Alta Fox Opportunities and the extinguishment of the debt on the dates of settlement. Accordingly, there is no remaining principal or accrued interest associated with the Convertible Note, and no further obligations under its terms. Additional details regarding the Convertible Note activity during fiscal 2025 are included in "Note 17. Related Party Transactions" of the Form 10-K.

### **Debt Issuance Costs**

Debt issuance costs incurred in connection with our financing agreements are capitalized and amortized on a straight-line basis over the term of the related debt agreement. In the event of early principal repayments or the termination of a debt agreement, any remaining unamortized debt issuance costs associated with such agreement are expensed.

In connection with the termination of the Prior Credit Agreement, the Company expensed \$566 of unamortized debt issuance costs, which were recorded as interest expense.

Amortization of debt issuance costs totaled \$1,516 and \$1,211 for the nine months ended January 31, 2026 and January 25, 2025, respectively. The amortization for the nine months ended January 31, 2026 includes amortization related to both the Prior Credit Agreement prior to its termination and the New Credit Facility subsequent to its execution.

As of January 31, 2026, the remaining unamortized debt issuance costs of \$161 were being amortized over the remaining term of the New Credit Facility.

### **Future Maturities**

The following table presents the aggregate contractual maturities of our long-term debt by fiscal year:

<b>Fiscal years</b>	<b>Amount</b>
Remainder of 2026	\$ 288
2027	1,150
2028	1,150
2029	8,625
2030	—
Total debt	<u>\$ 11,213</u>

### Note 9. Commitments and Contingencies

*Litigation:* We are involved in legal proceedings and claims that arise in the ordinary course of business. We continuously evaluate these matters, including regulatory reviews and inspections, and apply appropriate accounting guidance when determining accruals and disclosures. Contingency accruals are recorded when a loss is considered probable and the amount can be reasonably estimated. If a reasonably possible loss exceeds the amount accrued and disclosure is necessary to avoid misleading financial statements, we disclose the estimated range of loss. No accrual is recorded when a loss is probable but not reasonably estimable, or when a loss is considered reasonably possible or remote; however, material matters are disclosed as required under ASC 450-20, *Contingencies – Loss Contingencies*.

Our assessment of whether a loss is reasonably possible or probable is based on management’s evaluation and consultation with legal counsel regarding the ultimate outcome of each matter, including the impact of any appeals.

For other unresolved legal proceedings or claims, we do not believe there is a reasonable probability that a material loss will be incurred. Accordingly, no material accruals or disclosures of potential loss ranges have been made. Although the outcome of these matters is uncertain, we do not expect the ultimate resolution of these matters to have a material adverse impact on our business, financial position, results of operations, liquidity, or capital resources.

*Warranties:* The following table summarizes changes in our warranty obligations for the nine months ended January 31, 2026.

	<b>January 31, 2026</b>
Balance as of April 26, 2025	\$ 35,830
Warranties issued during the period	11,361
Settlements made during the period	(6,764)
Changes in accrued warranty obligations for pre-existing warranties during the period, including expirations	(3,029)
Balance as of January 31, 2026	<u>\$ 37,398</u>

*Performance guarantees:* We have entered into standby letters of credit, bank guarantees, and surety bonds with financial institutions to support our contractual obligations, primarily related to construction-type contracts. These instruments serve as guarantees of our future performance, including the operation and installation of equipment and the completion of contractual deliverables.

As of January 31, 2026, we had \$65,964 of bonded work outstanding and \$1,911 in letters of credit outstanding. These performance guarantees generally have terms of one year, although specific durations may vary by contract.

We enter into written agreements with customers that may include indemnification provisions requiring us to compensate the customer for financial losses resulting from certain acts or omissions. We seek to negotiate reasonable limitations and caps on such indemnification obligations. As of January 31, 2026, we were not aware of any material indemnification claims.

**Note 10. Income Taxes**

The provision for income taxes during interim reporting periods is calculated by applying an estimate of the annual effective tax rate to “ordinary” income or loss for the reporting period, adjusted for discrete items. Due to various factors, including our estimate of annual income, our effective tax rate is subject to fluctuation.

Our effective tax rates for the three and nine months ended January 31, 2026 were 14.3 percent and 22.3 percent, respectively. The tax rates were primarily driven by permanent tax adjustments and the reversal of valuation allowance in proportion to the increase in pre-tax income during the period. The effective tax rates for the three and nine months ended January 25, 2025 of 3.7 percent and 109.2 percent, respectively, were driven by the impacts of the Convertible Note fair value adjustments.

We operate both domestically and internationally and, as of January 31, 2026, the undistributed earnings of our foreign subsidiaries were considered to be reinvested indefinitely. Additionally, as of January 31, 2026, we had \$470 of unrecognized tax benefits which would reduce our effective tax rate if recognized.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was enacted in the U.S. The OBBBA includes significant tax related provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions. The OBBBA has multiple effective dates with the earliest provisions taking effect in fiscal 2026 and others beginning in fiscal 2027 and beyond. ASC 740, “Income Taxes”, requires the effects of changes in tax rates and laws affecting current taxes to be reflected in the estimated annual effective tax rate going forward, and adjustments to existing deferred taxes to be recognized on deferred tax balances to be recognized in the period in which the legislation is enacted. We note that as of January 31, 2026, there were no material impacts to the Company’s financial statements. We will continue to evaluate the future tax and other provisions of the OBBBA and the potential effects on our financial position, results of operations, and cash flows.

**Note 11. Fair Value Measurement**

The following table presents our financial assets and liabilities measured at fair value on a recurring basis as of January 31, 2026 and April 26, 2025, classified by level within the fair value hierarchy based on the valuation techniques utilized to determine fair value.

There were no transfers between levels of the fair value hierarchy during the periods presented.

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
<b>Balance as of January 31, 2026</b>				
Cash and cash equivalents	\$ 144,424	\$ —	\$ —	\$ 144,424
	<u>\$ 144,424</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 144,424</u>
<b>Balance as of April 26, 2025</b>				
Cash and cash equivalents	\$ 127,507	\$ —	\$ —	\$ 127,507
	<u>\$ 127,507</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 127,507</u>

**Note 12. Share Repurchase Program**

On June 17, 2016, our Board of Directors (the “Board” or “Board of Directors”) authorized a share repurchase program (the “Repurchase Program”) under which the Company may repurchase up to \$40,000 of outstanding Common Stock. On March 4, 2025, the Board approved a \$10,000 increase in the limit under the Repurchase Program. On June 23, 2025, the Board approved an additional \$10,000 increase in the limit under the Repurchase Program. On December 9, 2025, the Board approved an additional \$20,000 increase for a maximum authorized value of \$80,000 as of January 31, 2026.

Repurchases under the Repurchase Program may be made from time to time in open market transactions or privately negotiated transactions, subject to business and market conditions, applicable legal requirements, and other relevant factors.

The Repurchase Program does not obligate the Company to repurchase any specific number of shares, may be suspended or terminated at any time at the discretion of the Board and has no fixed expiration date.

During the nine months ended January 31, 2026, the Company repurchased 1,293 shares of Common Stock at a total cost of \$22,777. As of January 31, 2026, \$17,104 of the \$80,000 authorized amount remained available for repurchase under the Repurchase Program.

For information on restrictions on the Company's ability to repurchase shares under the New Credit Agreement, please refer to "Note 8. Financing Agreements" of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q and "Item 2. Unregistered Sales of Equity Securities and Use of Proceeds" of Part II of this Quarterly Report on Form 10-Q.

### **Note 13. Stock-Based Compensation**

During the three months ended January 31, 2026, the Company recognized additional stock-based compensation expense related to the accelerated vesting of certain equity awards in connection with the separation of an executive officer. The acceleration of vesting resulted in the recognition of approximately \$620 of compensation expense during the period, which is included in "General and administrative" expense in our Condensed Consolidated Statements of Operations.

During the three months ended January 31, 2026, the Company reclassified certain performance-based restricted stock units from equity-classified awards to liability-classified awards because the awards permit settlement in cash at the holder's election. As of January 31, 2026, \$304 was reclassified from additional paid-in capital to accrued compensation liabilities, and \$180 was recognized as stock-based compensation expense to reflect the awards' fair value at the reclassification date. The liability is included in "Accrued expenses" in our Condensed Consolidated Statements of Operations. Liability-classified awards are remeasured at fair value each reporting period until settlement.

No other material modifications to the Company's stock-based compensation arrangements occurred during the period.

### **Note 14. Related Party Transactions**

*Daktronics Related Person Transaction Policy:* The Board of Directors has adopted the Daktronics Related Person Transaction Policy, a written policy and procedures with respect to related party transactions (the "Policy"), which the Audit Committee of the Board (the "Audit Committee") oversees. Under the Policy, a "Related Person Transaction" is generally defined as a transaction, arrangement, or relationship (or any series of similar transactions, arrangements, or relationships) in which the Company was, is, or will be a participant; the amount involved exceeds \$120; and any "Related Person" had, has, or will have a direct or indirect material interest. The Policy generally defines a "Related Person" as: a director, director nominee, or executive officer of the Company at any time during the last fiscal year; a beneficial owner of more than five percent of any class of our voting securities; or any immediate family member of any of the foregoing persons. Our Chief Financial Officer is responsible for overseeing the monitoring and identification of Related Person Transactions and the appropriate reporting of any potential Related Person Transactions to the Audit Committee. The Audit Committee reviews and, if appropriate, approves Related Person Transactions, including certain transactions which are deemed to be pre-approved under the Policy. On an annual basis, the Audit Committee reviews any previously approved Related Person Transactions that are ongoing.

*Transactions with Alta Fox Opportunities:* As reported in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the section entitled "Liquidity and Capital Resources" of the Form 10-K, effective May 11, 2023, the Company entered into a Securities Purchase Agreement with Alta Fox Opportunities under which the Company sold and issued to Alta Fox Opportunities the Convertible Note in exchange for the payment by Alta Fox Opportunities to the Company of \$25,000 (the "Securities Purchase Agreement"). All amounts due under the Convertible Note were settled in fiscal 2025, and the Company has no further obligations under the Convertible Note. For additional information on the Convertible Note, see "Note 8. Financing Agreements" of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Alta Fox Opportunities reported in Amendment No. 2 to the Schedule 13D filed with the SEC on May 15, 2023 ("Amendment No. 2") that, as of May 11, 2023, Alta Fox Opportunities, together with the following affiliates and associates, beneficially owned 4,768 shares of Common Stock, representing 9.99 percent of Common Stock outstanding: Alta Fox GenPar, LP, as the general partner of Alta Fox Opportunities; Alta Fox Equity, LLC, as the general partner of Alta Fox GenPar, LP; Alta Fox Capital Management, LLC, as the investment manager of Alta Fox Opportunities; and P.

Connor Haley, as the sole owner, member, and manager of each of Alta Fox Capital Management, LLC and Alta Fox Equity LLC (collectively with Alta Fox Opportunities, "Alta Fox"). Accordingly, based on Amendment No. 2 and other publicly available information provided by Alta Fox Opportunities in its reports filed with the SEC as of May 11, 2023, Alta Fox was a "Related Person" of the Company under the Policy and the applicable provisions of the Securities Act of 1933, as amended (the "Securities Act"), and the rules promulgated thereunder. According to Amendment No. 5 to the Schedule 13D filed by Alta Fox on December 10, 2025 with the SEC, Alta Fox reported that it beneficially owned 3,733 shares of Common Stock on December 10, 2025, representing 7.70 percent of the outstanding shares of Common Stock.

The Securities Purchase Agreement, the Convertible Note, the Pledge and Security Agreement dated as of May 11, 2023 by and between the Company and Alta Fox Opportunities and the Registration Rights Agreement by and between the Company and Alta Fox Opportunities dated as of May 11, 2023 were approved in advance of their execution by the Strategy and Financing Review Committee of the Board of Directors, the members of which were all members of the Audit Committee.

*Transactions with Reece A. Kurtenbach:* Effective April 10, 2025, our former President and CEO, Reece A. Kurtenbach, was appointed as Interim Chief Executive Officer of XDC, an entity in which the Company previously owned interest in and accounted for under the equity method of accounting. Mr. Kurtenbach served as a member of the Board of Directors of Daktronics, Inc. through January 31, 2026, at which time he resigned. As previously disclosed in reports filed by the Company with the SEC, Reece A. Kurtenbach also served as a director and executive officer during the fiscal year ended April 26, 2025 and is the brother of Matthew J. Kurtenbach, an executive officer of the Company, and Carla S. Gatzke, a former executive officer of the Company. As a result of Reece A. Kurtenbach's appointment as Interim Chief Executive Officer of XDC and the foregoing relationships between Mr. Kurtenbach and the Company and its executive officers, he was considered a Related Person under the Policy and a related party under ASC 850 - Related Party Disclosures prior to the closing of the XDC Acquisition on December 22, 2025.

*Transactions with Milwaukee Bucks Inc.:* In fiscal 2025, the Company entered into a change order to an existing agreement with Milwaukee Bucks Inc. The total value of the change order was \$214. On April 29, 2025, the Company entered into a contract with Milwaukee Bucks Inc. The total value of the contract was \$683. The terms of both of the above-referenced arrangements between the Company and Milwaukee Bucks Inc. were arm's-length transactions made in the ordinary course of the Company's business. Peter Feigin, a member of the Board, is the President of Milwaukee Bucks Inc.

See "Note 2. Investments in Affiliates" for further details of related party transactions with our investments in affiliates.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### FORWARD-LOOKING STATEMENTS

This section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") is intended to provide a reader of our financial statements with a narrative from the perspective of management on our financial condition, results of operations, liquidity, and certain other factors that may affect our future results. The MD&A provides a narrative analysis explaining the reasons for material changes in the (i) financial condition of Daktronics, Inc. and its subsidiaries (the "Company", "Daktronics", "we", "our", or "us") during the period from the most recent fiscal year-end, April 26, 2025, to and including January 31, 2026; and (ii) results of operations of the Company during the current fiscal period(s) as compared to the corresponding period(s) of the preceding fiscal year.

This Quarterly Report on Form 10-Q, including the MD&A, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect our current views with respect to future events and financial performance. The words "may," "might," "would," "could," "should," "will," "expect," "estimate," "anticipate," "believe," "intend," "plan," "forecast," "project," and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any and all forecasts and projections in this document are "forward-looking statements" and are based on management's current expectations or beliefs. From time to time, we may also provide oral and written forward-looking statements in other materials we release to the public, such as press releases, presentations to securities analysts or investors, or other communications by us. Any or all forward-looking statements in this Quarterly Report on Form 10-Q and in any public statements we make could be materially different from actual results. Accordingly, we wish to caution investors that any forward-looking statements made by or on behalf of us are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. Important factors that may cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, changes in economic and market conditions, management of growth, timing and magnitude of future contracts, orders, and capital investment projects, fluctuations in margins, interest rate risk, the introduction of new products and technology, the impact of adverse weather conditions, increased regulation, the imposition of tariffs, trade wars, the availability and costs of raw materials, components, and shipping services, geopolitical and governmental actions, including the U.S. federal government shutdown, expansion into new geographical markets, the Company's recent leadership transition, transformation initiatives, future strategy, and the other risks, trends, and uncertainties described more fully in the Company's Annual Report on Form 10-K for the fiscal year ended April 26, 2025 (the "Form 10-K") filed with the Securities and Exchange Commission ("SEC"), this Quarterly Report on Form 10-Q, and other reports filed with or furnished to the SEC by the Company.

We also wish to caution investors that other factors might in the future prove to be important in affecting our results of operations. New factors emerge from time to time, and it is not possible for management to predict all such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or a combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

We undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by applicable law.

The MD&A should be read in conjunction with the Condensed Consolidated Financial Statements and related Notes included in Item 1 of Part 1 of this Quarterly Report on Form 10-Q, the Form 10-K (including the information presented therein under "Item 1A. Risk Factors" of Part I), and other reports filed with or furnished to the SEC by the Company.

The quarter-over-quarter comparisons in this MD&A are as of and for the fiscal quarters ended January 31, 2026 and January 25, 2025 unless otherwise stated.

### Non-GAAP Financial Measures

*Contribution margin*, which is a financial measure that is not defined under accounting principles generally accepted in the United States ("GAAP"), is utilized by management to evaluate segment profitability and guide resource allocation decisions. It is defined as gross profit less selling expenses. Selling expenses primarily include personnel-related costs, travel and entertainment, marketing expenditures (such as showroom operations, product demonstrations, depreciation and

maintenance, conventions, and trade shows), costs associated with customer relationship management and marketing systems, bad debt expense, third-party commissions, and other related expenses.

In addition to gross profit, management considers contribution margin a meaningful metric for assessing the financial performance of individual segments. We believe this measure provides investors with a useful view of our segment-level performance consistent with the approach used by management. By presenting contribution margin, we aim to enhance transparency and allow investors to better understand how we evaluate and manage our business operations.

## **Overview**

We are recognized industry leaders in the design and manufacture of electronic scoreboards, programmable display systems, and large-screen video displays serving sporting, commercial, and transportation markets. We serve our customers by delivering high-quality standard display products as well as custom-designed and integrated systems.

Our product portfolio ranges from small-scale scoreboards and electronic displays to large, multimillion-dollar video display systems. These offerings are complemented by related control, timing, and sound systems. We are widely acknowledged for our technical expertise and our ability to design, market, manufacture, install, and service comprehensive integrated solutions that display real-time data, graphics, animation, and video.

Our operations encompass a full spectrum of activities, including marketing and sales, engineering and product design and development, manufacturing, technical contracting, professional services, and customer service and support.

The Company operates on a 52- or 53-week fiscal year ending on the Saturday closest to April 30. When April 30 falls on a Wednesday, the fiscal year ends on the preceding Saturday. Each fiscal quarter consists of 13 weeks, except in a 53-week fiscal year, where the first quarter includes 14 weeks. The nine months ended January 31, 2026, and January 25, 2025, included 40 and 39 weeks of operations, respectively.

## **Known Trends and Uncertainties**

During fiscal 2025, we embarked on our business transformation program, which is focused on driving sustainable growth, margin improvement, and enhanced returns on invested capital. The Company's transformation roadmap, developed through rigorous analysis and planning, is designed to support ambitious sales and profitability targets. Strong order growth during the quarter reflects ongoing market adoption of digital display technologies and the strength of Daktronics' integrated product and service offerings.

The business environment remains dynamic, with several external factors continuing to influence customer demand and operational costs. The Company continues to be affected by U.S. government-imposed tariffs on electronic components, aluminum, steel, and copper, as well as reciprocal tariffs imposed by foreign countries. In addition, changes to U.S. trade policy, including the elimination of the de minimis exemption for low-value shipments, continued to increase logistics and import-related costs. These tariffs may impact gross margins and could influence customer purchasing behavior, particularly for projects dependent on federal funding. In response, Daktronics is actively monitoring its pricing strategies and sourcing plans to mitigate these effects. However, the ultimate impact on demand remains uncertain.

On February 20, 2026, the U.S. Supreme Court ruled that tariffs imposed by the U.S. presidential administration under the International Emergency Economic Powers Act ("IEEPA") exceeded presidential authority and were invalidated. Following the ruling, the administration implemented a temporary global tariff under alternative trade authorities and has indicated an intention to increase the rate to up to 15%. The timing, duration, and final rate of these tariffs remain uncertain. We continue to monitor these developments and assess the potential impact on our results of operations.

The global market for digital display systems continues to expand, driven by investments in manufacturing capacity and advancements in display and control technologies. The industry is seeing increased adoption of surface mount and chip-on-board technologies, particularly for narrow pixel pitch (NPP) and micro-LED applications, as manufacturers and customers seek higher performance and efficiency. Innovations in software, artificial intelligence, and professional services are enhancing content creation, user interfaces, monitoring, and security.

We maintain a unique leadership position in our target markets, which are large, growing, and supported by resilient demand from customers seeking to enhance audience experiences in sports, commercial, and transportation environments. We are investing in capacity and resources to grow and deepen market penetration.

To capitalize on this position, we continue to focus on digital and business transformation, cost structure optimization, and market expansion. In fiscal 2025, we established a Business Transformation Office ("BTO") to conduct a comprehensive review of our business, strategy, and operations. The BTO is developing strategic initiatives, enabled in part by our digital transformation, to deliver improved customer outcomes, deeper market penetration, above-market growth, and more efficient delivery, fulfillment, and service. These initiatives are structured to support our ambitious business transformation plan: revenue growth outpacing our addressable market, operating margins of 10–12%, and returns on capital of 17–20%, consistently exceeding our cost of capital.

The Company continues to monitor and adjust its capacity and resource levels in response to market conditions. Daktronics is expanding the Company's global manufacturing network into Mexico, as part of its broader three-year strategic plan for improving profitable growth and increasing the overall agility of the company's production capacity. The new facility is expected to be in production by the end of fiscal 2026.

There may be periods where sales and expenses are not fully aligned, particularly as investments in transformation and corporate governance are made. These investments may affect near-term profitability but are intended to support long-term value creation.

Despite ongoing uncertainties related to tariffs, geopolitical developments, and federal funding priorities, Daktronics believes that the fundamental drivers of the audiovisual industry remain strong. Increased adoption of LED display systems across industries, combined with the Company's ongoing development of new technologies, services, and sales channels, are expected to support long-term growth.

## **RESULTS OF OPERATIONS**

### **COMPARISON OF THE THREE MONTHS ENDED JANUARY 31, 2026 AND JANUARY 25, 2025**

#### **Product Order Backlog**

Backlog represents the dollar value of contractually binding customer purchase commitments for integrated electronic display systems and related products and services that are expected to be recognized as net sales in future periods. Orders are included in backlog when we have received an executed contract and any required deposits or security, and the revenue has not yet been recognized. Certain orders supported by binding letters of intent or contracts are excluded from backlog until all required contractual documentation and deposits are received.

Orders and backlog are non-GAAP operating measures, and our methodology for determining these metrics may differ from those used by other companies. Management believes that order and backlog levels provide meaningful insight into our business activity, including fluctuations due to seasonality and the timing of large-scale projects. New orders during the period are used to assess market share and competitive performance, while backlog informs capacity and resource planning. Given that orders and backlog are operational measures and that the Company's methodology for calculating them does not meet the definition of a non-GAAP financial measure, as that term is defined by the SEC, a quantitative reconciliation is not required or provided.

The timing of order fulfillment is subject to customer schedules, supply chain conditions, and our production capacity. We believe order information is useful to investors as an indicator of future revenue and market positioning.

As of January 31, 2026, our product order backlog was \$342.3 million, compared to \$273.2 million as of January 25, 2025, and \$341.6 million as of April 26, 2025. The increase in backlog year over year reflects a higher volume of order bookings, driven by continued market adoption and demand for digital display technologies.

We expect to fulfill the backlog as of January 31, 2026, within the next 24 months. However, fulfillment timing may be impacted by project delays due to customer site conditions, which are outside of our control.

## Consolidated Performance Summary

The following is an analysis of changes in key items included in the statements of operations for the three months ended January 31, 2026 and January 25, 2025:

	January 31, 2026	% of Net sales <sup>(1)</sup>	January 25, 2025	% of Net sales <sup>(1)</sup>	Dollar Change <sup>(1)</sup>	Percent Change <sup>(1)</sup>
Net sales	\$ 181,871	100.0 %	\$ 149,507	100.0 %	\$ 32,364	21.6 %
Cost of sales	138,242	76.0	112,726	75.4	25,516	22.6
<b>Gross profit</b>	<b>43,629</b>	<b>24.0</b>	<b>36,781</b>	<b>24.6</b>	<b>6,848</b>	<b>18.6</b>
Operating expenses:						
Selling	15,335	8.4	14,471	9.7	864	6.0
General and administrative	15,844	8.7	16,498	11.0	(654)	(4.0)
Product design and development	10,528	5.8	9,440	6.3	1,088	11.5
Total operating expenses	41,707	22.9	40,409	27.0	1,298	3.2
<b>Operating income (loss)</b>	<b>1,922</b>	<b>1.1</b>	<b>(3,628)</b>	<b>(2.4)</b>	<b>5,550</b>	<b>(153.0)</b>
Nonoperating income (expense):						
Interest income (expense), net	1,072	0.6	508	0.3	564	111.0
Change in fair value of convertible note	—	—	(14,083)	(9.4)	14,083	(100.0)
Other income (expense), net	518	0.3	(613)	(0.4)	1,131	(184.5)
<b>Income (loss) before income taxes</b>	<b>3,512</b>	<b>1.9</b>	<b>(17,816)</b>	<b>(11.9)</b>	<b>21,328</b>	<b>(119.7)</b>
Income tax expense (benefit)	502	0.3	(660)	(0.4)	1,162	(176.1)
<b>Net income (loss)</b>	<b>\$ 3,010</b>	<b>1.7 %</b>	<b>\$ (17,156)</b>	<b>(11.5)%</b>	<b>\$ 20,166</b>	<b>(117.5)%</b>
Diluted earnings per share	\$ 0.06		\$ (0.36)		\$ 0.42	(116.7)%
Diluted weighted average shares outstanding	49,257		47,764		\$ 1,493	3.1 %
Orders	\$ 201,111		\$ 186,904		\$ 14,207	7.6 %

(1) Amounts are calculated based on unrounded numbers and therefore may not recalculate using the rounded numbers provided. In addition, percentages may not add in total due to rounding.

*Net Sales:* The sales increase in the third quarter of fiscal 2026 compared to the same period in fiscal 2025 was the result of higher sales volumes in the Commercial, Live Events, and High School Parks and Recreation business units, partially offset by decreased sales in the Transportation and International business units. The amount of recognized revenue associated with performance obligations satisfied in prior years during the three months ended January 31, 2026 and January 25, 2025 was immaterial.

*Order* volume increased in the third quarter of fiscal 2026 compared to the same period in fiscal 2025 primarily due to order growth in the High School Parks and Recreation and Transportation business units, partially offset by lower order volume in the Live Events and International business units. Order bookings in the Commercial business unit remained

relatively flat. Variability in orders is typical for large project business areas, especially for sports projects, during the Company's third fiscal quarter.

*Gross profit* increased in the third quarter of fiscal 2026 compared to the same period in fiscal 2025 as a result of higher sales volume. Gross profit as a percentage of net sales decreased slightly to 24.0 percent for the third quarter of fiscal 2026 as compared to 24.6 percent for the same period a year ago, primarily due to project mix variability. Total warranty expense as a percentage of sales increased slightly to 1.3 percent for the third quarter of fiscal 2026 as compared to 0.9 percent for the same period a year ago.

*Selling expenses* increased in the third quarter of fiscal 2026 compared to the same period in fiscal 2025 primarily due to increases in personnel related wages and benefits.

*General and administrative* expenses decreased in the third quarter of fiscal 2026 compared to the same period in fiscal 2025. During the third quarter of fiscal 2026 and fiscal 2025, the Company incurred \$2.1 million and \$4.8 million, respectively, for expenses related to management transitions, acquisition costs, strategic and digital transformation initiatives, and corporate governance matters.

*Product design and development* expenses increased in the third quarter of fiscal 2026 compared to the same period in fiscal 2025 primarily due to higher staffing costs and investments in advanced technologies and engineering services.

*Interest income (expense), net* in the third quarter of fiscal 2026 increased compared to the same period one year ago primarily due to higher cash levels invested in interest-bearing accounts. During the third quarter of fiscal 2025, the interest expense included interest on the convertible note, which was settled during fiscal 2025.

*Change in fair value of Convertible Note* results from accounting for the senior secured convertible note dated May 11, 2023 we issued to Alta Fox Opportunities Fund, LP during fiscal 2024 (the "Convertible Note") under the fair value option. The fair value change was primarily caused by the forced conversion of the entire Convertible Note in the third and fourth quarters of fiscal 2025. All amounts due under the Convertible Note were settled in fiscal 2025, and the Company has no further obligations under the Convertible Note.

*Other income (expense), net* increased in the third quarter of fiscal 2026 compared to the same period in fiscal 2025 primarily due to foreign currency volatility and the X Display Company Technology Limited ("XDC") business combination.

*Income tax expense (benefit)*: For the three months ended January 31, 2026, our effective tax rate was 14.3 percent compared to 3.7 percent for the three months ended January 25, 2025. The lower tax rate in the third quarter of fiscal 2025 is due to the tax effect of the increase of the Convertible Note fair value adjustment to expense that is not deductible for tax purposes reduced by the tax effect of the period's decrease in pre-tax income, whereas in the third quarter of fiscal 2026, the tax rate was reduced by increases to discrete tax benefits and a reversal of a valuation allowance with no fair value adjustments applicable.

*Net income*: For the three months ended January 31, 2026, our earnings per diluted share was \$0.06 compared to a loss per diluted share of \$0.36 in the same period last year.

## Reportable Segment Performance Summary

The following table presents financial performance information for our reportable segments for the three months ended January 31, 2026 and January 25, 2025, including a reconciliation of contribution margin, a non-GAAP measure, to GAAP operating income, which is the most directly comparable GAAP measure to contribution margin:

Three Months Ended January 31, 2026												
	Commercial	Percent of net sales <sup>(1)</sup>	Live Events	Percent of net sales <sup>(1)</sup>	High School Park and Recreation	Percent of net sales <sup>(1)</sup>	Transportation	Percent of net sales <sup>(1)</sup>	International	Percent of net sales <sup>(1)</sup>	Total	Percent of net sales <sup>(1)</sup>
Net sales	\$ 43,506		\$ 74,911		\$ 31,649		\$ 15,273		\$ 16,532		\$ 181,871	
Cost of sales	31,399	72.2 %	59,803	79.8 %	22,150	70.0 %	10,795	70.7 %	14,095	85.3 %	138,242	76.0 %
Gross profit	12,107	27.8	15,108	20.2	9,499	30.0	4,478	29.3	2,437	14.7	43,629	24.0
Selling	4,110	9.4	3,018	4.0	4,070	12.9	1,362	8.9	2,775	16.8	15,335	8.4
Contribution margin	7,997	18.4	12,090	16.1	5,429	17.2	3,116	20.4	(338)	(2.0)	28,294	15.6
General and administrative	—	—	—	—	—	—	—	—	—	—	15,844	8.7
Product design and development	—	—	—	—	—	—	—	—	—	—	10,528	5.8
Operating income	\$ 7,997	18.4 %	\$ 12,090	16.1 %	\$ 5,429	17.2 %	\$ 3,116	20.4 %	\$ (338)	(2.0)%	\$ 1,922	1.1 %
Orders	\$ 41,454		\$ 73,370		\$ 39,177		\$ 31,790		\$ 15,320		\$ 201,111	
Three Months Ended January 25, 2025												
	Commercial	Percent of net sales <sup>(1)</sup>	Live Events	Percent of net sales <sup>(1)</sup>	High School Park and Recreation	Percent of net sales <sup>(1)</sup>	Transportation	Percent of net sales <sup>(1)</sup>	International	Percent of net sales <sup>(1)</sup>	Total	Percent of net sales <sup>(1)</sup>
Net sales	\$ 37,976		\$ 46,072		\$ 29,367		\$ 18,789		\$ 17,303		\$ 149,507	
Cost of sales	28,890	76.1 %	37,278	80.9 %	20,075	68.4 %	11,863	63.1 %	14,620	84.5 %	112,726	75.4 %
Gross profit	9,086	23.9	8,794	19.1	9,292	31.6	6,926	36.9	2,683	15.5	36,781	24.6
Selling	3,870	10.2	2,991	6.5	3,845	13.1	1,279	6.8	2,486	14.4	14,471	9.7
Contribution margin	5,216	13.7	5,803	12.6	5,447	18.5	5,647	30.1	197	1.1	22,310	14.9
General and administrative	—	—	—	—	—	—	—	—	—	—	16,498	11.0
Product design and development	—	—	—	—	—	—	—	—	—	—	9,440	6.3
Operating income	\$ 5,216	13.7 %	\$ 5,803	12.6 %	\$ 5,447	18.5 %	\$ 5,647	30.1 %	\$ 197	1.1 %	\$ (3,628)	(2.4)%
Orders	\$ 40,983		\$ 78,132		\$ 34,549		\$ 13,838		\$ 19,402		\$ 186,904	
Net Dollar and % Change												
	Commercial	Percent Change <sup>(1)</sup>	Live Events	Percent Change <sup>(1)</sup>	High School Park and Recreation	Percent Change <sup>(1)</sup>	Transportation	Percent Change <sup>(1)</sup>	International	Percent Change <sup>(1)</sup>	Total	Percent Change <sup>(1)</sup>
Net sales	\$ 5,530	14.6 %	\$ 28,839	62.6 %	\$ 2,282	7.8 %	\$ (3,516)	(18.7)%	\$ (771)	(4.5)%	\$ 32,364	21.6 %
Cost of sales	2,509	8.7	22,525	60.4	2,075	10.3	(1,068)	(9.0)	(525)	(3.6)	25,516	22.6
Gross profit	3,021	33.2	6,314	71.8	207	2.2	(2,448)	(35.3)	(246)	(9.2)	6,848	18.6
Selling	240	6.2	27	0.9	225	5.9	83	6.5	289	11.6	864	6.0
Contribution margin	2,781	53.3	6,287	108.3	(18)	(0.3)	(2,531)	(44.8)	(535)	(271.6)	5,984	26.8
General and administrative	—	—	—	—	—	—	—	—	—	—	(654)	(4.0)
Product design and development	—	—	—	—	—	—	—	—	—	—	1,088	11.5
Operating income	\$ 2,781	53.3 %	\$ 6,287	108.3 %	\$ (18)	(0.3)%	\$ (2,531)	(44.8)%	\$ (535)	(271.6)%	\$ 5,550	(153.0)%
Orders	\$ 471	1.1 %	\$ (4,762)	(6.1)%	\$ 4,628	13.4 %	\$ 17,952	129.7 %	\$ (4,082)	(21.0)%	\$ 14,207	7.6 %

(1) Amounts are calculated on unrounded numbers and therefore may not recalculate using the rounded numbers provided. In addition, percentages may not add in total due to rounding.

During the third quarter of fiscal 2026, total net sales increased and gross profit as a percentage of net sales decreased, reflecting the cumulative impact of the following factors:

*Commercial:* The increase in net sales in the third quarter of fiscal 2026 compared to the same period one year ago was primarily driven by fulfilling orders in Spectacular LED video display projects, On-Premise digital signage, and Out-of-Home digital billboards. Gross profit as a percentage of sales increased due to delivering more profitable projects in the Spectaculars niche and higher sales volume over a relatively fixed cost structure. Selling expenses remained relatively flat. The slight increase in order bookings reflects continued market adoption of digital display technology.

*Live Events:* The increase in net sales in the third quarter of fiscal 2026 compared to the same period one year ago was due to the fulfillment of large project orders. Gross profit as a percentage of sales in the quarter remained relatively flat. Selling expenses remained relatively flat. Order bookings fluctuate based on the timing of large project bookings and seasonal sports impacts. During the third quarter of fiscal 2026, we booked a large Major League Baseball stadium project, but had lower orders of other large facility projects.

*High School Park and Recreation:* Sales increased during the third quarter of fiscal 2026 compared to the same period one year ago primarily driven by higher project execution and continued demand for video display systems. Gross profit as a percentage of sales decreased due to price increases not recovering all increases in tariff costs. Selling expenses remained relatively flat. Order bookings increased due to stronger demand for video display systems in school during the off season.

*Transportation:* Sales decreased during the third quarter of fiscal 2026 compared to the same period one year ago due to lower order bookings in fiscal 2025 which reduced the level of backlog available to build. Gross profit as a percentage of sales decreased due to a shift in project mix toward smaller projects, added tariff expenses, and competitive pricing pressure, which resulted in higher cost of goods sold as a percentage of sales. Selling expenses remained relatively flat. Order bookings increased compared to the prior year, reflecting strong demand and continued momentum in airports.

*International:* The decrease in net sales in the third quarter of fiscal 2026 was driven by timing of conversion of orders due to lower backlog compared to one year ago. Gross profit as a percentage of sales decreased primarily due to lower sales volume over relatively fixed cost structure. Selling expenses remained relatively flat. Order bookings decreased compared to the same period a year ago, with results primarily reflecting the timing of large stadium project awards in international markets. However, demand remained strong, primarily due to successful order bookings in Australia and Europe.

**RESULTS OF OPERATIONS**
**COMPARISON OF THE NINE MONTHS ENDED JANUARY 31, 2026 AND JANUARY 25, 2025**
**Consolidated Performance Summary**

The following is an analysis of changes in key items included in the statements of operations for the nine months ended January 31, 2026 and January 25, 2025:

	<b>January 31, 2026</b>	<b>% of Net sales <sup>(1)</sup></b>	<b>January 25, 2025</b>	<b>% of Net sales <sup>(1)</sup></b>	<b>Dollar Change <sup>(1)</sup></b>	<b>Percent Change <sup>(1)</sup></b>
Net sales	\$ 630,096	100.0 %	\$ 583,926	100.0 %	\$ 46,170	7.9 %
Cost of sales	459,570	72.9	431,584	73.9	27,986	6.5
<b>Gross profit</b>	<b>170,526</b>	<b>27.1</b>	<b>152,342</b>	<b>26.1</b>	<b>18,184</b>	<b>11.9</b>
<b>Operating expenses:</b>						
Selling	48,225	7.7	44,811	7.7	3,414	7.6
General and administrative	43,901	7.0	43,771	7.5	130	0.3
Product design and development	31,643	5.0	28,902	4.9	2,741	9.5
Total operating expenses	123,769	19.6	117,484	20.1	6,285	5.3
<b>Operating income</b>	<b>46,757</b>	<b>7.4</b>	<b>34,858</b>	<b>6.0</b>	<b>11,899</b>	<b>34.1</b>
<b>Nonoperating income (expense):</b>						
Interest income (expense), net	2,523	0.4	710	0.1	1,813	255.4
Change in fair value of convertible note	—	—	(25,369)	(4.3)	25,369	(100.0)
Other expense, net	(1,683)	(0.3)	(2,612)	(0.4)	929	(35.6)
<b>Income before income taxes</b>	<b>47,597</b>	<b>7.6</b>	<b>7,587</b>	<b>1.3</b>	<b>40,010</b>	<b>527.3</b>
Income tax expense	10,636	1.7	8,283	1.4	2,353	28.4
<b>Net income (loss)</b>	<b>\$ 36,961</b>	<b>5.9 %</b>	<b>\$ (696)</b>	<b>(0.1)%</b>	<b>\$ 37,657</b>	<b>(5410.5)%</b>
Diluted earnings per share	\$ 0.75		\$ (0.01)		\$ 0.76	(7600.0)%
Diluted weighted average shares outstanding	49,528		46,944		\$ 2,584	5.5 %
Orders	\$ 638,789		\$ 540,664		\$ 98,125	18.1 %

(1) Amounts are calculated based on unrounded numbers and therefore may not recalculate using the rounded numbers provided. In addition, percentages may not add in total due to rounding.

Sales, orders, gross profit, and operating expenses were impacted as a result of the first nine months of fiscal 2026 including 40 weeks compared to the more common 39 weeks. The first quarter of fiscal 2026 contained 14 weeks.

*Net Sales:* The sales increase in the first nine months of fiscal 2026 compared to the same period in fiscal 2025 was the result primarily of higher volumes in the Commercial, Live Events, High School Park and Recreation, and International business units, partially offset by decreased sales in the Transportation business unit. The amount of recognized revenue associated with performance obligations satisfied in prior years during the nine months ended January 31, 2026 and January 25, 2025 was immaterial.

*Order* volume increased in the first nine months of fiscal 2026 compared to the same period in fiscal 2025 primarily due to order growth in the Live Events, High School Park and Recreation, Transportation, and International business units. Order bookings in the Commercial business unit remained relatively flat. Order bookings were supported by continued demand for large-scale video display systems across professional sports, transportation, education, and international markets. Activity was driven by projects at major professional sports venues, strong order activity in aviation and ITS, ongoing adoption of video in school and community settings, and international opportunities.

*Gross profit* as a percentage of net sales increased to 27.1 percent for the first nine months of fiscal 2026 as compared to 26.1 percent for the same period a year ago. The increase was driven by a combination of strategic pricing, continued operational efficiencies, and overall project mix across the business. Total warranty expense as a percentage of sales decreased slightly to 1.4 percent for the first nine months of fiscal 2026 as compared to 1.6 percent for the same period from a year ago.

*Selling expenses* increased in the first nine months of fiscal 2026 compared to the same period in fiscal 2025 primarily due to increases in personnel-related wages and benefits and increased staffing levels to support future growth.

*General and administrative* expenses increased in the first nine months of fiscal 2026 compared to the same period in fiscal 2025 primarily due to personnel-related wages and benefits and included \$2.5 million for expenses related to management transitions and acquisition costs. During the first nine months of fiscal 2025, the Company incurred \$9.0 million of consultant related expenses associated with the strategic and digital transformation initiatives and corporate governance matters.

*Product design and development* expenses increased in the first nine months of fiscal 2026 compared to the same period in fiscal 2025 primarily due to higher staffing costs and investments in advanced technologies and engineering services.

*Interest income (expense), net* in the first nine months of fiscal 2026 increased compared to the same period one year ago primarily due to higher cash levels invested in interest-bearing accounts. During the first nine months of fiscal 2025, the interest expense included interest on the Convertible Note, which was settled during fiscal 2025.

*Change in fair value of Convertible Note* results from accounting for the Convertible Note. The fair value change was primarily caused by the forced conversion of the entire Convertible Note in the third and fourth quarters of fiscal 2025. All amounts due under the Convertible Note were settled in fiscal 2025.

*Other expense, net* remained relatively flat in the first nine months of fiscal 2026 compared to the same period in fiscal 2025.

*Income tax expense:* For the nine months ended January 31, 2026, our effective tax rate was 22.3 percent compared to an effective tax rate of 109.2 percent for the nine months ended January 25, 2025. The higher tax rate in the first nine months of fiscal 2025 was primarily due to the impact of the fair value adjustment to the Convertible Note that is not deductible for tax purposes in proportion to pre-tax income, whereas the tax rate for the first nine months of fiscal 2026 is lower due to having no further impacts of fair value adjustments on Convertible Note.

*Net income:* For the nine months ended January 31, 2026, our earnings per diluted share was \$0.75 compared to a loss per diluted share of \$0.01 in the same period last year.

## Reportable Segment Performance Summary

The following table presents financial performance information for our reportable segments, including a reconciliation of contribution margin, a non-GAAP measure, to GAAP operating income for the nine months ended January 31, 2026 and January 25, 2025:

Nine Months Ended January 31, 2026												
	Commercial	Percent of net sales (1)	Live Events	Percent of net sales (1)	High School Park and Recreation	Percent of net sales (1)	Transportation	Percent of net sales (1)	International	Percent of net sales (1)	Total	Percent of net sales (1)
Net sales	\$ 140,425		\$ 236,192		\$ 136,963		\$ 53,122		\$ 63,394		\$ 630,096	
Cost of sales	101,348	72.2 %	181,134	76.7 %	91,436	66.8 %	36,925	69.5 %	48,727	76.9 %	459,570	72.9 %
Gross profit	39,077	27.8	55,058	23.3	45,527	33.2	16,197	30.5	14,667	23.1	170,526	27.1
Selling	13,298	9.5	9,063	3.8	12,748	9.3	4,557	8.6	8,559	13.5	48,225	7.7
Contribution margin	25,779	18.4	45,995	19.5	32,779	23.9	11,640	21.9	6,108	9.6	122,301	19.4
General and administrative	—	—	—	—	—	—	—	—	—	—	43,901	7.0
Product design and development	—	—	—	—	—	—	—	—	—	—	31,643	5.0
Operating income	\$ 25,779	18.4 %	\$ 45,995	19.5 %	\$ 32,779	23.9 %	\$ 11,640	21.9 %	\$ 6,108	9.6 %	\$ 46,757	7.4 %
Orders	\$ 127,958		\$ 254,817		\$ 138,109		\$ 67,775		\$ 50,130		\$ 638,789	

  

Nine Months Ended January 25, 2025												
	Commercial	Percent of net sales (1)	Live Events	Percent of net sales (1)	High School Park and Recreation	Percent of net sales (1)	Transportation	Percent of net sales (1)	International	Percent of net sales (1)	Total	Percent of net sales (1)
Net sales	\$ 115,614		\$ 231,887		\$ 125,444		\$ 62,757		\$ 48,224		\$ 583,926	
Cost of sales	87,795	75.9 %	182,095	78.5 %	81,032	64.6 %	39,410	62.8 %	41,252	85.5 %	431,584	73.9 %
Gross profit	27,819	24.1	49,792	21.5	44,412	35.4	23,347	37.2	6,972	14.5	152,342	26.1
Selling	12,808	11.1	8,172	3.5	11,932	9.5	4,080	6.5	7,819	16.2	44,811	7.7
Contribution margin	15,011	13.0	41,620	17.9	32,480	25.9	19,267	30.7	(847)	(1.8)	107,531	18.4
General and administrative	—	—	—	—	—	—	—	—	—	—	43,771	7.5
Product design and development	—	—	—	—	—	—	—	—	—	—	28,902	4.9
Operating income (loss)	\$ 15,011	13.0 %	\$ 41,620	17.9 %	\$ 32,480	25.9 %	\$ 19,267	30.7 %	\$ (847)	(1.8)%	\$ 34,858	6.0 %
Orders	\$ 127,653		\$ 199,555		\$ 116,834		\$ 48,819		\$ 47,803		\$ 540,664	

  

Net Dollar and % Change												
	Commercial	Percent Change (1)	Live Events	Percent Change (1)	High School Park and Recreation	Percent Change (1)	Transportation	Percent Change (1)	International	Percent Change (1)	Total	Percent Change (1)
Net sales	\$ 24,811	21.5 %	\$ 4,305	1.9 %	\$ 11,519	9.2 %	\$ (9,635)	(15.4)%	\$ 15,170	31.5 %	\$ 46,170	7.9 %
Cost of sales	13,553	15.4	(961)	(0.5)	10,404	12.8	(2,485)	(6.3)	7,475	18.1	27,986	6.5
Gross profit	11,258	40.5	5,266	10.6	1,115	2.5	(7,150)	(30.6)	7,695	110.4	18,184	11.9
Selling	490	3.8	891	10.9	816	6.8	477	11.7	740	9.5	3,414	7.6
Contribution margin	10,768	71.7	4,375	10.5	299	0.9	(7,627)	(39.6)	6,955	(821.1)	14,770	13.7
General and administrative	—	—	—	—	—	—	—	—	—	—	130	0.3
Product design and development	—	—	—	—	—	—	—	—	—	—	2,741	9.5
Operating income (loss)	\$ 10,768	71.7 %	\$ 4,375	10.5 %	\$ 299	0.9 %	\$ (7,627)	(39.6)%	\$ 6,955	(821.1)%	\$ 11,899	34.1 %
Orders	\$ 305	0.2 %	\$ 55,262	27.7 %	\$ 21,275	18.2 %	\$ 18,956	38.8 %	\$ 2,327	4.9 %	\$ 98,125	18.1 %

(1) Amounts are calculated on unrounded numbers and therefore may not recalculate using the rounded numbers provided. In addition, percentages may not add in total due to rounding.

During the first nine months of fiscal 2026, total net sales and gross profit as a percentage of net sales increased, reflecting the cumulative impact of the following factors:

*Commercial:* The increase in net sales in the first nine months of fiscal 2026 compared to the same period one year ago was primarily driven by fulfilling orders in all niches, including On-Premise digital signage, Out-of-Home digital billboards, and Spectacular LED video display projects. Gross profit as a percentage of sales increased due to pricing strategies and higher sales volume over a relatively fixed cost structure. Selling expenses increased due to personnel related wages and benefits costs for investments in staffing to support future growth and an increase in bad debt reserves. Order bookings remained relatively flat.

*Live Events:* The increase in net sales in the first nine months of fiscal 2026 was driven by the fulfillment of a large project orders. The increase in gross profit as a percentage of sales in the quarter is attributable to higher sales volume over a relatively fixed cost structure. Selling expenses increased due to personnel-related wages and benefit costs for investments in staffing to support future growth. Order bookings vary because of large project booking impacts and seasonal sports impacts. The increase in order bookings is primarily driven by strong demand for large-scale video display systems across professional sports venues, including multiple professional sports stadium and arena projects.

*High School Park and Recreation:* Sales increased during the first nine months of fiscal 2026 compared to the same period one year ago, reflecting continued expansion of video display installations in school and community markets. Gross profit as a percentage of sales was impacted by cost increases not fully absorbed by pricing strategies. Selling expenses increased slightly due to personnel related wages and benefit costs for investments in staffing to support future growth. Order bookings increased due to stronger demand for video display systems across school and community markets, supported by simplified offerings, expanded sales channels, and continued interest in interactive content solutions.

*Transportation:* Sales decreased during the first nine months of fiscal 2026 compared to the same period one year ago, primarily due to lower order bookings which reduced the level of backlog available to build. Gross profit as a percentage of sales decreased due to a shift in project mix to smaller projects with tighter margins and added tariff expense, which resulted in higher cost of goods sold as a percentage of sales. Selling expenses increased due to personnel related wages and benefits costs for investments in staffing to support future growth. Order bookings increased compared to the prior year, primarily driven by strong demand in airports.

*International:* The increase in net sales in the first nine months of fiscal 2026, reflecting conversion of higher backlog into revenue, supported by large project execution and increased production volumes. Gross profit as a percentage of sales increased primarily due to higher sales volume and favorable project mix. Selling expenses increased due to personnel related wages and benefits costs for investments in staffing to support future growth. The increase in order bookings is primarily driven by successful bookings across the Middle East, Europe, and Australia, and the continued execution of global expansion strategies.

## LIQUIDITY AND CAPITAL RESOURCES

(in thousands)	Nine Months Ended		
	January 31, 2026	January 25, 2025	Dollar Change
<b>Net cash provided by (used in):</b>			
Operating activities	\$ 54,322	\$ 74,839	\$ (20,517)
Investing activities	(14,948)	(17,782)	2,834
Financing activities	(23,188)	(6,594)	(16,594)
Effect of exchange rate changes on cash	731	28	703
Net increase in cash, cash equivalents and restricted cash	\$ 16,917	\$ 50,491	\$ (33,574)

*Net cash provided by operating activities:* The \$54.3 million of cash provided by operating activities during the first nine months of fiscal 2026 decreased from the \$74.8 million in the same period of fiscal 2025. This decrease was primarily driven by a large increase in accounts receivable, which used \$21.9 million of cash in fiscal 2026 compared to a \$21.8

million source of cash in fiscal 2025. Inventory reductions and increased stock-based compensation partially offset this impact, while non-cash adjustments such as depreciation and amortization remained relatively consistent year-over-year. Changes in operating assets and liabilities used \$4.6 million of cash in fiscal 2026, compared to a \$31.0 million source of cash in fiscal 2025, mainly due to the shift in accounts receivable, accounts payable, and income tax receivable and payable, and inventory reductions.

The changes in net operating assets and liabilities for the nine months ended January 31, 2026 and January 25, 2025 consisted of the following:

	Nine Months Ended	
	January 31, 2026	January 25, 2025
<b>(Increase) decrease:</b>		
Accounts receivable	\$ (21,911)	\$ 21,803
Long-term receivables	(1,850)	(2,755)
Inventories	3,022	25,043
Contract assets	(6,792)	15,761
Prepaid expenses and other current assets	(2,330)	1,173
Income tax receivables	2,628	(4,596)
Investment in affiliates and other assets	(4,330)	(954)
<b>Increase (decrease):</b>		
Accounts payable	23,990	(16,871)
Contract liabilities	(1,886)	2,327
Accrued expenses	3,670	(3,656)
Warranty obligations	(192)	(3,574)
Long-term warranty obligations	1,758	1,920
Income taxes payable	2,316	(4,642)
Long-term marketing obligations and other payables	(2,731)	(15)
	<u>\$ (4,638)</u>	<u>\$ 30,964</u>

*Net cash used in investing activities:* During the first nine months of fiscal 2026, net cash used in investing activities totaled \$14.9 million, primarily driven by \$10.4 million in purchases of property and equipment and \$5.2 million in loans to affiliates. In comparison, the same period in fiscal 2025 saw \$14.7 million in property and equipment purchases and \$3.3 million in affiliate investments. Proceeds from the sale of property and equipment were \$0.6 million in fiscal 2026 compared to \$0.2 million in fiscal 2025.

*Net cash used in financing activities:* In the first nine months of fiscal 2026, financing activities resulted in a net cash outflow of \$23.2 million, which included \$22.8 million for repurchased shares, \$2.6 million in payments on notes payable, and \$0.6 million in tax payments related to RSU issuances. These were partially offset by \$1.5 million in proceeds from stock option exercises and \$1.4 million in borrowings on notes payable. In comparison, the first quarter of fiscal 2025 reflected a net outflow of \$6.6 million, primarily driven by \$9.0 million for repurchased shares and \$1.7 million in payments on notes payable. These outflows were partially offset by \$5.1 million in proceeds from the exercise of stock options.

## Debt and Cash

On November 26, 2025, we entered into a new \$71.5 million senior credit facility (the “New Credit Facility”) pursuant to a Credit Agreement (the “New Credit Agreement”). The New Credit Facility consists of a cash flow-backed revolving line of credit (the “Revolver”) and a term loan that is not collateralized by real estate (the “New Term Loan”). We believe the New Credit Facility enhances financial flexibility in managing our operations and capital structure by extending maturities and providing committed liquidity. As of January 31, 2026, there were no advances under the New Term Loan, and the balance of letters of credit outstanding under the Revolver was approximately \$1.9 million. For additional information on financing

agreements, see “Note 8. Financing Agreements” of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

As of January 31, 2026, we had \$144.4 million in cash and cash equivalents. We believe that our cash flow from operating activities, together with existing cash and cash equivalents and availability under the New Credit Facility, will be sufficient to fund our working capital, capital expenditures, debt service, stock repurchases, and other financial requirements for at least the next 12 months.

Our cash equivalent balances consist of high-quality, short-term money market instruments.

Our primary sources of cash and sources of funds for our operations are cash flows from operations, current cash and cash equivalents, investments in our affiliates, and borrowings under the New Credit Facility. We were in compliance with all debt covenants under the New Credit Agreement as of January 31, 2026, and we expect to remain in compliance with those covenants for at least the next 12 months.

### **Working Capital**

Working capital was \$234.2 million as of January 31, 2026, and \$209.4 million as of April 26, 2025, reflecting a \$24.8 million increase. This change was primarily impacted by fluctuations in key components such as an increase in cash and cash equivalents by \$16.9 million, accounts receivable by \$21.6 million, contract assets by \$7.1 million, and accounts payable by \$16.9 million. Inventory decreased by \$2.2 million.

These shifts are influenced by the seasonality of the sports market and construction cycles, which affect the timing of cash flows. Specifically, payments for inventory and subcontractors often precede customer receipts, especially on large-scale, customized orders. These projects can span over 12 months, depending on complexity and delivery schedules. To manage cash flow, the Company typically uses upfront cash for materials and services and offsets this with down payments or progress payments from customers.

As of January 31, 2026, the Company had \$6.7 million in retainage on long-term contracts included in receivables and contract assets, which is expected to be collected within one year.

### **Other Liquidity and Capital Uses**

Our long-term capital allocation strategy prioritizes funding operations and growth investments, maintaining prudent liquidity and leverage ratios that reflect the cyclical nature of our business, reducing debt, and returning excess cash to stockholders through dividends and share repurchases. During the first nine months of fiscal 2026 and fiscal 2025, we repurchased shares of the Company’s common stock, par value \$0.00001 per share (“Common Stock”), but did not issue dividends.

Our strategies for business growth and profitability improvement rely on capital expenditures and strategic investments. We project total capital expenditures of approximately \$15.1 million for fiscal 2026. These expenditures will support the acquisition of manufacturing equipment for new or enhanced product lines, expanded production capacity, and increased process automation. Additional investments will target quality and reliability testing equipment, demonstration and showroom assets, and continued upgrades to our information infrastructure.

Beyond capital expenditures, we plan to invest in general and administrative functions to support our digital transformation initiatives. These include modernizing field service automation systems, enhancing enterprise performance planning, and streamlining quoting and sales processes. We also evaluate strategic investments in new technologies, affiliates, or potential acquisitions aligned with our business strategy. For fiscal 2026, future investments in our current affiliates are being reviewed on a quarterly basis by our Board of Directors (the “Board”).

We are sometimes required to obtain performance bonds for display installations, and we have a \$190.0 million bonding line available through surety companies. If we were unable to complete the installation work, and our customer would call upon the bond for payment, the surety company would subrogate its loss to Daktronics. As of January 31, 2026, we had \$66.0 million of bonded work outstanding.

### **Contractual Obligations and Commercial Commitments**

During the first nine months of fiscal 2026, there were no material changes in our contractual obligations. See the Form 10-K for additional information regarding our contractual obligations and commercial commitments.

### **Significant Accounting Policies and Estimates**

We describe our significant accounting policies in "Note 1. Nature of Business and Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements included in the Form 10-K. We discuss our critical accounting estimates in "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Form 10-K. There have been no material changes to the significant accounting policies and critical accounting estimates identified in the Form 10-K during the first nine months of fiscal 2026.

### **New Accounting Pronouncements**

For a summary of recently issued accounting pronouncements and the effects of those pronouncements on our financial results, refer to "Note 1. Basis of Presentation" of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

### **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to certain interest rate, foreign currency, and commodity risks as disclosed in the Form 10-K.

There have been no material changes in our exposure to the market risks identified in the Form 10-K during the first nine months of fiscal 2026.

### **Item 4. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

Management of our Company is responsible for establishing and maintaining effective disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We performed an evaluation under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of January 31, 2026. Based upon that evaluation, our principal executive officer and principal financial officer concluded that as of January 31, 2026, our disclosure controls and procedures were effective at the reasonable assurance level to ensure information required to be disclosed in the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q was recorded, processed, summarized, and reported within the time period required by the SEC's rules and forms and accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Our principal executive officer and principal financial officer believe the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q fairly represent, in all material respects, our financial condition, results of operations and cash flows for the periods presented in conformity with GAAP.

#### **Changes in Internal Control Over Financial Reporting**

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended January 31, 2026. As a result of such evaluation, management of the Company concluded that, during the quarter ended January 31, 2026, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

## **Item 1. LEGAL PROCEEDINGS**

We are involved in a variety of legal actions relating to various matters during the normal course of business. Although we are unable to predict the ultimate outcome of these legal actions, it is the opinion of management that the disposition of these matters, taken as a whole, will not have a material adverse effect on our financial condition or results of operations. See “Note 9. Commitments and Contingencies” included in this Quarterly Report on Form 10-Q and “Note. 16. Commitments and Contingencies” included in the Form 10-K for further information on any legal proceedings and claims.

### **Item 1A. RISK FACTORS**

The discussion of our business and operations included in this Quarterly Report on Form 10-Q should be read together with the risk factors described in Item 1A. of Part I of the Form 10-K. They describe various risks and uncertainties to which we are or may become subject. These risks and uncertainties, together with other factors described elsewhere in this Quarterly Report on Form 10-Q, have the potential to affect our business, financial condition, results of operations, cash flows, strategies, or prospects in a material and adverse manner. New risks may emerge at any time, and we cannot predict those risks or estimate the extent to which they may affect our financial condition or financial results. We review and, where applicable, update our risk factors each quarter. There have been no material changes from the risk factors disclosed in Item 1A. of Part I of the Form 10-K.

## **Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

### **Share Repurchases**

On June 17, 2016, the Board authorized a share repurchase program (the “Repurchase Program”) under which the Company may repurchase up to \$40.0 million of its outstanding Common Stock. On March 4, 2025, the Board approved a \$10.0 million increase in the limit under the Repurchase Program. On June 23, 2025, the Board approved an additional \$10.0 million increase in the limit under the Repurchase Program. On December 9, 2025, the Board approved an additional \$20.0 million increase for a maximum authorized value of \$80.0 million as of January 31, 2026.

Repurchases under the Repurchase Program may be made from time to time in open market transactions or privately negotiated transactions, subject to business and market conditions, applicable legal requirements, and other relevant factors. The Repurchase Program does not obligate the Company to repurchase any specific number of shares, may be suspended or terminated at any time at the discretion of the Board, and has no fixed expiration date.

During the nine months ended January 31, 2026, the Company repurchased 1.3 million shares of Common Stock at a total cost of \$22.8 million. As of January 31, 2026, \$17.1 million of the \$80.0 million authorized amount remained available for repurchase under the Repurchase Program.

The following table summarizes the Company's repurchases of Common Stock during the third quarter of fiscal 2026.

Period	Total number of shares purchased	Average price paid per share (including fees)	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (1)
November 2, 2025 - November 29, 2025	105,398	\$ 18.45	105,398	\$ 5,720,810
November 30, 2025 - December 27, 2025	—	—	—	\$ 25,720,810
December 28, 2025 - January 31, 2026	442,103	\$ 19.49	442,103	\$ 17,103,852
Total	<u>547,501</u>		<u>547,501</u>	

(1) The share repurchases described in the above table were made pursuant to the Repurchase Program authorized by the Board on June 17, 2016, as amended by the Board on March 4, 2025, June 23, 2025, and December 9, 2025.

Shares withheld to satisfy statutory tax withholding requirements related to the vesting of share-based awards are not issued or considered repurchases of our Common Stock under our Repurchase Program and, therefore, are excluded from the table above.

See "Note 8. Financing Agreements" of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information about the Repurchase program, including, but not limited to, restrictions on our ability to repurchase shares of Common Stock under the New Credit Facility.

### Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

### Item 4. MINE SAFETY DISCLOSURES

Not applicable.

### Item 5. OTHER INFORMATION

#### *10b5-1 Trading Arrangements*

During the three months ended January 31, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as such terms are defined in paragraphs (a) and (c), respectively, of Item 408 of Regulation S-K promulgated under the Securities Act.

### Item 6. EXHIBITS

A list of exhibits filed as part of this Quarterly Report on Form 10-Q is set forth in the following Index to Exhibits.

## Index to Exhibits

Certain of the following exhibits are incorporated by reference from prior filings. The form with which each exhibit was filed and the date of filing are as indicated below; the reports described below are filed as Commission File No. 001-38747 unless otherwise indicated.

<a href="#">3.1</a>	<a href="#">Certificate of Incorporation of Daktronics, Inc., dated as of April 17, 2025 (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed with the SEC on April 18, 2025).</a>
<a href="#">3.2</a>	<a href="#">Bylaws of Daktronics, Inc., a Delaware Business Corporation Incorporated Under Delaware Law, dated as of April 17, 2025 (incorporated by reference to Exhibit 3.3 to our Current Report on Form 8-K filed with the SEC on April 18, 2025).</a>
<a href="#">10.1</a>	<a href="#">Credit Agreement, dated as of November 26, 2025, among Daktronics, Inc., the other Borrowers thereto, the other Loan Parties thereto, the Lenders party thereto, and JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 3, 2025).</a>
<a href="#">10.2</a>	<a href="#">Pledge and Security Agreement, dated as of November 26, 2025, by and among Daktronics, Inc., Daktronics Installation, Inc., the other Grantors thereto, and JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Secured Parties (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on December 3, 2025).</a>
<a href="#">10.3</a>	<a href="#">Letter Agreement, dated as of November 25, 2025, by and between Daktronics, Inc. and Ramesh Jayaraman (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 3, 2025).</a> <sup>121</sup>
<a href="#">10.4</a>	<a href="#">Separation and Release Agreement, effective January 31, 2026, by and between Carla S. Gatzke and Daktronics, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 21, 2026).</a> <sup>121</sup>
<a href="#">10.5</a>	<a href="#">Consulting Agreement, effective January 31, 2026, by and between Carla S. Gatzke and Daktronics, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on January 21, 2026).</a> <sup>121</sup>
<a href="#">10.6</a>	<a href="#">Second Amendment to the Consulting Agreement, effective February 1, 2026, by and between Reece A. Kurtenbach and Daktronics, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 2, 2026).</a> <sup>121</sup>
<a href="#">31.1</a>	<a href="#">Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a> <sup>111</sup>
<a href="#">31.2</a>	<a href="#">Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a> <sup>111</sup>
<a href="#">32.1</a>	<a href="#">Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).</a> <sup>121</sup>
<a href="#">32.2</a>	<a href="#">Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).</a> <sup>121</sup>
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)
	(1) Filed herewith electronically.
	(2) Furnished herewith electronically.
	(3) Management contract or compensatory plan or arrangement.

**SIGNATURES**

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 thereunto duly authorized.

Daktronics, Inc.  
/s/ Howard I. Atkins  
Howard I. Atkins  
Acting Chief Financial Officer  
(Principal Financial Officer and  
Principal Accounting Officer)

Date: March 4, 2026

**DAKTRONICS, INC.**  
**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER REQUIRED BY RULE 13a-14(e)**  
**OR RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,**  
**AS ADOPTED PURSUANT TO**  
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ramesh Jayaraman, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended January 31, 2026 of Daktronics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Ramesh Jayaraman  
Ramesh Jayaraman  
Chief Executive Officer  
Date:

March 4, 2026

**DAKTRONICS, INC.**  
**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER REQUIRED BY RULE 13a-14(e)**  
**OR RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,**  
**AS ADOPTED PURSUANT TO**  
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Howard I. Atkins, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended January 31, 2026 of Daktronics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Howard I. Atkins  
Howard I. Atkins  
Acting Chief Financial Officer  
Date:

March 4, 2026

**DAKTRONICS, INC.**  
**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO**  
**18 U.S.C. SECTION 1350,**  
**AS ADOPTED PURSUANT TO**  
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Daktronics, Inc. (the "Company") for the quarterly period ended January 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ramesh Jayaraman, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Ramesh Jayaraman  
Ramesh Jayaraman  
Chief Executive Officer  
Date:

March 4, 2026

**DAKTRONICS, INC.**  
**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO**  
**18 U.S.C. SECTION 1350,**  
**AS ADOPTED PURSUANT TO**  
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Daktronics, Inc. (the "Company") for the quarterly period ended January 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Howard I. Atkins, Acting Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Howard I. Atkins  
Howard I. Atkins  
Acting Chief Financial Officer  
Date:

March 4, 2026