



FIRST QUARTER FISCAL 2019
NASDAQ: DAKT

DAKTRONICS

SAFE HARBOR STATEMENT

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

These forward-looking statements reflect the company's expectations or beliefs concerning future events. The company cautions that these and similar statements involve risk and uncertainties which could cause actual results to differ materially from its expectations, including, but not limited to, including changes in economic and market conditions, management of growth, timing and magnitude of future contracts, and other risks noted in the company's SEC filings including its Annual Report on Form 10-K for its 2018 fiscal year.

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



DAKTRONICS VISION



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

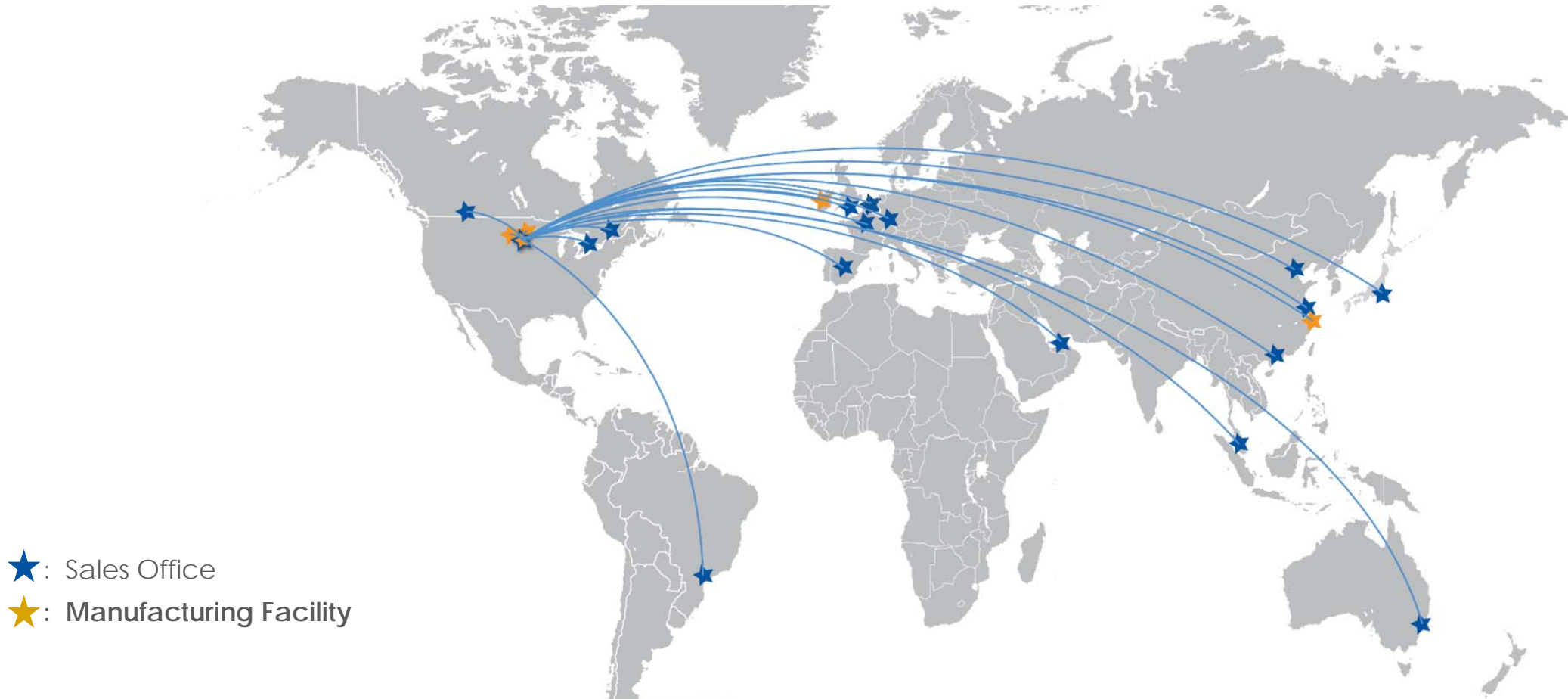


DAKTRONICS MISSION

Deliver industry leading value to our **customers**, by engaging:

- our **employees** through challenging and rewarding opportunities;
- developing strategic partnerships with our **suppliers**;
- leveraging our strengths in:
product innovation, manufacturing, and service;
- while contributing to the betterment of our **communities**; and
- generating an attractive return for our **investors**.





★: Sales Office
★: Manufacturing Facility

OFFICES AROUND THE GLOBE

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

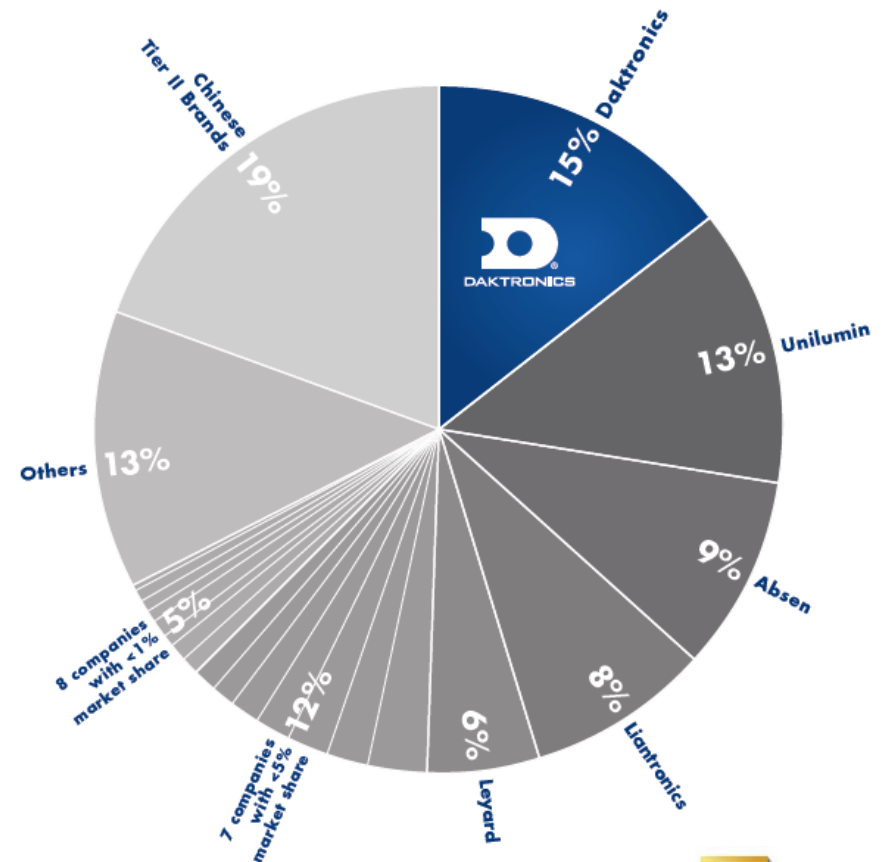


WORLD LEADER

Celebrating our 50th Year!

- ✓ Customer solutions
- ✓ Engineering & Creative talent
- ✓ Global and local focus of customer support
- ✓ Lean Manufacturing
- ✓ Financially strong

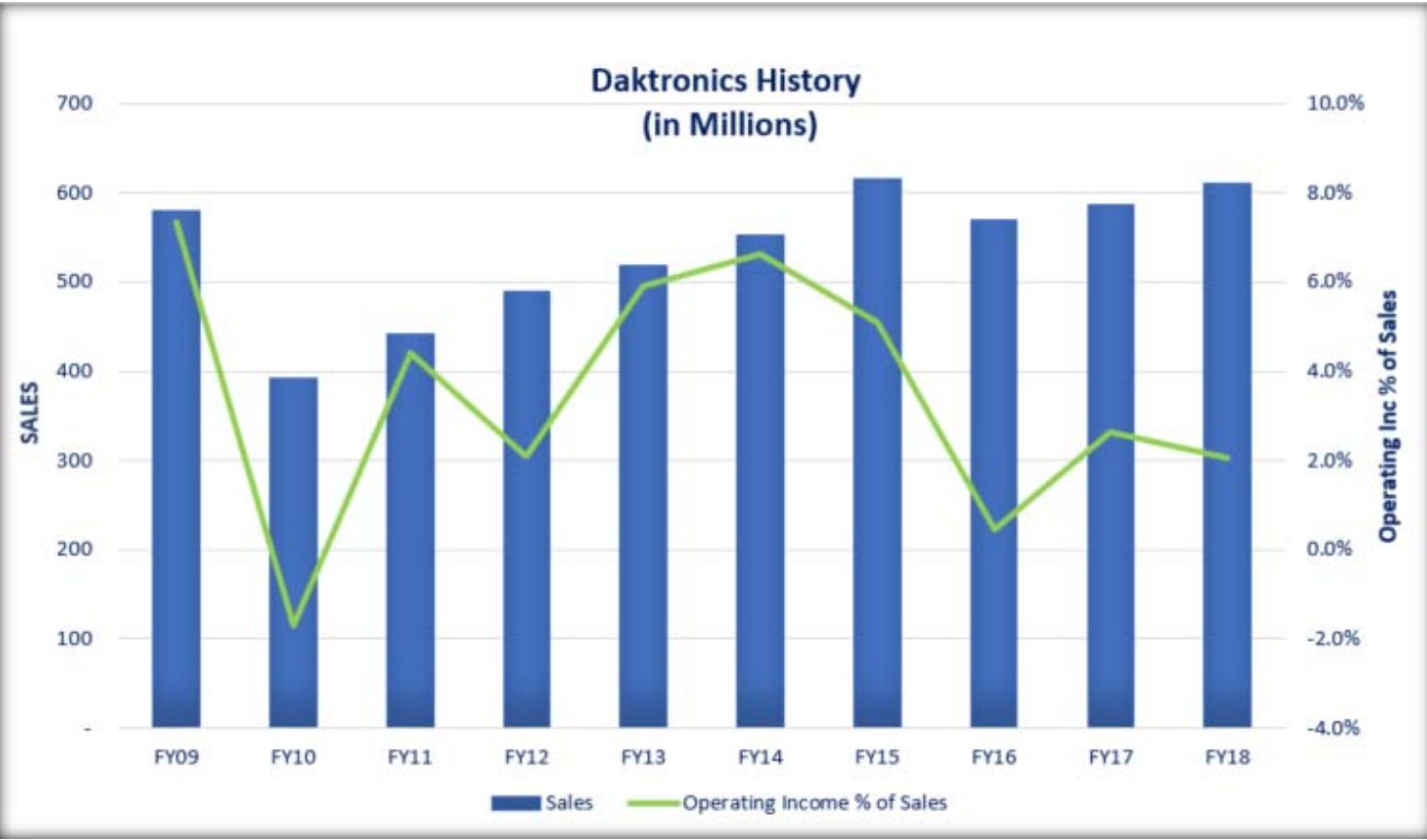
WORLDWIDE MARKET SHARES FOR LED VIDEO DISPLAYS, 2017



Source: IHS iSuppli Corporation - Signage and Professional Displays 2017



10 YEAR HISTORY SALES & OPERATING INCOME %



10 Year History Free-Cash Flow*

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Net cash from operations	\$ 48,731	\$ 43,784	\$ 41,346	\$ 20,038	\$ 50,749	\$ 36,199	\$ 53,513	\$ 13,581	\$ 39,573	\$ 31,613
Net capital expenditures	(18,221)	(15,940)	(9,148)	(16,293)	(9,476)	(13,281)	(17,800)	(16,904)	(8,487)	(17,201)
Free cash flow**	\$ 30,510	\$ 27,844	\$ 32,198	\$ 3,745	\$ 41,273	\$ 22,918	\$ 35,713	\$ (3,323)	\$ 31,086	\$ 14,412

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

*\$ in thousands



10 Year History Return to Shareholders

- ✓ Long-term dividend history (see chart to the right)
- ✓ Share Repurchase program instituted 2017 for opportunistic stock purchases

Fiscal Year	Regular Dividend/ Share	Annualized Dividend Yield	Special Dividend/ Share	Total Dividend Payout (000's)
2010	0.095	1.2%	-	3,874
2011	0.100	2.5%	0.500	24,795
2012 ⁽¹⁾	0.220	1.9%	0.400	25,950
2013	0.230	3.6%	0.500	30,859
2014 ⁽²⁾	0.390	3.0%	-	16,690
2015	0.400	3.7%	-	17,377
2016	0.400	5.1%	-	17,556
2017	0.270	2.8%	0.040	13,651
2018	0.280	3.1%	-	12,424
2019*	0.070	3.4%	-	3,121

* - Year to date figures through July 2018

(1) - changed to semi-annual dividend

(2) - changed to quarterly dividend



More about Daktronics

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

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

Fiscal Year	Q1	Q2	Q3	Q4
2010	+ 0.03	+ 0.12	- 0.20	- 0.12
2011	+ 0.06	+ 0.17	+ 0.04	+ 0.07
2012	+ 0.08	+ 0.09	+ 0.04	- 0.01
2013	+ 0.16	+ 0.27	+ 0.06	+ 0.04
2014	+ 0.13	+ 0.27	+ 0.07	+ 0.04
2015	+ 0.20	+ 0.18	+ 0.01	+ 0.08
2016	+ 0.09	+ 0.07	- 0.04	- 0.07
2017	+ 0.13	+ 0.20	- 0.12	+ 0.02
2018	+ 0.19	+ 0.16	- 0.14	- 0.09
2019	+ 0.10			



FY2019 FIRST QUARTER TO DATE

(\$ in thousands, except per share data)

	Three Months Ended		Percent Change
	28-Jul 2018	29-Jul 2017	
Orders	\$ 159,611	\$ 153,081	4.3%
Net sales	\$ 154,188	\$ 172,728	-10.7%
Gross profit	38,247	44,646	
Gross margin	24.8%	25.8%	
Operating income	4,040	11,725	-65.5%
Operating margin	2.6%	6.8%	
Net income	\$ 4,574	\$ 8,429	-45.7%
% of sales	3.0%	4.9%	
Earnings per share (diluted)	\$ 0.10	\$ 0.19	



FY2018 ANNUAL RESULTS

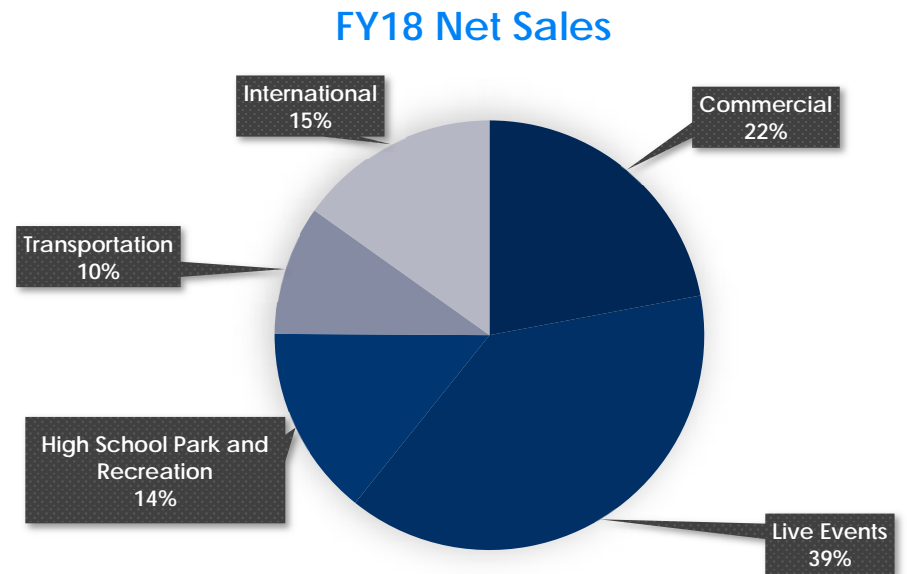
(\$ in thousands, except per share data)

	Twelve Months Ended		Percent Change
	28-Apr 2018	27-Apr 2017	
Orders	\$ 583,466	\$ 613,504	-4.9%
Net sales	\$ 610,531	\$ 586,539	4.1%
Gross profit	145,669	140,415	
Gross margin	23.9%	23.9%	
Operating income	12,460	15,421	-19.2%
Operating margin	2.0%	2.6%	
Net income	\$ 5,562	\$ 10,342	-46.2%
% of sales	0.9%	1.8%	
Earnings per share (diluted)	\$ 0.12	\$ 0.23	



Business Unit Recap

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



LIVE EVENTS BUSINESS UNIT



Colorado Rockies



LIVE EVENTS

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

- Professional sports
- College and university
- Arenas



University of South Carolina

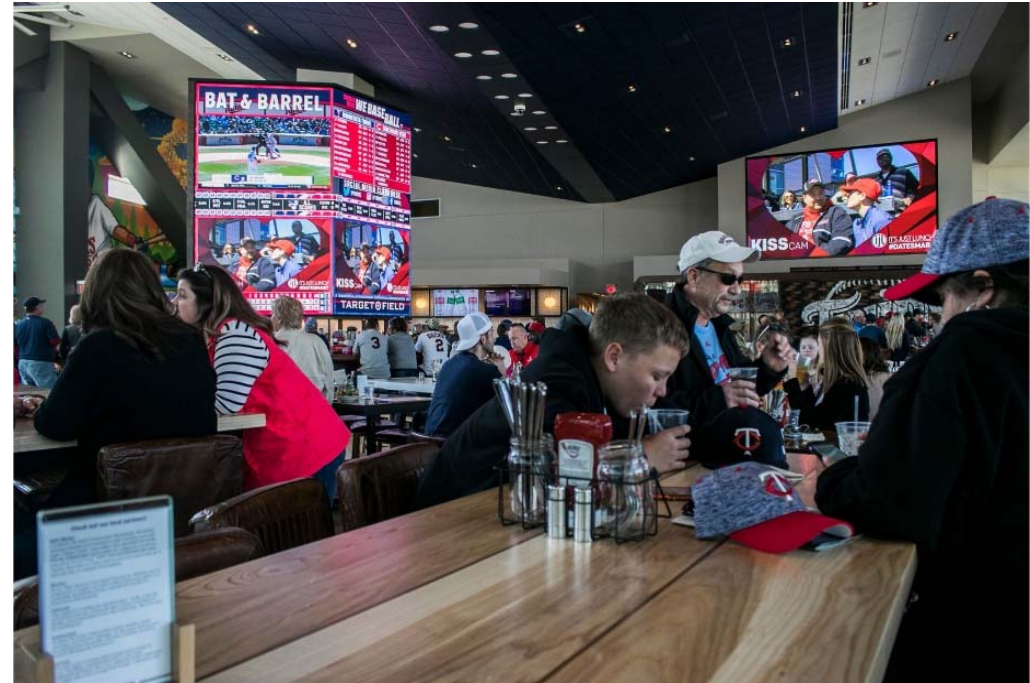
» Competition

- Mitsubishi, Lighthouse, Panasonic, Prismview and others
- Asian competition through U.S. integrators

LIVE EVENTS

Demand Drivers

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



Minnesota Twins

HIGH SCHOOL PARK AND RECREATION (HSPR)



Highlands Ranch High School, Highlands Ranch, CO

HSPR

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



North Judson High School, North Judson, IN

HSPR

» Growth Drivers

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

» Competitors

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



Midco Aquatics Center, Sioux Falls, SD

COMMERCIAL BUSINESS UNIT



Walgreens, Pinal County, AZ



Oglethorpe Mall, Savannah, GA



COMMERCIAL

» Sales channel focus

- Third party advertising/Out of Home Advertising (OOH)
- On-premise advertising (retail)
- Spectacular (custom video)

» Primary offerings

- Digital billboards
- Message centers
- Video display systems/display walls
- Petroleum displays
- Dynamic messaging systems



Ho Chunk Gaming, Black River Falls, WI



EZStor, Watertown, SD



COMMERCIAL

- » Long-term growth drivers
 - Market adoption, including National Accounts
 - Spectacular use to entertain/advertise in unique locations
 - Effective advertising medium (outdoor and indoor networks)
 - Replacement cycle (7-10 years)
 - Architectural lighting
- » Competitors
 - Message Centers – Optec, Watchfire, Vantage
 - Digital Billboards – Watchfire, Formetco, Optotech
 - Video Projects – Sansai, Prismview, ANC, Integrators using Asian Manufacturers
 - Video Walls – Sansai, Leyard, Absen, Unilumen



Cadillac Fairview Chinook Centre,
Calgary, Alberta, Canada

TRANSPORTATION BUSINESS UNIT



Airports
*Tom Bradley Terminal
Los Angeles International Airport*



Nevada Department of Transportation

TRANSPORTATION

» Three niches

- Intelligent transportation systems (ITS)
- Airports
- Mass Transit

» Competitors

- Skyline, Ledstar, Telegra, SES-America, Imago, others



Intelligent Transit Systems (ITS)
Banff National Park – Parks Canada

TRANSPORTATION

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

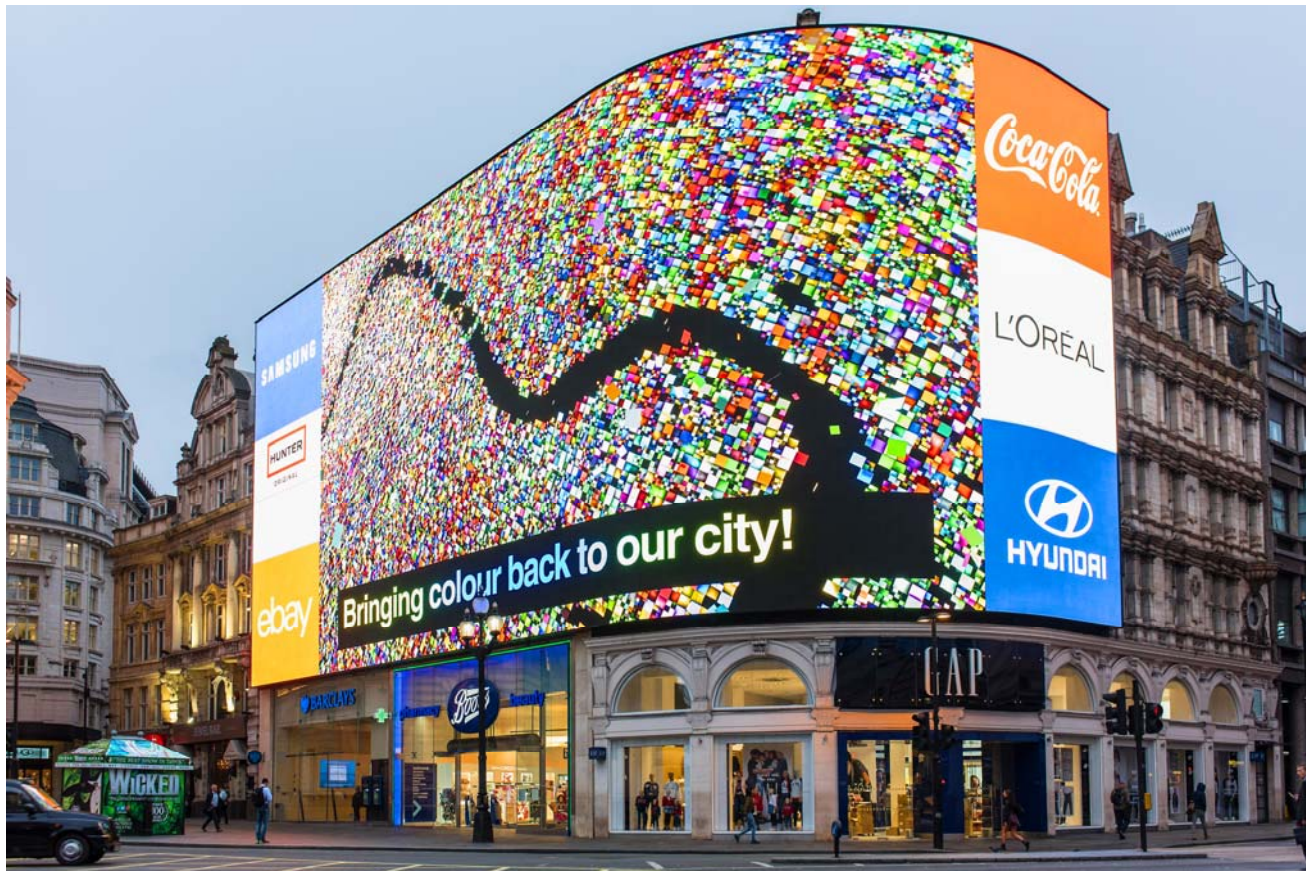


Public Transportation
Anaheim Regional Transit Center



Seattle International Airport

INTERNATIONAL BUSINESS UNIT



Piccadilly Lights, London

INTERNATIONAL

Main products

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

Infrastructure

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



Mosaic Shanghai

INTERNATIONAL

» Growth opportunities

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

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



Galleria Tbilisi, Georgia



LOOKING AHEAD

ACHIEVING LONG-TERM PROFITABLE GROWTH

Continued Global Demand

- ✓ Continued global market adoption and expansion
 - Retail and public space
 - Out of Home Advertising
 - Venue competition/ HD video for sports
- ✓ Replacement cycle
- ✓ Worldwide economic conditions



ACHIEVING LONG-TERM PROFITABLE GROWTH

Daktronics provided robust solutions meeting market demand:

- ✓ New product and solutions introductions:
 - Localized and customer focused products
 - Narrow Pixel Pitch (Ultra-high resolution) solutions
 - Enhanced product and control system platforms

- ✓ Professional services offerings

Daktronics operational excellence to manage costs:

- ✓ Agile Capacity
- ✓ Continuous Process improvements
- ✓ Quality focus and warranty cost reduction

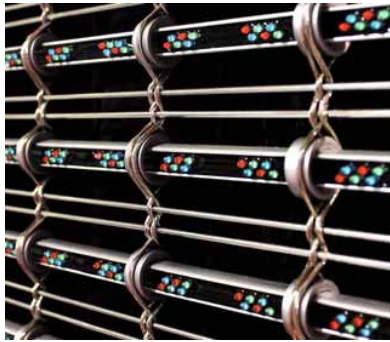


OUTLOOK TO FISCAL 2019

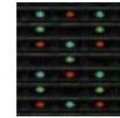
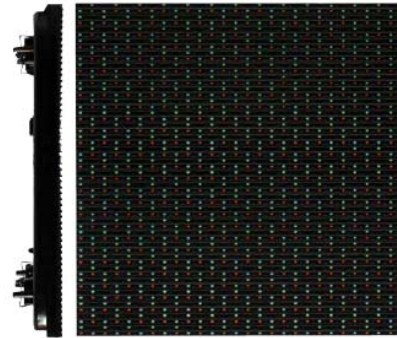
Modest revenue growth

- ✓ **International** OOH, transportation, market development
- ✓ **Commercial** indoor solutions expansion, spectacular demand, replacement cycles, OOH similar demand levels
- ✓ **Transportation** opportunity for growth with funding/mass transit/advertising
- ✓ **HSPR** continued interest in larger video systems
- ✓ **Live Events** demand similar to prior years

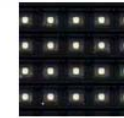
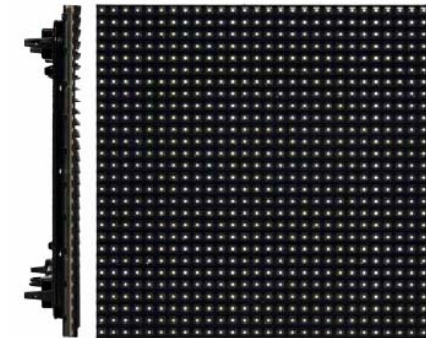
SOLUTION EXAMPLES



MODULE COMPARISON THROUGH-HOLE VS. SURFACE-MOUNT LEDs



THROUGH-HOLE LED MODULE



SURFACE-MOUNT LED MODULE



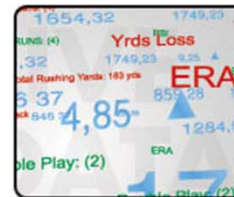
Total Event Control

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



Content Compositing

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



Live Data Integration

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



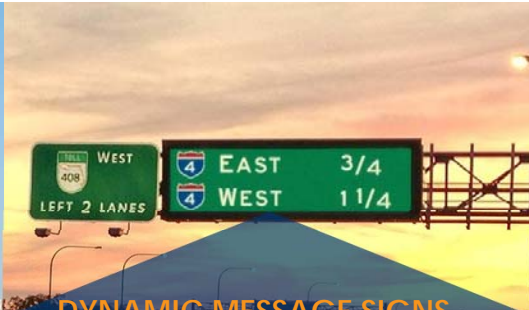
Media Players & Processors

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





BLUE SERIES VIDEO DISPLAYS



DYNAMIC MESSAGE SIGNS



MESSAGE CENTERS



GOLD SERIES VIDEO DISPLAYS



TECHNOLOGY



CONTROL SYSTEMS



DIGITAL BILLBOARDS



QUESTIONS

10 YEAR HISTORY SUPPLEMENTAL INFORMATION

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Net sales	\$580,681	\$393,185	\$441,676	\$489,526	\$518,322	\$551,970	\$615,942	\$570,168	\$586,539	\$610,531
Gross profit	155,358	94,556	111,484	113,437	133,894	141,710	144,579	121,019	140,415	145,669
Operating expenses	112,741	101,286	91,957	103,162	103,294	105,153	113,294	118,524	124,994	133,209
Operating income	42,617	(6,730)	19,527	10,275	30,600	36,557	31,285	2,495	15,421	12,460
Net income	26,428	(6,989)	14,244	8,489	22,779	22,206	20,882	2,061	10,342	5,562
Gross profit percentage	26.8%	24.0%	25.2%	23.2%	25.8%	25.7%	23.5%	21.2%	23.9%	23.9%
Operating margin percentage	7.3%	(1.7%)	4.4%	2.1%	5.9%	6.6%	5.1%	0.4%	2.6%	2.0%
Weighted average diluted shares outstanding	41,152	40,908	42,277	42,304	42,621	43,762	44,443	44,456	44,303	44,873
Diluted earnings per share	0.64	(0.17)	0.34	0.20	0.53	0.51	0.47	0.05	0.23	0.12
Cash dividend per share	0.09	0.10	0.60	0.62	0.73	0.39	0.40	0.40	0.31	0.28
Working capital	\$107,405	\$118,625	\$128,160	\$119,833	\$125,456	\$140,532	\$149,075	\$123,714	\$127,130	\$132,224
Total assets	324,876	305,851	327,847	315,967	319,418	357,451	379,479	349,948	355,433	358,800
Shareholders' equity	211,911	207,053	203,102	190,805	188,246	203,119	212,039	201,067	198,286	197,616
Backlog	120,000	127,000	131,000	123,000	141,000	172,000	191,000	181,000	203,000	170,820
Product design and development expense	\$21,619	\$21,920	\$18,949	\$23,507	\$23,131	\$23,375	\$24,652	\$26,911	\$29,081	\$35,530
Capital expenditures	22,888	16,121	9,386	16,524	9,674	13,519	21,837	17,056	8,502	18,127
Depreciation and amortization expense	24,448	22,260	19,641	17,518	15,607	14,501	15,136	16,943	19,392	17,784
Cash flow from operations	48,731	43,784	41,346	20,038	50,749	36,199	53,513	13,581	39,389	30,361
Regular dividend per share	0.09	0.10	0.10	0.22	0.23	0.39	0.40	0.40	0.27	0.28
Special dividend per share	-	-	0.50	0.40	0.50	-	-	-	0.04	-
Employees as of year-end:										
Full-time	2,500	2,100	2,100	2,300	2,210	2,280	2,420	2,470	2,405	2,405
Part-time and students	1,000	400	500	520	410	390	330	315	304	308
Stock price during fiscal year:										
High	\$ 21.32	\$ 9.88	\$ 17.30	\$ 11.81	\$ 12.40	\$ 15.80	\$ 14.47	\$ 12.24	\$ 11.00	\$ 10.86
Low	5.69	7.00	7.30	7.68	6.39	9.63	10.03	6.90	6.00	8.54
Stock price at fiscal year-end	8.96	8.37	10.72	8.46	9.57	13.06	10.75	8.70	9.46	9.01
EBITDA	67,065	15,530	39,168	27,793	46,207	51,058	46,421	19,438	34,813	30,244

