

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 23, 2023



Daktronics, Inc.
(Exact Name of Registrant as Specified in Charter)

South Dakota
(State or Other Jurisdiction of
Incorporation)

0-23246
(Commission
File Number)

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)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Securities registered or to be 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, No Par Value	DAKT	Nasdaq Global Select Market
Preferred Stock Purchase Rights	DAKT	Nasdaq Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

Section 7 - Regulation FD

Item 7.01 Regulation FD Disclosure

As previously disclosed on January 25, 2023, the board of directors (the "Board") of Daktronics, Inc. (the "Company") formed a Strategy and Financing Review Committee (the "Committee") to address the Company's near-term credit needs and to examine alternatives for improving the Company's longer-term financial structure and liquidity profile.

In connection with this process, the Company commenced discussions with certain potential financing sources to facilitate a potential financing transaction. The Company entered into confidentiality agreements (collectively, the "NDAs") with such potential financing sources in connection therewith. Pursuant to the NDAs, the Company agreed to publicly disclose certain confidential information regarding the Company that was provided to the parties to the NDAs (the "Cleansing Material"). The Cleansing Material is attached to this Current Report on Form 8-K as Exhibit 99.1. The Cleansing Material was prepared by the Company solely to facilitate discussions with the parties to the NDAs, was not prepared with a view toward public disclosure, and should not be relied upon to make an investment decision with respect to the Company. The Cleansing Material should not be regarded as an indication that the Company or any third party considers the Cleansing Material to be a reliable prediction of future events, and the Cleansing Material should not be relied upon as such.

Neither the Company nor any third party has made or makes any representation to any person regarding the accuracy of the Cleansing Material or undertakes any obligation to update the Cleansing Material to reflect circumstances existing after the date when the Cleansing Material was prepared or conveyed or to reflect the occurrence of future events, even if any of the information set forth in the Cleansing Material or the assumptions underlying the Cleansing Material are shown to be inaccurate or in error.

There can be no assurance that the Committee's process will result in any transaction or other alternative outcome. There is no set timetable for the conclusion of this process, and the Company does not intend to disclose or provide an update concerning developments relating to this process until it determines that further disclosure is appropriate or necessary.

The information in Item 7.01 of this Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that section. Further, the information in Item 7.01 of this Form 8-K, including Exhibit 99.1, shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filing. Item 7.01 of this Form 8-K, including Exhibit 99.1, will not be deemed an admission as to the materiality of any information in this Form 8-K that is required to be disclosed solely by Regulation FD.

Forward-Looking Statements

This Current Report on Form 8-K, including Exhibit 99.1, 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," "would," "could," "should," "will," "expect," "estimate," "anticipate," "believe," "intend," "plan," "project," "potential," "forecast" 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 report 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, the uncertainties related to market conditions and entry into a financing transaction; the Company's potential need to seek additional strategic alternatives, including seeking additional debt or equity capital or other strategic transactions and/or measures; the Company's ability to finalize or fully execute actions and steps that would be probable of mitigating the existence of "substantial doubt" regarding the Company's ability to continue as a going concern; the Company's ability to increase cash flow to support the Company's operating activities and fund its obligations and working capital needs; and the other risk factors described more fully in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2022 and the Company's Quarterly Reports on Form 10-Q for the quarters ended July 30, 2022 and

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits:

(d) Exhibits. The following exhibit is furnished as part of this Form 8-K:

[99.1 Investor Presentation dated February 2023.](#)

104 Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

DAKTRONICS, INC.

By: /s/ Sheila M. Anderson

Sheila M. Anderson, Chief Financial Officer

Date: February 23, 2023

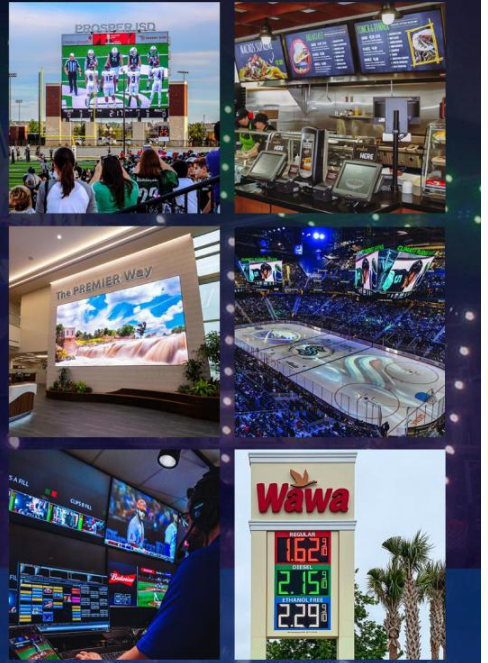
EXHIBIT INDEX

Exhibit No.	Description
99.1	Investor Presentation dated February 2023.
104	Cover page Interactive Data File (embedded within the Inline XBRL document)



INVESTOR PRESENTATION

February 2023 / Confidential



DISCLAIMER



This Investor Presentation, including any oral statements made in connection herewith (the "Presentation"), is provided for informational purposes only and has been prepared by Daktronics, Inc. (the "Company" or "Daktronics") and is being furnished to a limited number of parties solely for the purpose of considering a transaction with the Company (the "Potential Transaction"). This Presentation is intended solely for investors that are, and by receiving this Presentation, the recipient expressly confirms that they are, qualified institutional buyers or institutions, entities or persons that are accredited investors (as such terms are defined under the rules of the U.S. Securities and Exchange Commission (the "SEC")). This Presentation does not constitute a commitment on the part of the Company to provide the recipient with access to any additional information or to execute the Potential Transaction.

The information in this Presentation has not been independently verified. None of the Company, their respective affiliates or their respective employees, directors, officers, contractors, advisors, members, successors, representatives or agents make any representation or warranty as to the accuracy or completeness of this Presentation, and shall have no liability for any representations or warranties (expressed or implied) contained in, or for any omissions from or errors in, this Presentation or any other written or oral communications transmitted to the recipient in the course of its evolution of the Company. Only those representations and warranties as may be contained in a definitive agreement relating to the Potential Transaction shall have any legal effect. The information in this Presentation is valid as of the date hereof and is subject to change. The Company is under no obligation to update, amend or supplement this Presentation or any information contained herein and disclaims any obligation to do so except as required by law.

The information in this Presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact are forward-looking statements. The words "anticipate," "assume," "believe," "budget," "estimate," "expect," "forecast," "intend," "may," "model," "plan," "potential," "project," "seek," "should," "target," "will," "would" and similar expressions that predict or indicate future events or trends are intended to identify forward-looking statements, but the absence of such words does not mean a statement is not forward-looking. The forward-looking statements in this Presentation relate to, among other things, the Company's future operations, strategies, financial results or other developments and preliminary terms of the Potential Transaction, general market conditions and other aspects of the Company's business and prospects and those of other industry participants. The forward-looking statements are based on assumptions and analyses made by the Company in light of the Company's experience and perception of historical trends, current conditions, expected future developments, and other factors that the Company believes are appropriate under the circumstances. These statements are subject to numerous known and unknown risks and uncertainties which may cause actual results to be materially different from any future results or performance expressed or implied by the forward-looking statements. Additional information concerning such risks and uncertainties can be found in the Company's periodic filings with the SEC, including Annual Report on Form 10-K for the fiscal year ended April 30, 2022, and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

This Presentation contains material non-public information, and the viewing of these materials may have implications under U.S. securities laws. By accepting this Presentation, recipients are acknowledging they are (i) aware that the United States securities laws restrict persons with material non-public information about a company obtained directly or indirectly from that company from purchasing or selling securities of such company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities on the basis of such information and (ii) familiar with the Exchange Act and the rules and regulations promulgated thereunder, and that they will neither use, nor cause any third party to use, this Presentation or any information contained herein in contravention of the Exchange Act, including, without limitation, Rule 10b-5 hereunder.

This Presentation contains certain non-GAAP financial measures of the Company. These non-GAAP financial measures, which include EBITDA and EBITDA Margin, have been presented in order to aid understanding in the Company's financial performance. Non-GAAP financial measures used in this presentation are not meant to be a substitute for comparable GAAP measures and are not intended to be considered in isolation from, in substitution for, or superior to the Company's financial measures prepared in accordance with GAAP. The Company defines EBITDA as net income (loss) plus interest, taxes, depreciation, and amortization. The Company defines EBITDA Margin as EBITDA divided by net sales. See the appendix for a reconciliation of these measures to the Company's most comparable GAAP financial measures. Additionally, this Presentation also contains the metrics orders and backlog, which are not measures defined by GAAP, and our methodology for determining orders and backlog may vary from the methodology used by other companies in determining their orders and backlog amounts. Backlog represents the dollar value of orders for integrated electronic display systems and related products and services which are expected to be recognized in net sales in the future. Orders are contractually binding commitments from customers. Orders are included in backlog when we are in receipt of an executed contract and any required deposits or security and have not yet been recognized into net sales. This Presentation does not include a reconciliation of orders or backlog, as it is impractical to do so without unreasonable effort.

This Presentation is being made available only to parties who have signed and returned a confidentiality agreement with the Company in connection with the Potential Transaction (the "Confidentiality Agreement") and recipients are therefore bound by the Confidentiality Agreement in respect of all information contained in this Presentation. In the event of a discrepancy between the Presentation (including the disclaimer) and the Confidentiality Agreement, the Confidentiality Agreement will govern.

The Company reserves the right, at any time, to negotiate with one or more interested parties or to enter into a definitive agreement with respect to, or to determine not to proceed with, any Potential Transaction, without prior notice to any other interested parties. The Company reserves the right to terminate, at any time, and for any or no reason, further participation by any party and to modify any other procedures. The Company shall have no legal commitment or obligation to any recipient of this Presentation unless and until a definitive agreement for the Potential Transaction has been fully negotiated, executed, delivered and approved by the Company and such recipient.

This Presentation shall not constitute an offer, nor a solicitation of an offer, of the sale or purchase of securities, nor shall any securities of the Company be offered or sold, in any jurisdiction in which such an offer, solicitation or sale would be unlawful. Neither the SEC nor any state securities commission has approved or disapproved of the transactions contemplated hereby or determined if this Presentation is truthful or complete. Any representation to the contrary is a criminal offense.

Recipients of this Presentation should not constitute the contents hereof to constitute legal, tax, regulatory, financial, accounting or other advice. Any recipient of this Presentation should seek advice from its own independent tax advisor, legal counsel and/or other advisor with respect to such matters. By accepting this Presentation, the recipient agrees that neither the recipient nor the recipient's agents or representatives will directly contact the Company or any of its directors, officers, employees, shareholders, customers, suppliers or related parties or affiliates at any time with respect to the Potential Transaction or the information herein.

Although all information and opinions expressed in this Presentation, including market data and other statistical information, were obtained from sources believed to be reliable and are included in good faith, the Company has not independently verified the information and makes no representation or warranty, express or implied, as to its accuracy or completeness. Some data is also based on the good faith estimates of the Company, which are derived from its review of internal sources as well as the independent sources described above. This Presentation contains preliminary information only, is subject to change at any time and, is not, and should not be assumed to be, complete or to constitute all the information necessary to adequately make an informed decision regarding any Potential Transaction.

The Company owns or has rights to various trademarks, service marks and trade names that it uses in connection with the operation of its business. This Presentation also contains trademarks, service marks and trade names of third parties, which are the property of their respective owners. The use or display of third parties' trademarks, service marks, trade names or products in this Presentation is not intended to, and does not imply, a relationship with the Company, or an endorsement or sponsorship by or of the Company, solely for convenience. The trademarks, service marks and trade names referred to in this Presentation may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights or the right of the applicable licensor to these trademarks, service marks and trade names.

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DAKTRONICS

Overview of Daktronics



Daktronics, Inc. ("Daktronics" or the "Company"), a South Dakota corporation, is an industry leader in dynamic audio-visual communication systems for sports, advertising, and transportation segments

- Founded in 1968 and headquartered in Brookings, South Dakota

In the calendar year 2022, Daktronics achieved sales increases and continued to fulfill customers' orders despite capacity constraints, a challenging labor environment, and operational disruptions driven by exogenous circumstances

- Significantly improved order flow, with Q2 FY2023 net sales of \$187 million, a 14% YoY increase, and a contracted order backlog standing at over \$463 million⁽¹⁾⁽²⁾

The Company's Board recently formed a Strategy and Financing Review Committee (the "Committee") to address the Company's near-term credit needs and to examine alternatives for improving the Company's longer-term financial structure and liquidity profile

The Committee is exploring new financing options to establish a healthy long-term capital structure

- The Company is targeting \$75 million in new money financing

1) Daktronics' operates on a 52- or 53-week fiscal year, with its fiscal year ending on the Saturday closest to April 30 of each year.

2) Orders and backlog are not measures defined by GAAP, and our methodology for determining orders and backlog may vary from the methodology used by other companies in determining their orders and backlog amounts. For more information related to backlog, see Part I, Item 1, Business of our Annual Report on Form 10-K for the fiscal year ended April 30, 2022.

- 
- 1 Industry Leader in Dynamic Audio-Visual Communication Systems
 - 2 Broadest Range of Product Solutions Among Competitors
 - 3 Large and Diverse Worldwide Customer Base
 - 4 Consistent Top Line Revenue and Strong Order Backlog
 - 5 Cash Generation Opportunity with Streamlined Cost Structure and Enhanced Margins
 - 6 Strong Asset Base and Manufacturing Footprint
 - 7 Experienced Leadership Team with Clear Roadmap for Operational Improvement
 - 8 Low Leverage Presents Financing Capacity

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

Company Highlights

- 1) A global industry leader in audio-visual communication systems with underlying **best-in-class LED display products**
- 2) **The only manufacturer of scale** in the US with global manufacturing facilities to **service markets by geographical region**
- 3) **Global sales team utilizes cross-organizational information** to price efficiently while pursuing the **highest probability sales**
- 4) **Attractive financial position** across business lines with demonstrated **strong revenue and gross margins**
- 5) **Large and growing end-markets**

Diversified Business Units



Live Events

- Video displays for large sports & live entertainment venues



Commercial

- Billboards & video displays for sales and advertising



Transportation

- Navigation signs for ITS systems on mass transit, roads & highways



International

- Billboards & video displays for global live events, advertising & high-traffic locations



High School Park and Recreation

- Video and scoring systems for local community use



Control Capabilities

- Interconnected system to engage fans in live sports, shows & events

1) From most recent Form 10-K filing, for fiscal year that ended April 30, 2022.
 2) FutureSource Consulting Report "Global LED Display Market Report (2022)".
 3) FY EBITDA does not include adjustment for stock-based compensation.

Global Footprint



★: Sales Office
 ★: Manufacturing Facility
 ★: Headquarters (Brookings, SD)

Compelling FY2022 KPIs⁽¹⁾

~\$610 Million
Sales

~19%
Gross Margin

Largest
Growing American brand by revenue for past 3-years⁽²⁾

~\$17 Million
EBITDA⁽³⁾⁽⁴⁾

~3%
EBITDA Margin⁽³⁾⁽⁴⁾

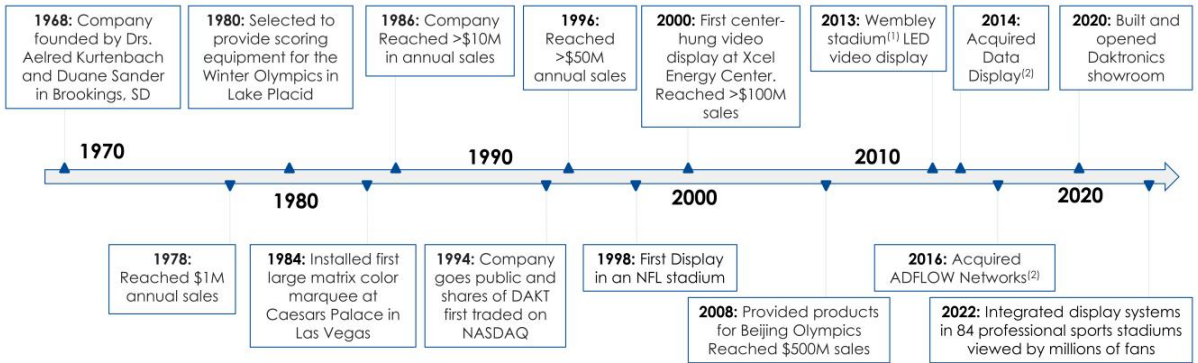
8.9K
Total customers⁽⁵⁾

#1
North American LED video display provider⁽²⁾

120+
Countries featuring Daktronics products

3rd
Largest CY 2021 Market Share worldwide⁽²⁾

4) Non-GAAP measurement. See the appendix for a reconciliation to the most comparable GAAP measure.
 5) From Company data.



1) Wembley Stadium is located London, England and is the second largest stadium in Europe with a 90,000-person capacity.
 2) Data Display specializes in providing the technology, systems, components and analytics behind state-of-the-art retail displays.
 3) ADFLOW Networks specializes in delivering digital media solutions to leading retailers and convenience stores in the US.

Manufacturer that Best Addresses Customer Needs

- **Key placement of manufacturing facilities in the US, Ireland and China** promote regional service & support for all orders & customers
- Maintains **quality control of all products** with in-house expertise, highly skilled labor, and state-of-the-art facilities
- **Continuous service and support post-sale** provides critical needs to customers and **results in continuous business** from top customers
- **Experienced executive team** and manufacturing process with an **established global presence** to **meet large product orders** and service more **complex projects**

Manufacturing Process



1) Note: The Company is entertaining on SIB of the Redwood Falls Facility.

Daktronics Reliability Lab

- Daktronics **established its own extensive on-site Reliability Lab** that puts every component through **rigorous testing**
- The lab **supports Daktronics Design for Reliability** process which **includes up to 60 testing steps, far greater than the industry standard**
- **Long display lifetime** that produces **stand-out messages** with **high-contrast, true-to-life images** is crucial for creating an impression on customers



Lower quality LEDs are unable to maintain the all-white color

Key Manufacturing Facilities	Location	Owned or Leased	Square Footage (000s)
Brookings Factory	Brookings, SD, USA	Owned	765
Sioux Falls Factory	Sioux Falls, SD, USA	Leased	277
Redwood Falls Factory ¹⁾	Redwood Falls, MN, USA	Owned	151
Shanghai Factory	Shanghai, China	Leased	137
Ireland Factory	Ennistymon, Ireland	Owned	62

(\$US Billions)

Increased Global Demand Bolsters Pipeline & Stable Cash Flows

- 2022 annual LED market growth rebounded to 26.6% after global lockdowns caused a 4.6% slowdown in FY 2021
 - Growth expected to continue in the high-teens to low-20% through CY 2026
- Corporate & education, stadiums & venues and control room verticals comprise 58% of the 2021 LED video display market
- Projected LED market growth to be led by:
 - APAC: 21% CAGR with 35% originating outside of China and the remaining regions expect ~20% growth by 2026
 - Americas: 26% CAGR led by the US which comprises over 70% of the regional market
- Daktronics: has a strong position in the Americas, the second largest market outside of China with 45% of total addressable market in North America as of 2021

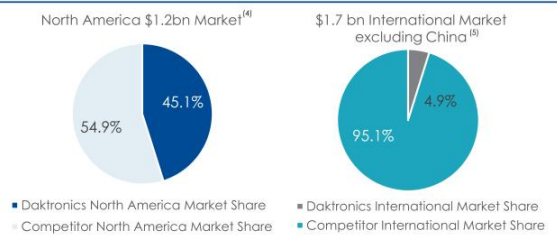
Worldwide LED Video Display Sales by Region



Worldwide LED Display Market by Type



Daktronics 2021 Total Addressable Market Presence



Source: Futuresource Consulting Report "Global LED Display Market Report (2022)".

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

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

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

4) FY2022 DAKT North America orders includes the Net Sales of Commercial, Live Events, HSPR and Transportation business segments in the US and Canada / North America total addressable market, as calculated in the Futuresource "Global LED Display Market Report (2022)".

5) FY2022 DAKT International business segment Net Sales / the sum of the International total addressable market excluding China and North America, as calculated in the Futuresource "Global LED Display Market Report (2022)".

Leverages Global Relationships With Repeat Customers

- **Long-Term Customer Relationships:** Demonstrated success drives continued sales opportunities
- **Leverage:** Strategically expand offering to grow profitably in adjacent Customer Types, Venues, AV Systems, and Geographies
- **Demand Prioritization:** High priority market verticals based on profitability and growth opportunities
- **Unified Sales Coordinator Support:** Provides real time quotes, details, mechanical information, and order booking
- **Diversified Product Specialization:** Overlapping expertise across complex and consistent sales projects ensure customer satisfaction & delivery

FY 2022 KPIs

~\$610 Million Global Sales	35% Revenue growth for the past 3-years ⁽¹⁾	8.9K Total Customers
468 Number of Global Sales and Marketing Employees	503 Number of Global Customer Service Employees	264 Of the top 300 customers are recurring during FY 2020 – FY 2022

Strategic Sales Organizational Structure

High Complexity Approach:

- Larger, complex systems with high visibility and prominence (also called "Large Sports Venue" or "Spectacular")
- Symbiotic relationship and creative tension between product, project and sales teams ensure highest probability targeting to arrive at the optimal price and win sales at acceptable margins
- No commission incentive – salaried with discretionary bonus to incentive smartest targeting and higher margin sales

High Consistency Approach:

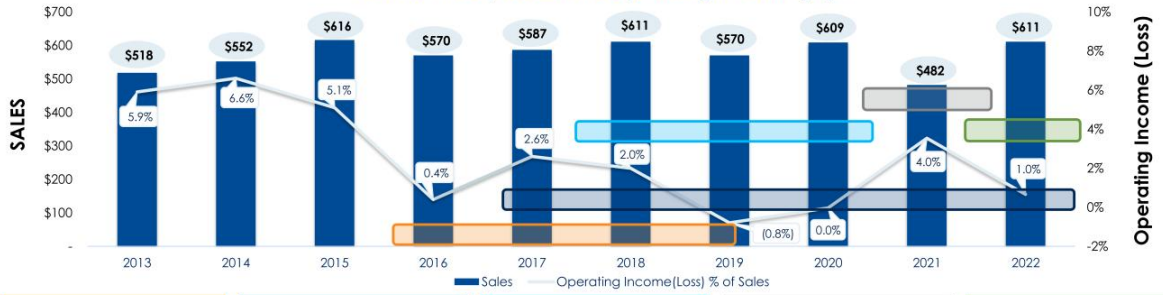
- Smaller, more standard systems installed & supported in a more common way
- These systems are often dispersed across broad geographic areas and require some type of infrastructure for support
- Repeatability from use the same / similar configurations creates an expertise in different teams that supports creation of a partner network
- Loyal AV and sign sales partnership program deliver unmatched experiences and unsurpassed reliability ensuring exceptional quality to the final assembly



Source: Company data.
 1) FutureSource Consulting Report "Global LED Display Market Report (2022)".

in millions

10 Year History: Sales and Operating Income (%)⁽¹⁾



<p>Product Warranties</p> <ul style="list-style-type: none"> Product issue from mechanical device failure built prior to FY14 FY16 – FY19: Recognized cost of \$23mm to preserve key customer relationships 	<p>Tariffs on Chinese Imports</p> <ul style="list-style-type: none"> U.S. trade actions (2019) led to volatility in supply and price of Chinese parts (i.e., steel / aluminum) FY20 – FY22: adverse impact of ~\$15mm, in aggregate <ul style="list-style-type: none"> – 0.4% - 1.2% of revenue spent per year 	<p>Investment in Design</p> <ul style="list-style-type: none"> FY18 – FY20: Strategic investments of ~\$10mm per year in development of Narrow Pixel Pitch (NPP) <ul style="list-style-type: none"> – Accounted for ~1.7% of revenue during time period 4Q20: Series A Investment (initial ~12% ownership) in X Display Company (XDC) 	<p>COVID-19</p> <ul style="list-style-type: none"> 4Q20 – FY21: ~\$100mm reductions in sales due to government mandated shutdowns and lack of orders from customer base <ul style="list-style-type: none"> – Cost savings methods include reduction in workforce, benefit packages, and travel expenses 	<p>Global Supply Chain</p> <ul style="list-style-type: none"> 1Q23: Drastic supply shortages in Field Programmable Data Arrays (FPGA) and other parts <ul style="list-style-type: none"> – Received ~10% of devices needed to fill outstanding orders – Forced to overpay in other markets and redesign module
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¹⁾ Daktronics' operates on a 52- or 53-week fiscal year, with its fiscal year ending on the Saturday closest to April 30 of each year.

...AND HOW THE COMPANY IS ADDRESSING THEM

Current Near-Term Strategies are Catalyzing Demand, Retention and Fulfillment

Liquidity Enhancement Program	Demand Prioritization	Predictability in Operations	Focus on Differentiation
<ul style="list-style-type: none"> Focusing on cash generation by unlocking ~\$463mm backlog¹⁾, which requires: <ul style="list-style-type: none"> Manufacturing improvements to reduce personnel costs and catalyze overall productivity Prudent management of operating expenses to drive margin expansion Normalizing inventory levels and reestablish a steady supply base Aggressively managing working capital accounts and maintaining organic price increases Concentrating capital investments and maximizing asset returns Exploring additional sources of outside liquidity 	<ul style="list-style-type: none"> Prioritizing market verticals that are: <ul style="list-style-type: none"> Higher profitability, with opportunity to grow Aligned with specialized capabilities / capacities Across the board price increases in December 2022 <ul style="list-style-type: none"> Future increases planned to maintain and protect margin Near-term high priority market verticals include <ul style="list-style-type: none"> High school stadiums Transportation, over the road signage 	<ul style="list-style-type: none"> Predictability is key to the Company's long-term relationships Recent focus has been on: <ul style="list-style-type: none"> Stabilizing parts availability Supply chain improvement The consolidation of customer facing tools to Salesforce On-going factory automation to increase capacity Retention of the highest performing workers during this tight labor market 	<ul style="list-style-type: none"> Protect and improve profitability of core business Extend the Daktronics proprietary protocol differentiation across product tiers Drive Narrow Pixel Pitch (NPP) growth through AV integrators Create a profitable control system revenue stream focusing on the capability for a software as a service model Balance development investments and prune the product portfolio



¹⁾ Orders and backlog are not measures defined by GAAP, and our methodology for determining orders and backlog may vary from the methodology used by other companies in determining their orders and backlog amounts. For more information related to backlog, see Part I, Item 1, Business of our Annual Report on Form 10-K for the fiscal year ended April 30, 2022.



DAKTRONICS

Key Investment Highlights

INDUSTRY LEADER IN DYNAMIC AUDIO-VISUAL COMMUNICATION SYSTEMS



Daktronics is uniquely positioned to deliver value

~\$610 Million in
FY2022 Sales

~\$17 Million in
FY2022 EBITDA⁽¹⁾

Worldwide Reach of
over 120 Countries

5 Facilities Across
the Globe

45% Market Share in
North America⁽²⁾

~6% Market Share
Internationally
(excl. China)⁽³⁾



1) Non-GAAP measure. See the appendix for a reconciliation to the most comparable GAAP measure.

2) FY2022 DAKT North American ("NA") orders includes the US and Canada is the sum of the Commercial, Live Events, HSPK and Transportation business segments / the NA total addressable market, as calculated in the FutureSource "Global LED Display Market Report (2022)".

3) FY2022 DAKT international business segment revenue / the sum of the international total addressable market excluding China, as calculated in the FutureSource "Global LED Display Market Report (2022)".

BROADEST RANGE OF PRODUCT SOLUTIONS AMONG COMPETITORS



Daktronics Serves the Broadest Customer Base With Competitive Solutions in Every Category



	DAKTRONICS	ANC	LEYARD	SAMSUNG	watchfire	LEDSTAR	Unilumin	Abgen	MITSUBISHI ELECTRIC	SANSI
Wholly Owned, Global Manufacturing	100%	25%	50%	75%	100%	25%	25%	25%	75%	50%
Global Reach	100%	50%	100%	100%	50%	25%	100%	100%	75%	100%
US Market Share	100%	25%	50%	50%	50%	25%	25%	25%	50%	50%
US Gov't & Defense contracts	100%	0%	0%	0%	50%	0%	0%	0%	0%	0%
Control Capabilities	100%	25%	50%	50%	25%	25%	75%	50%	50%	50%
High Complexity Products	100%	75%	75%	75%	50%	50%	75%	75%	75%	75%
High Consistency Products	100%	50%	75%	50%	75%	50%	50%	75%	50%	75%

LARGE AND DIVERSE WORLDWIDE CUSTOMER BASE



(\$ 000's)

Customer Relationship Snapshot			
Customer	Retail Channel	FY 2022 Revenue	3-Year Total ⁽¹⁾
Customer A	International	\$17,809	\$31,963
Customer B	Commercial	17,333	42,324
Customer C	Live Events	15,116	19,426
Customer D	Commercial	14,229	36,002
Customer E	Live Events	13,820	13,974
Customer F	Live Events & On Premise	10,159	15,221
Customer G	International	9,615	9,722
Customer H	Transportation	9,569	12,263
Customer I	International	7,920	7,920
Customer A to I Revenue		\$115,572	\$188,817
% of Total Revenue		18.9%	11.1%

FY 2022 Daktronics Customer Relationship Snapshot

~\$610 Million Global sales⁽¹⁾
 15.9% Currency originates from non-USD⁽²⁾
 8.9K Total customers
 91 Customers with \$1M+ orders
4.1K+ New customers
 \$463 Million Order backlog⁽²⁾
 10% Sales derived internationally

Daktronics Select Customer Base



Source: Company data.
 1) 3-Year total denotes sum of business from Customers from FY2020 to FY2022.
 2) Orders and backlog are not measures defined by GAAP, and our methodology for determining orders and backlog may vary from the methodology used by other companies in determining their orders and backlog amounts. For more information related to backlog, see Part I, Item 1, Business of our Annual Report on Form 10-K for the fiscal year ended April 30, 2022.

CONSISTENT TOP LINE GROWTH AND STRONG ORDER BACKLOG



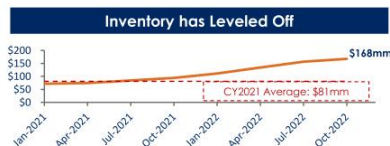
1) Orders and backlog are not measures defined by GAAP, and our methodology for determining orders and backlog may vary from the methodology used by other companies in determining their orders and backlog amounts. For more information related to backlog, see Part I, Item 1, Business of our Annual Report on Form 10-K for the fiscal year ended April 30, 2022.

Daktronics is Addressing its Operational, Commercial and Financial Challenges Through its Liquidity Enhancement Program



In Response to Macro Economic Headwinds, Daktronics has Implemented a Liquidity Enhancement Program to:

- Focus on cash generation by realizing ~\$463mm backlog⁽¹⁾, which requires:
 - Leveraging manufacturing improvements / automation to reduce personnel costs and catalyze overall productivity
 - Prudent management of operating expenses to drive margin expansion
- Normalize inventory levels and reestablish a consistent supply base
- Aggressively manage working capital accounts and continue organic price increases
- Concentrate capital investments and maximize asset returns
- Explore additional sources of outside liquidity



¹⁾ Orders and backlog are not measures defined by GAAP, and our methodology for determining orders and backlog may vary from the methodology used by other companies in determining their orders and backlog amounts. For more information related to backlog, see Part I, Item 1, Business of our Annual Report on Form 10-K for the fiscal year ended April 30, 2022.

STRONG ASSET BASE AND MANUFACTURING FOOTPRINT



~2,250
Employees in North America

5
Dedicated Manufacturing Facilities

13
Dedicated Distribution, Sales & Support Offices



Summary			
Location	Owned or Leased	Square Footage	Activity
Brookings, SD	Owned	765K	Corporate Office, Manufacturing, Sales, Service
Redwood Falls, MN	Owned	151K	Manufacturing, Sales, Service, Office
Ennistymon, Ireland	Owned	62K	Manufacturing, Sales, Service, Office
Sioux Falls, SD	Leased	277K	Manufacturing, Sales, Service, Office
Shanghai, China	Leased	152K	Manufacturing, Sales, Service, Office



Reece A. Kurtenbach
President & CEO

President & CEO since 2013

Prior to assuming his current role, he served at Daktronics since 1991

28+ Years of Executive Engineering and Manufacturing Experience



Sheila Anderson
CFO & Treasurer

CFO & Treasurer since 2012

Prior to assuming her current role, she served at Daktronics since 2002

25+ Years of Accounting and Corporate Finance Experience



Brad Wiemann
Executive Vice President

Executive Vice President since 2012

Prior to assuming his current role, he served at Daktronics since 1993

30+ Years of Engineering and Business Development Experience



Matt Kurtenbach
VP of Manufacturing

VP of Manufacturing since 2001

Prior to assuming his current role, he was the General Manager of Star Circuits, Inc.

22+ Years of Executive Manufacturing Experience



Sarah Rose
VP of Global Services

VP of Global Services since 2014

Prior to assuming her current role, she served at Daktronics since 1997

25+ Years of Executive Customer Service and Integration Experience



Brett Wendler
VP of Development

VP of Design and Development since 2013

Prior to assuming his current role, he served at Daktronics since 1992

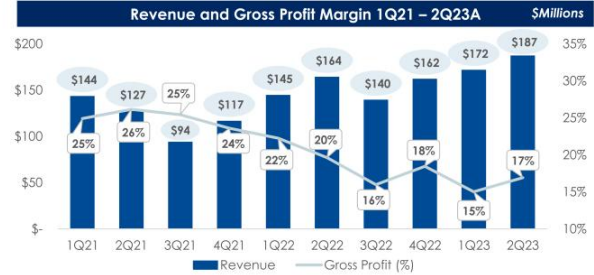
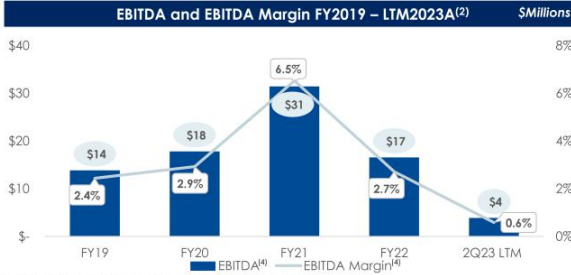
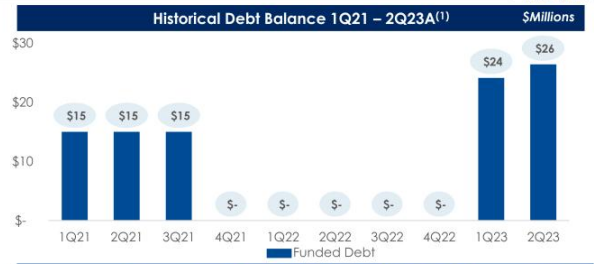
30+ Years of Executive Product Development Experience

LOW LEVERAGE PRESENTS FINANCING CAPACITY



Opportunity Highlights

- 1) Historically low leverage profile
- 2) Additional liquidity required to fund inventory levels, operations, and capital expenditures
- 3) Significant overcapitalization with current working capital balance exceeding \$118 million
- 4) Growth coming from assets that self generate cash over a relatively short production / fulfillment cycle
- 5) Healthy medium-term outlook between near-term price increases and strong order backlog of \$463 million⁽³⁾



1) Funded debt for each quarter excludes outstanding Letters of Credit.
 2) FY EBITDA does not include adjustment for stock-based compensation.
 3) Orders and backlog are not measures defined by GAAP, and our methodology for determining orders and backlog may vary from the methodology used by other companies in determining their orders and backlog amounts. For more information related to backlog, see Part I, Item 1, Business of our Annual Report on Form 10-K for the fiscal year ended April 30, 2022.
 4) Non-GAAP measure. See the appendix for reconciliation to the most comparable GAAP measure.



(\$US)

- Description**
- Customers include professional sports, minor league sports, colleges & universities in large stadiums and arenas
 - Growth driven by venues spending more on larger display systems and "spectaculars" to enhance event experience for attendees
 - Accelerated replacement cycles driven by technological advancements and customer demand from LCD to LED displays
 - Post-installation services & high-complexity projects have a maintenance contract that provides recurring revenue stream

Spotlight on Live Events

Notable Projects



17 of 30 NFL Facilities have Daktronics Large LED Video Display Super Systems by Summer 2023



The Texas Rangers unveiled the **Globe Life Field ballpark** in 2020 featuring **8 LED displays** and **Daktronics powerful Show Control System**

~\$199 Million

Sales⁽¹⁾

~33%

Of Total Sales

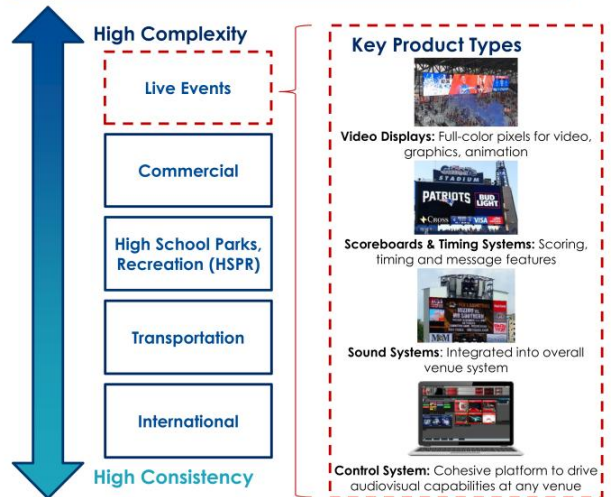
~\$22 Million

Gross Profit⁽¹⁾

~11%







Gross Margin⁽¹⁾

Market Placement



¹⁾ From most recent Form 10-K filing, for fiscal year that ended April 30, 2022.

(\$US)

Description	Market Placement
<ul style="list-style-type: none"> Customers include sign & billboard companies, national retailers, quick-serve restaurants, casinos, shopping malls & petroleum retailers Customers who rely on advertising revenues to drive sales are increasing their capital spend on digital solutions through Out of home advertising & increased customer foot-traffic drives sales that increases capital spending on high-complexity solutions 	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;"> </div> <div style="border: 1px solid black; padding: 5px;"> <p>High Complexity</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Live Events</div> <div style="border: 1px dashed red; padding: 5px; margin-bottom: 5px;">Commercial</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">High School Parks, Recreation (HSPR)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">Transportation</div> <div style="border: 1px solid black; padding: 5px;">International</div> <p>High Consistency</p> </div> <div style="margin-left: 20px; border: 1px dashed red; padding: 10px;"> <p>Key Product Types</p> <div style="margin-bottom: 10px;">  <p>Spectaculars: Extraordinary, highly complex LED displays in high-traffic areas for building facades</p> </div> <div style="margin-bottom: 10px;">  <p>Video Displays & Billboards: Banner displays for retail environments</p> </div> <div style="margin-bottom: 10px;">  <p>Fuel Price Displays: Outdoor fuel price displays with advertising</p> </div> <div>  <p>Dynamic Messaging Systems: Messaging displays for advertising campaigns</p> </div> </div> </div>
<p style="text-align: center;">Spotlight on Commercial Market</p> <p>Notable Projects</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Approved as a franchise vendor in 2008 and have grown the relationship over the years. Selected as 2021 Equipment Vendor of the year.</p> </div> <div style="text-align: center;">  <p>PENN NATIONAL GAMING, INC.</p> <p>Penn National Gaming hired Daktronics to provide LED displays for 7 Hollywood Casino locations across the US</p> </div> </div> <div style="margin-top: 20px;"> <p style="text-align: center;">~\$154 Million Sales⁽¹⁾</p> <p style="text-align: center;">~25% Of Total Sales</p> <p style="text-align: center;">~\$32 Million Gross Profit⁽¹⁾</p> <p style="text-align: center;">~21% Gross Margin⁽¹⁾</p> </div>	

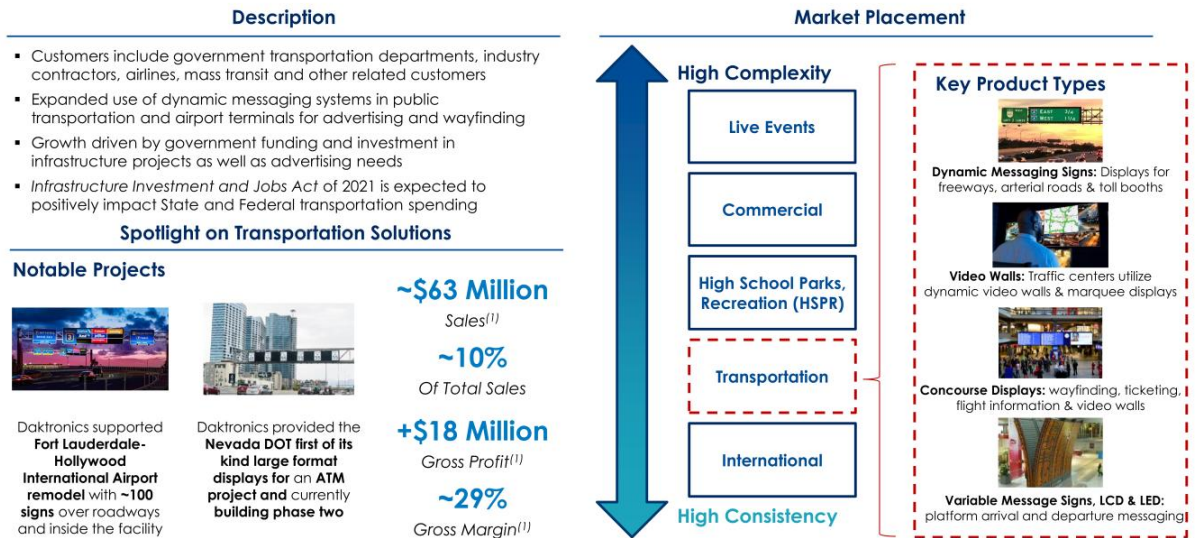
¹⁾ From most recent Form 10-K filing, for fiscal year that ended April 30, 2022.

(\$US)

Description	Market Placement
<ul style="list-style-type: none"> Customers include primary and secondary education facilities Increased demand for video systems in high schools due to supplemental revenue generating potential of these displays compared to traditional scoreboards DSM (Daktronics Sports Marketing) service capitalizes on the desire for supplemental revenue sets Daktronics apart from the competition New offerings include Daktronics systems' ability to provide or enhance academic curriculum program & mobile solutions scoring 	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;"> </div> <div style="border: 1px solid black; padding: 5px;"> <p>High Complexity</p> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Live Events</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Commercial</div> <div style="border: 2px dashed red; padding: 2px; margin-bottom: 2px;">High School Parks, Recreation (HSPR)</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Transportation</div> <div style="border: 1px solid black; padding: 2px;">International</div> <p>High Consistency</p> </div> <div style="margin-left: 20px; border: 2px dashed red; padding: 5px;"> <p>Key Product Types</p> <div style="margin-bottom: 10px;"> <p>Video Displays: Shift from traditional static scoreboards to digital ones</p> </div> <div style="margin-bottom: 10px;"> <p>Scoreboards & Timing Systems: Scoring, timing and message features</p> </div> <div style="margin-bottom: 10px;"> <p>Sound systems: Integrated with dynamic scoring displays with clear audio</p> </div> <div> <p>Marquee Equipment: Park-goer first impressions of location & local events</p> </div> </div> </div>
<p>Spotlight on HSPR</p>	
<p>Notable Projects</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Daktronics provided a 57' x 67' HD LED display as the centerpiece for Prosper Independent School District's new stadium in 2021</p> </div> <div style="text-align: center;"> <p>Daktronics provided both indoor and outdoor LED video board solutions for Sidney High School in 2021</p> </div> <div style="text-align: center;"> <p>~\$112 Million Sales⁽¹⁾</p> <p>~18% Of Total Sales</p> <p>+\$35 Million Gross Profit⁽¹⁾</p> <p>~32% Gross Margin⁽¹⁾</p> </div> </div>	

¹⁾ From most recent Form 10-K filing, for fiscal year that ended April 30, 2022.

(\$US)



¹⁾ From most recent Form 10-K filing, for fiscal year that ended April 30, 2022.

(\$US)

Description

- Customers include companies focused on sports, advertising, transportation and retail around the world but excludes the United States & Canada
- Growth to be achieved through penetration of established sales networks and broadening products suited to individual markets
- Wide range of product offerings coupled with global presence provide competitive positioning & growth potential across Europe, Central & South America, the Middle East, Africa & Asia-Pacific

Spotlight on International Market

Notable Projects



Daktronics provided **~50 LED video displays** to enhance Dubai's Marina Mall indoor facility in 2021



Daktronics installed the **world's longest high-definition straight-run stadium video display** for Accor Stadium Sydney AUS in 2022

~\$83 Million

Sales⁽¹⁾

~14%

Of Total Sales

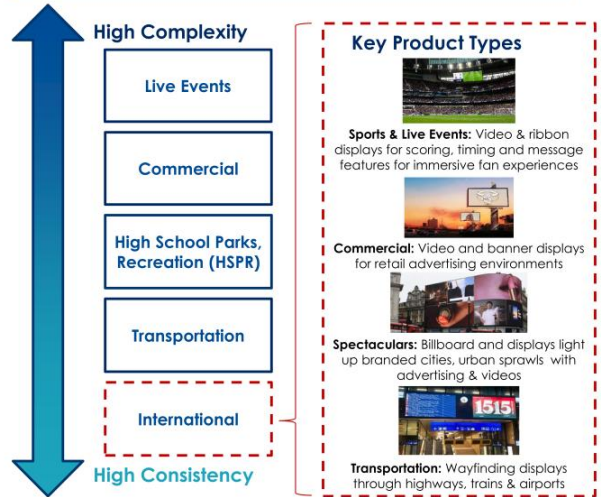
+9 Million

Gross Profit⁽¹⁾

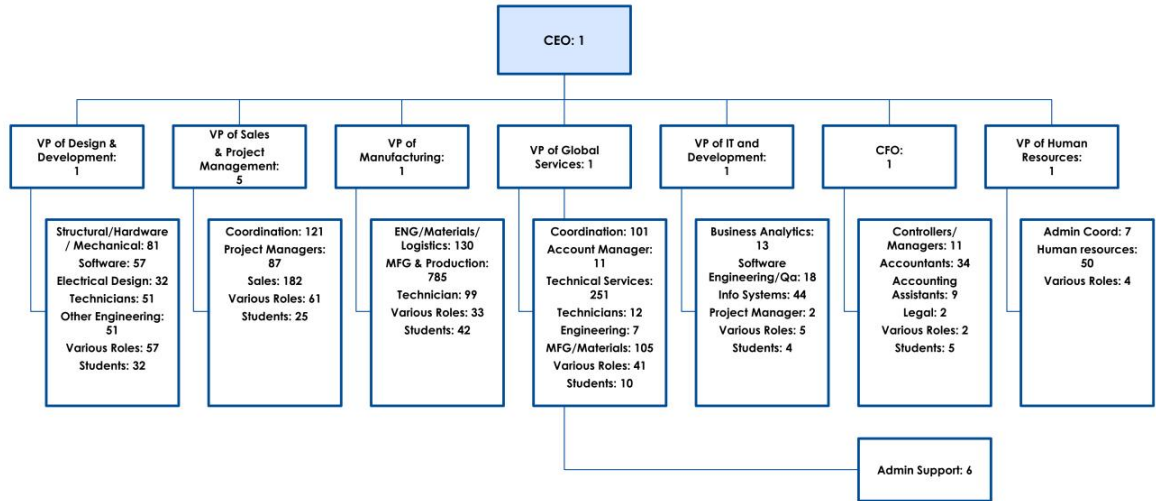
+11%

Gross Margin⁽¹⁾

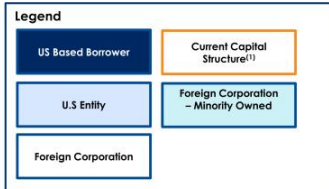
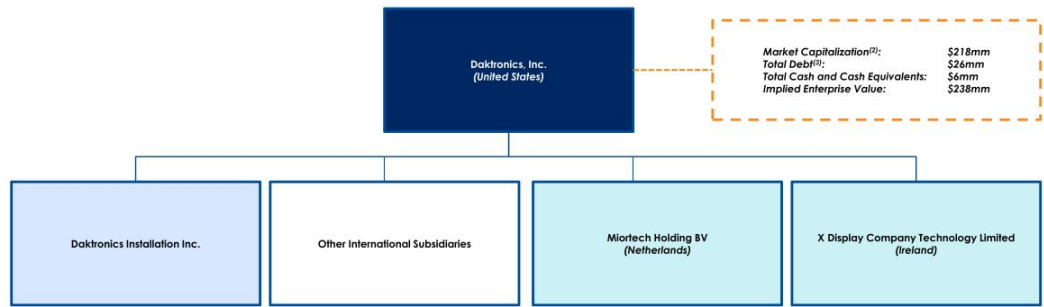
Market Placement



¹⁾ From most recent Form 10-K filing, for fiscal year that ended April 30, 2022.



SIMPLIFIED ORGANIZATIONAL STRUCTURE



1) Current capital structure data as of FY Q2 2023, unless otherwise noted.
 2) Share price as of 1/20/23.
 3) Total debt excludes \$7mm Letters of Credit balance.

GAAP TO NON-GAAP RECONCILIATION



(\$000s)

	FY19	FY20	FY21	FY22	2Q23 LTM
Net Income (Loss)	(\$958)	\$491	\$10,926	\$592	(\$18,310)
(+) Interest Expense	160	106	295	49	455
(+) Taxes	(3,986)	(500)	3,134	516	13,039
(+) D/A	18,635	17,718	17,077	15,394	8,225
EBITDA	\$13,851	\$17,815	\$31,432	\$16,551	\$3,409

