

TECHNICAL & PROFESSIONAL SERVICES

DYNAMIC MESSAGE SIGNS

VIDEO BOARDS & MESSAGE CENTERS



Fiscal Second Quarter 2026 Results Call

December 10, 2025
NASDAQ: DAKT

INDOOR HIGH RESOLUTION

CONTROL SYSTEMS

DIGITAL BILLBOARDS



SAFE HARBOR STATEMENT

Forward-Looking Statements:

In addition to statements of historical fact, this presentation contains forward-looking statements within the meaning of the federal securities laws and is intended to receive the protections of such laws.

All statements, other than historical facts, included or incorporated in this release could be deemed forward-looking statements, particularly statements that reflect our expectations or beliefs of Daktronics, Inc. (the "Company," "Daktronics," "we," or "us") concerning future events or our future financial performance. You are cautioned not to place undue reliance on forward-looking statements, which are often characterized by discussions of strategy, plans, or intentions or by the use of words such as "may," "would," "could," "should," "will," "expect," "estimate," "anticipate," "believe," "intend," "plan," "forecast," "project," "predict," "potential," "continue," or "intend," the negative or other variants of such terms, or other comparable terminology. The Company cautions that these forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from our expectations as a result of various factors, including, but 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, 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, expansion into new geographical markets, the Company's recent leadership transition, transformation initiatives, future strategy, and other risks described in the Company's Annual Report on Form 10-K for its 2025 fiscal year (the "Form 10-K") and in other reports filed with or furnished to the U.S. Securities and Exchange Commission (the "SEC") by the Company. You should carefully consider the trends, risks, and uncertainties described in this presentation, the Form 10-K, and other reports filed with or furnished to the SEC by the Company before making any investment decision with respect to our securities. If any of these trends, risks, or uncertainties continues or occurs, our business, financial condition, or operating results could be materially and adversely affected, the trading prices of our securities could decline, and you could lose part or all of your investment.

Forward-looking statements are made in the context of information available as of the date of this presentation and are based on our current expectations, forecasts, estimates, and assumptions. The Company undertakes no obligation to update or revise such statements to reflect circumstances or events occurring after this presentation except as may be required by applicable law. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

Non-GAAP Measures:

This presentation contains certain measures that are not defined terms under U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures should not be considered in isolation or as a substitute for, or superior to, measures of liquidity or performance prepared in accordance with GAAP and may not be comparable to calculations of similarly titled measures by other companies. See the Appendix for a description of these financial measures and a reconciliation of all such non-GAAP financial measures to the most directly comparable GAAP financial measures.



FQ2 2026 BUSINESS REVIEW



- Solid quarter results, exemplary execution, delivering revenue and profit expansion
 - Notable installs include Miami Freedom Park (MLS), Baltimore Orioles (MLB), Aramco Stadium (Saudi Arabia), Zayed Sports City (Abu Dhabi), Philly Airport, San Antonio Spurs (NBA), University of Buffalo Football, Cincinnati Convention Center (Digital Signage System)
- Third consecutive quarter of top-line growth
- Continued profitability improvement through value-based pricing with guardrails and operational efficiencies
 - Second quarter of driving operating income over \$20 million
 - Staying responsive and flexible in dynamic environment
- Product backlog of \$321 million – up 36% - creates multi-quarter revenue runway
 - Orders +12% year-over-year

MARKET VERTICALS – FQ2 REVIEW



Live Events

- Won six Major League Sports projects - three MLB and three MLS Stadium projects
- Professional Sports demand remains strong
- Q2 Orders +26.5% YoY
- Pictured is CHI Health Center in Omaha, Nebraska, featuring the first complete 2.5-millimeter center hung display system.



Commercial

- On Premise continues growth after a strong Q1
- OOH opportunity pipeline expands for Independent Billboard Operators
- Spectaculars remains highly competitive
- Q2 Orders -5.1% YoY
- Pictured is new install for Park Outdoor, Syracuse, NY



Transportation

- Strong quarter for Parking solutions
- Awarded 5-year Utah Intelligent Transportation System procurement contract
- Improved brand position for indoor solutions for both Aviation and Traffic Management Centers
- Q2 Orders +15.2% YoY
- Pictured is Spokane Airport Parking Display



International

- Strong orders in the Middle East and Europe regions. Majority coming from Advertising, Stadium and Transportation customers.
- Demand for indoor solutions remains high for multiple markets, especially Government.
- Q2 Orders +23.6% YoY
- Pictured is a large Digital Billboard installed at The Metropolitan in Dubai



High School Park & Recreation

- After record Q1, Q2 orders were comparable YoY
- Continue to win projects by leveraging strong value propositions and market differentiators
- Pictured is a Video Display system at Dak Prescott's home high school – Haughton High School, Haughton, LA

INCREASING GLOBAL MANUFACTURING AGILITY

Current Footprint

US

- ✦ Brookings and Sioux Falls, SD – 1,067,000 square feet
- ✦ Redwood Falls, MN – 151,000 square feet

International

- ✦ Ennistymon, Ireland – 62,000 square feet
- ✦ Shanghai, China – 157,000 square feet

New Facility

International

- ✦ Saltillo, Mexico – similar operationally to our Ireland facility; potential for expansion – facility affords:
 - Favorable trading relations with US
 - Favorable trading relationships with key supplier countries
 - Similar in size to Ireland factory
 - Location planned to commence production EOY F2026
 - Increases agility of global production capacity



FY 2026 Q2 KEY PRODUCT DEVELOPMENTS



New Product Offerings

- Q2 Milestones
 - Indoor Narrow Pixel Pitch – added additional models to our US market chip-on-board (COB) product offering
 - Next Gen cost optimized Digital Billboard series - BLD-0400
 - All Sport Lite mobile scoring App
 - Venus Control Suite Live – cloud hosted content management system tailored for Live Event Venues
- FY26 Planned Releases
 - Next generation LED Street Furniture
 - Next generation Indoor video
 - Large Digit Fuel Price System



Indoor Narrow Pixel Pitch – Sporting Kansas City – Children's Mercy Park (Kansas City, Kansas)



All Sport Lite Mobile Scoring App

Transformation: Momentum from Launched Initiatives, Next 6 Months Focus – FQ2 UPDATE

Driving profitable growth

- Value-based pricing changes – service parts and certain products – **on track**
- Launch of SaaS product trials to target customers – ✓
- Prioritizing high-growth international geographies and segments – **on track**
- Digital Transformation projects to deliver efficient processes, modernized technologies, and data insights, all driving measurable value to our customers including:
 - Enhancing our subscription software to support expected SaaS growth – **on track**
 - Overhauling our quoting platform to make it easier to do business with – **on track**
- Launched a modernized service system in May 2025 – ✓
- Launching AI Guided Troubleshooting Tools within Technical Services - ✓

Driving down costs

- Operational efficiency reviews & implementation across all manufacturing sites - **on track**
- Faster inventory turnover and improved efficiency – ✓
- Align operations with anticipated evolution in underlying technologies - **on track**
- Leveraging purchasing power on input costs ✓
- Reduced product complexity and speed to market – **on track**
- Aggressively renegotiating key supply contracts ✓



FQ2 FY2026 FINANCIAL HIGHLIGHTS

(\$ in millions, except per share data)

	<u>FQ2 2025</u>	<u>FQ1 2026</u>	<u>FQ2 2026</u>
Orders	\$177.6	\$238.5	\$199.1
Net sales	\$208.3	\$219.0	\$229.3
<i>Gross margin</i>	26.8%	29.7%	27.0%
Operating income	\$15.8	\$23.3	\$21.6
<i>Operating margin</i>	7.6%	10.6%	9.4%
Adjusted net income	\$13.9	\$16.5	\$17.5
YTD Return on Average Equity	6.6%		11.9%

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

(1) Orders and backlog are operating measures not defined by accounting principles generally accepted in the United States of America ("GAAP"), and our methodology for determining orders and backlog may vary from the methodology used by other companies in determining their orders and backlog amounts. For more information related to backlog, see Part I, Item 1, Business of our Annual Report on Form 10-K for the fiscal year ended April 26, 2025. This release does not include a reconciliation of orders or backlog, as it would be impractical to do so without unreasonable effort.

(2) Adjusted net income. We disclose adjusted net income as a non-GAAP financial measurement in order to report our results exclusive of items that are non-recurring or not core to our operating business. We believe presenting this non-GAAP financial measurements provides investors with a consistent way to analyze our performance. There was no adjustment to net income in the first quarter of fiscal 2026. Adjusted net income for the first quarter of fiscal 2025 was \$16.6 million. Adjusted net income for the fourth quarter of fiscal 2025 was \$8.8 million.



SEGMENT REVENUE

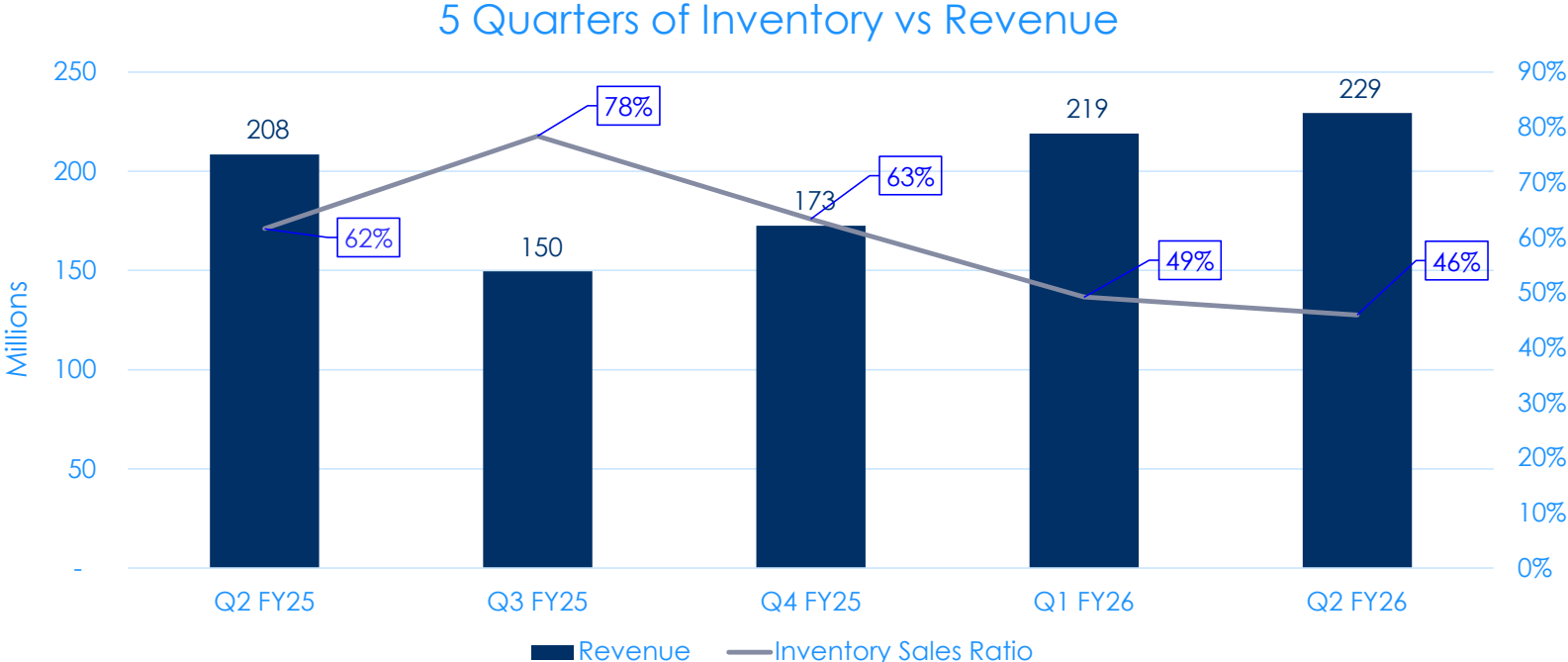
	<u>FQ2</u> <u>2025</u>	<u>% of total</u>	<u>FQ1</u> <u>2026</u>	<u>% of total</u>	<u>FQ2</u> <u>2026</u>	<u>% of total</u>	<u>FQ2 2026</u> <u>Gross Profit</u> <u>Margin</u>
Live Events	\$77.2	37%	\$79.8	36%	\$81.5	36%	24%
High School Parks and Recreation	48.1	23%	59.3	27%	46.0	20%	31%
Commercial	43.4	21%	46.2	21%	50.7	22%	26%
Transportation	21.5	10%	16.6	8%	21.3	9%	39%
International	18.1	9%	17.1	8%	29.8	13%	27%
Total Revenue	\$208.3		\$219.0		\$229.3		

SEGMENT PRODUCT BACKLOG

	<u>FQ2 2025</u>	<u>FQ1 2026</u>	<u>FQ2 2026</u>	<u>Estimated remaining Backlog after Q3</u>
Live Events	\$96.3	\$164.2	\$165.7	\$96.6
High School Parks and Recreation	37.8	64.6	54.3	25.3
Commercial	42.0	51.6	40.2	9.4
Transportation	45.1	50.3	42.2	25.3
International	14.8	29.6	18.2	6.3
Total Backlog	\$236.0	\$360.3	\$320.6	\$162.9

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INVENTORY AND REVENUE



FQ2: BALANCE SHEET STRENGTH

Net cash balance at QE = \$138.3 million vs \$115.5 million at prior YE

Share repurchase = \$12.2 million YTD @ \$16.38 VWAP

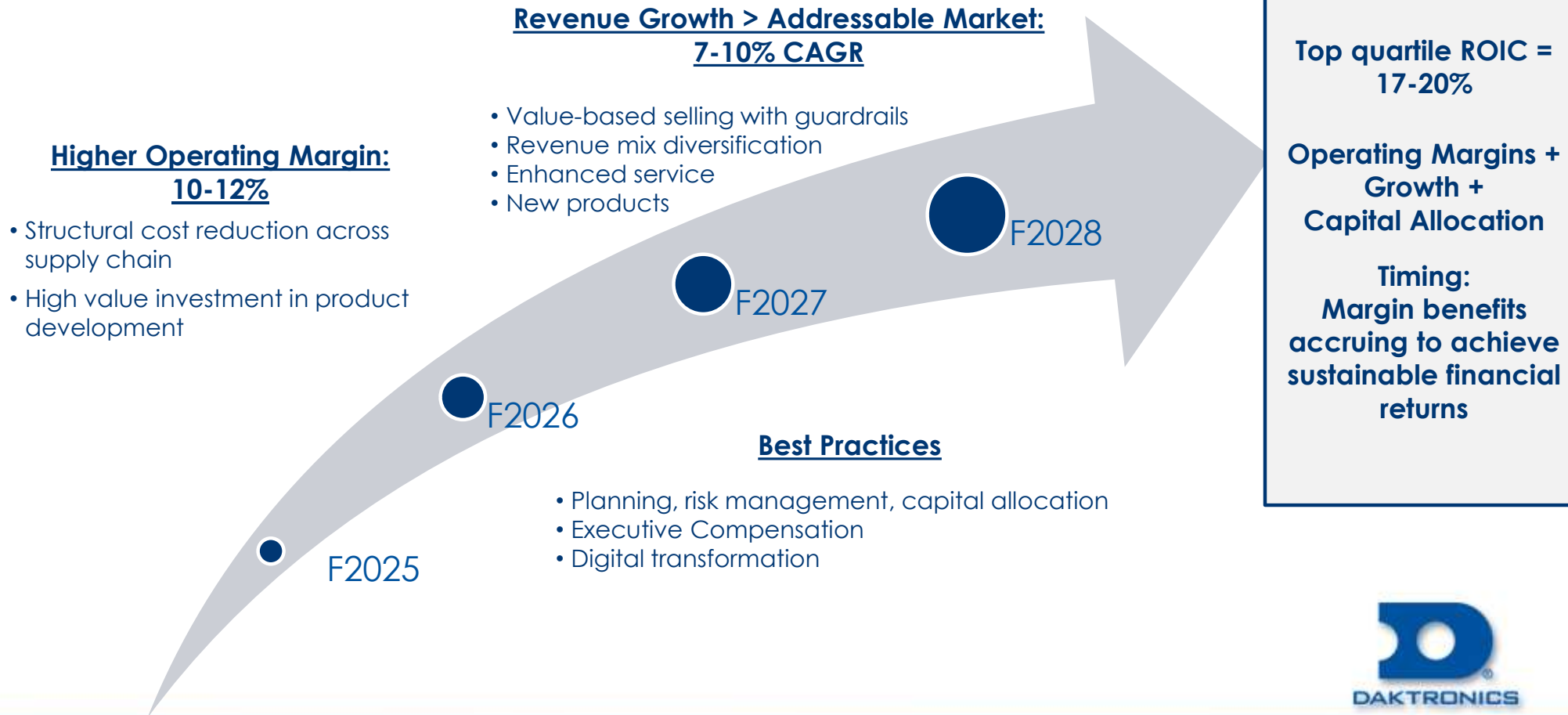
As of today, Share Repurchase Program capacity increased to \$25.7 million, which includes an additional \$20 million authorized by the Board

Replaced asset-based bank credit facility with more flexible, lower cost cash flow facility

FINANCIAL SUMMARY AND OUTLOOK

- Solid quarter of double-digit revenue growth
- Maintaining improved operating margins
- Strong backlog coming into Q3 with multi-quarter runway that smooths out revenue generation over time
- Balance sheet strength provides flexibility for capital optimization
- Q3 typically seasonally slower but targeting YOY revenue growth
- Continued investment in technology-leading, innovative products and services
- Focus on services creates more recurring and less capital-intensive revenue streams – additive to ROIC
- Increased share repurchase capacity
- Planning INVESTOR DAY for early April !

FY26-28 TRANSFORMATION PLAN



BUSINESS SUMMARY AND OUTLOOK

- Backlog growth - Capturing demand and driving revenue tailwind
- Expanding opportunity pipeline of market opportunities supporting growth objectives
- Efficient revenue conversion and successful inventory, supply chain, manufacturing and cost management
- Adding manufacturing capacity in Mexico and Ireland – adds flexibility and complements 80% product fulfilment currently completed in US
- Focused on differentiated, industry-leading product introductions and supporting growth through high-return product R&D
- Transformation plan execution and benefits demonstrated in results – On track with roadmap and 3-year growth, profitability and return targets

Staying responsive and flexible in dynamic environment



North Oldham High School
Goshen, Kentucky

APPENDIX

NET SALES AND ORDERS BY BUSINESS UNIT

(\$ in thousands)

<i>(in thousands)</i>	Three Months Ended				Six Months Ended			
	November 1, 2025	October 26, 2024	Dollar Change	Percent Change	November 1, 2025	October 26, 2024	Dollar Change	Percent Change
Net Sales:								
Commercial	\$ 50,752	\$ 43,439	\$ 7,313	16.8 %	\$ 96,919	\$ 77,638	\$ 19,281	24.8 %
Live Events	81,481	77,207	4,274	5.5	161,281	185,815	(24,534)	(13.2)
High School Park and Recreation	45,967	48,071	(2,104)	(4.4)	105,314	96,077	9,237	9.6
Transportation	21,274	21,478	(204)	(0.9)	37,849	43,968	(6,119)	(13.9)
International	29,779	18,136	11,643	64.2	46,862	30,921	15,941	51.6
	<u>\$ 229,253</u>	<u>\$ 208,331</u>	<u>\$ 20,922</u>	<u>10.0 %</u>	<u>\$ 448,225</u>	<u>\$ 434,419</u>	<u>\$ 13,806</u>	<u>3.2 %</u>
Orders:								
Commercial	\$ 42,281	\$ 44,548	\$ (2,267)	(5.1)%	\$ 86,504	\$ 86,670	\$ (166)	(0.2)%
Live Events	89,228	70,524	18,704	26.5	181,447	121,423	60,024	49.4
High School Park and Recreation	35,678	35,838	(160)	(0.4)	98,932	82,285	16,647	20.2
Transportation	14,076	12,222	1,854	15.2	35,985	34,981	1,004	2.9
International	17,872	14,458	3,414	23.6	34,810	28,401	6,409	22.6
	<u>\$ 199,135</u>	<u>\$ 177,590</u>	<u>\$ 21,545</u>	<u>12.1 %</u>	<u>\$ 437,678</u>	<u>\$ 353,760</u>	<u>\$ 83,918</u>	<u>23.7 %</u>

(1) Orders and backlog metrics are non-GAAP measures, 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 26, 2025.



RECONCILIATION OF FREE CASH FLOW ⁽¹⁾

(\$ in thousands, unaudited)

	Six Months Ended	
	November 1, 2025	October 26, 2024
Net cash provided by operating activities	\$ 42,604	\$ 62,820
Purchases of property and equipment	(6,761)	(10,466)
Proceeds from sales of property and equipment	299	124
Free cash flow	<u>\$ 36,142</u>	<u>\$ 52,478</u>

(1) In evaluating its business, Daktronics considers and uses free cash flow as a key measure of its operating performance. The term free cash flow is not defined under accounting principles generally accepted in the United States of America ("GAAP") and is not a measure of operating income, cash flows from operating activities or other GAAP figures and should not be considered alternatives to those computations. Free cash flow is intended to provide information that may be useful for investors when assessing period to period results.



RECONCILIATION OF ADJUSTED OPERATING INCOME⁽¹⁾

(\$ in thousands, unaudited)

	Three Months Ended		Six Months Ended	
	November 1, 2025	October 26, 2024	November 1, 2025	October 26, 2024
Operating income (GAAP Measure)	\$ 21,563	\$ 15,770	\$ 44,835	\$ 38,486
Consultant related expenses associated with business transformation initiatives	—	3,344	—	4,299
Adjusted operating income (non-GAAP measure)	\$ 21,563	\$ 19,114	\$ 44,835	\$ 42,785

(1) Adjusted operating income. We disclose adjusted net income as a non-GAAP financial measurement in order to report our results exclusive of items that are non-recurring or not core to our operating business. We believe presenting this non-GAAP financial measurements provide investors with a consistent way to analyze our performance.



RECONCILIATION OF ADJUSTED NET INCOME⁽¹⁾

(\$ in thousands, unaudited)

	Three Months Ended		Six Months Ended	
	November 1, 2025	October 26, 2024	November 1, 2025	October 26, 2024
Net income	\$ 17,481	\$ 21,406	\$ 33,951	\$ 16,460
Consultant related expenses associated with business transformation initiatives, net of taxes	—	2,842	—	2,786
Change in fair value of convertible note	—	(10,304)	—	11,286
Adjusted net income	\$ 17,481	\$ 13,944	\$ 33,951	\$ 30,532

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RECONCILIATION OF LONG-TERM DEBT

(\$ in thousands, unaudited)

	November 1, 2025	April 26, 2025
Mortgage	\$ 11,500	\$ 12,375
Long-term debt, gross	11,500	12,375
Debt issuance costs, net	(201)	(388)
Current portion	(1,500)	(1,500)
Long-term debt, net	<u>\$ 9,799</u>	<u>\$ 10,487</u>

