

LSI Industries Acquisition of JSI Store Fixtures

May 25, 2021



Disclaimer

Forward-Looking Statements



This press release contains forward-looking statements. Forward-looking statements may be identified by words such as “estimates,” “anticipates,” “encourage,” “projects,” “plans,” “expects,” “can,” “intends,” “believes,” “seeks,” “may,” “will,” “should,” or the negative versions of those words and similar expressions and by the context in which they are used. Such statements, whether expressed or implied, are based upon current expectations of the Company and speak only as of the date made. Actual results could differ materially from those contained in or implied by such forward-looking statements as a result of a variety of risks and uncertainties over which the Company may have no control. These risks and uncertainties include, but are not limited to, risks that the benefits from the transaction may not be fully realized or may take longer to realize than expected, including as a result of changes in general economic and market conditions, interest and exchange rates, monetary policy, laws and regulations and their enforcement, and the degree of competition in the geographic and business areas in which LSI and JSI operate; uncertainties regarding the ability of LSI and JSI to promptly and effectively integrate their businesses; uncertainties regarding the reaction to the transaction of the companies’ respective customers, employees, and counterparties; and risks relating to the diversion of management time on transaction-related issues. For details on additional risks and uncertainties that may cause our actual results to be materially different than those expressed in our forward-looking statements, visit <https://investors.lsicorp.com> as well as our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q which contain risk factors. The Company does not undertake and hereby disclaims any duty to update any forward-looking statements to reflect subsequent events or circumstances.

JSI Transaction Overview

Building our Presence Within Growing, Complementary Vertical Markets



Transaction Terms

- Transaction closed on May 21, 2021
- LSI acquired JSI Fixtures from RFE Investment partners for a cash purchase price of \$90 million
- LSI funded the acquisition of JSI through existing cash and availability under its \$100 million credit facility

Financial Highlights

- JSI generated full-year 2020 revenue and Adjusted EBITDA of \$70 million and \$10 million, respectively
- JSI provides attractive revenue growth, margin expansion and immediate adjusted EPS accretion
- LSI anticipates the pro-forma ratio of net debt outstanding to trailing 12-month adjusted EBITDA of 2.6x

Timing and Transition

- JSI integration process will commence immediately
- JSI senior leadership to remain with combined organization
- LSI retaining all 300+ employees and existing sites
- JSI to remain an independent commercial brand

Positions LSI to Become a Higher-Growth, Higher-Margin Provider of Commercial Lighting and Retail Display Solutions

Compelling Transaction Rationale

Building a Leading Commercial Lighting and Retail Display Solutions Company



Creates a Diversified Business of Scale with Meaningful Cross-selling Opportunities

- LSI will become a leading provider of lighting and merchandising solutions to the North American supermarket, convenience and specialty store channels
- JSI's established presence within the grocery channel, together with LSI's market leadership position within the petroleum convenience store and QSR channels, are highly complementary to one another, creating the potential for significant, multi-year revenue synergies



Compelling Growth Platform Within Strategic, Growing Market Vertical

- JSI is one of the largest retail merchandising solutions companies in North America, with a diverse base of recurring, long-term customers.
- JSI's annual sales have consistently outpaced industry growth in recent years, driven by significant market share gains across channels
- LSI estimates the North American remote refrigeration and fixtures market to be approximately \$1.7 billion annually and growing



Capitalizes on Significant, Multi-Year Investment Cycle Within the Grocery Channel

- Increased investment in store remodels, evolving formats, cost-efficient energy-saving solutions and fresh grab-and-go options have driven increased customer appetite for aesthetically appealing, compliant refrigeration solutions and fixtures
- LSI believes its time-on-site and share-of-wallet for its lighting and graphics solutions in the grocery vertical will be significantly enhanced by the acquisition of JSI



Transaction is Immediately Accretive to Adjusted Earnings Per Share

- JSI is expected to deliver meaningful per share accretion to LSI in the first year, excluding expectations for significant acquisition-related revenue synergies.
- LSI anticipates a combination of continued, above-market revenue growth, together with significant opportunities for additional margin expansion, have the potential to support incremental accretion, over time.

JSI Store Fixtures

JSI is a Leading Provider of Retail Display Solutions to Grocery & C-Store Verticals



Established Market Leader

- **Milo, Maine** corporate headquarters
- **30** years of industry experience
- **4** Facilities throughout North America
- **255,000+** SF of manufacturing space
- **300+** non-union employees

\$2.2 Billion Total Addressable Market



Grocery Stores

\$1.9 Billion TAM

Complete bundled food equipment product offering to serve the entire perimeter of the store that maintains freshness, promotes food safety and drives customer sales & ROI



Convenience Stores

\$330 Million TAM

Leverage bundled food equipment portfolio to further penetrate market and poised for aggressive growth with new and existing customers

Rapidly Growing, High-Margin Manufacturer of Merchandising Solutions

1

Attractive Market Fundamentals

Multi-channel growth opportunity in \$2.2 billion market that is expected to see continued growth; significant opportunity beyond core grocery end-market

2

Unique Value Proposition

Technically-advanced, aesthetically-designed food equipment that drives same-store sales growth and customer loyalty

3

Long-Term Multi-Channel Customer Relationships

Long-term, blue-chip core customer base; average tenure of ~15 years among top accounts, with exceptionally high retention rate; significant recent growth into Western U.S and Canada

4

Integrated Model

Engineering, design, manufacturing, quality control, compliance and sales are all managed in-house; strategic footprint that serves national clients with on-demand solutions

5

Credible Track Record

Experienced management team that has driven consistent revenue growth and margin expansion through new product launches, market share gains, and tuck-in acquisitions

JSI has a Unique Value Proposition with Multiple Organic and Inorganic Growth Opportunities

JSI has an Established, Multi-Channel Product Portfolio

JSI's Innovative Products Maintain Freshness, Promote Food Safety, Drive Traffic

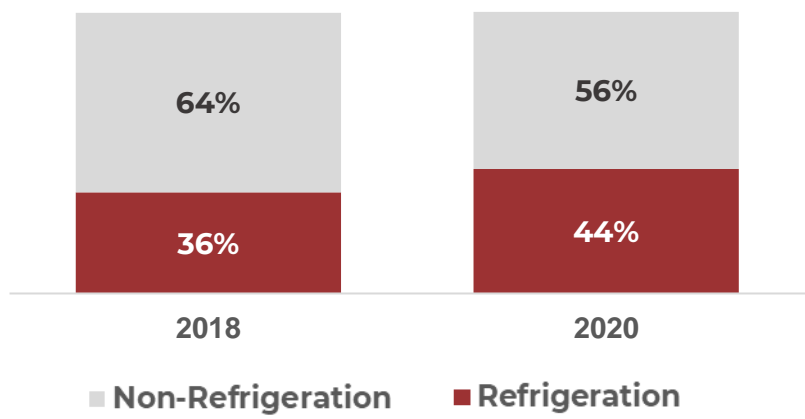


Diversified Based of Large, Long-Tenured National Customer Accounts

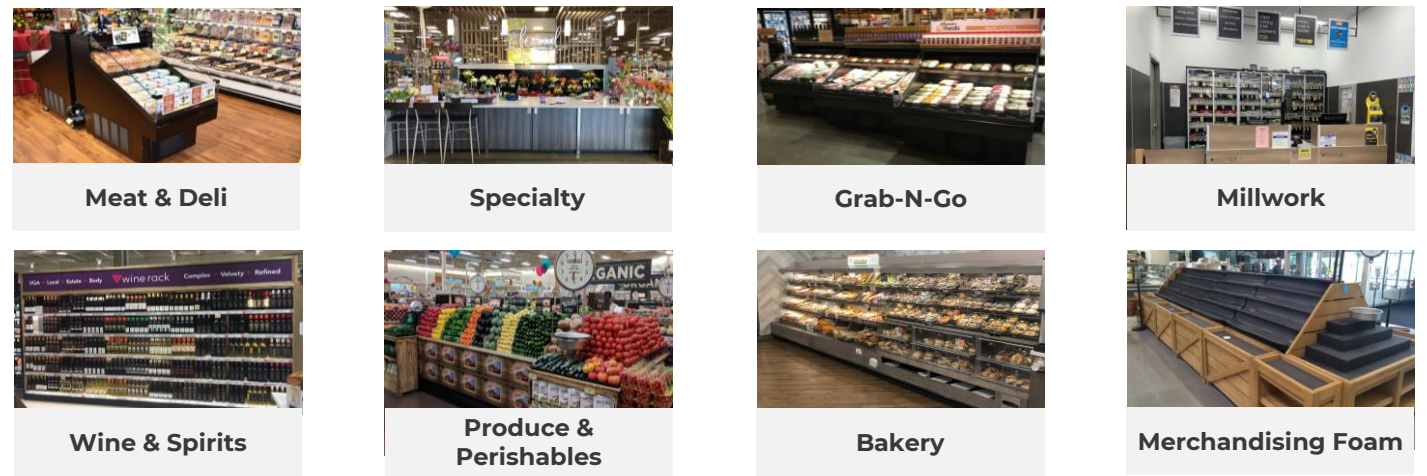
- JSI serves **13 of the top 20** pure-play NA grocers
- Average customer tenure is **15 years**
- Organic growth in refrigeration is **innovation-driven**
- **Pharmacy, QSR and foodservice** represent additional adjacent market opportunities



Growth Within Higher-Value Refrigeration



Established Bundled Food Equipment Product Portfolio



Organic Growth in Higher-Margin Refrigeration Revenue Has Contributed to Sustained Margin Expansion

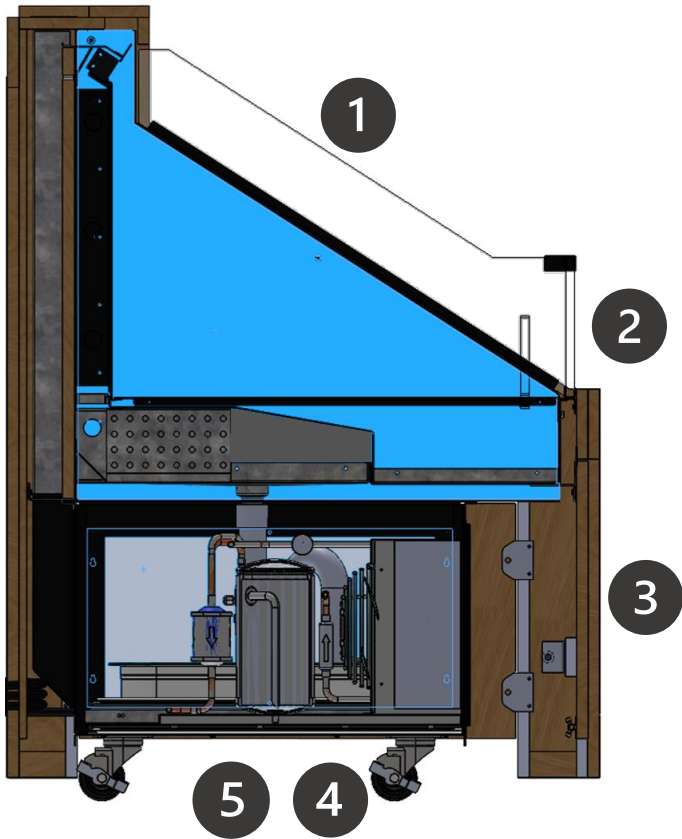
JSI is the Industry's Only "Bundled Solution" Provider

Technically Advanced, Aesthetically-Designed Food Equipment



Technically-Advanced Refrigeration Capabilities + Complete Merchandising Solutions

- | | |
|---|---|
| 1 | Manufacturing capabilities in both self-contained and remote refrigeration |
| 2 | Maintains critical temperature at a variety of custom settings |
| 3 | Customer finish options such as wrapped in wood to match "farm-to-table" look |
| 4 | Easy maintenance for service technicians |
| 5 | Highly reliable componentry abiding by all regulatory requirements |



- 1 Compatibility with protection accessories
- 2 Ability to customize stains and finishes to enable the same look across entire store
- 3 Ability to cross-merchandise
- 4 Ability to bundle refrigerated and non-refrigerated food equipment

"One-Stop" Bundled Food Equipment Solutions Represent 80% of JSI's Annual Sales

JSI Has a Scalable, Vertically-Integrated Model

Strategic Footprint Capable of Serving Deep Base of National Accounts

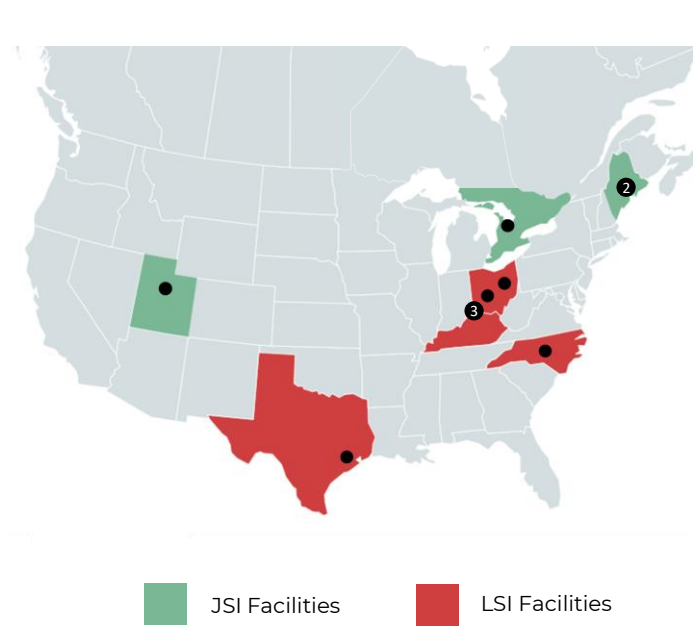


Fully-Integrated Model

- Strategically located facilities equipped to serve existing customers and target new customer opportunities
- Current footprint can generate **+\$100m in annual sales with minimal investment** in capital equipment and additional labor
- Since 2015, **invested \$5 million** to improve efficiency, increase capacity, and prepare for long-term growth
- Refrigeration has been engineered down to the componentry, which is sourced from trusted partners and assembled in-house
- “One-Stop” production capabilities** for bundled refrigeration and non-refrigeration food equipment

250,000+ SF of One-Stop Production Capabilities

- Milo, Maine**
75,000 square feet
Corporate & Manufacturing
- Bangor, Maine**
65,000 square feet
R&D, Manufacturing
- Payson, Utah**
61,000 square feet
Manufacturing
- Collingwood, Ontario**
77,000 square feet
Manufacturing







Scalable Asset Base Capable of Serving High Volume of Recurring National Customer Orders on an On-Demand Basis

JSI Acquisition Provides Compelling Growth Platform

LSI will Become a Higher-Growth, Higher-Margin, Less Cyclical Business



			 
Facilities	7	4	11
Employees	~1,100	~300	~1,400
Annual Revenue⁽¹⁾	~\$306 million	~\$70 million	~\$376 million
Annual Adj. EBITDA⁽¹⁾	~\$15 million	~\$10 million	~\$25 million
TTM Adj. EBITDA Margin⁽¹⁾	~5%	~14%	~7%

(1) Reflects LSI fiscal 2020 financial performance; JSI calendar 2020 financial performance

LSI is on Pace to Achieve \$500 Million of Revenue and \$50 Million of Adjusted EBITDA by Fiscal 2025

Executing on Our Vertical Market Strategy

JSI is Expected to Achieve Immediate Accretion in Year One Post-Transaction



Compelling Investment Thesis

Combined Business is Higher-Growth and Higher-Margin

JSI accelerates LSI revenue growth and margin

JSI drives LSI Adjusted EPS accretion

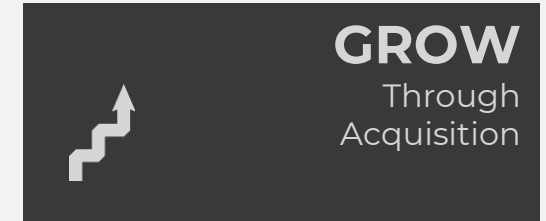
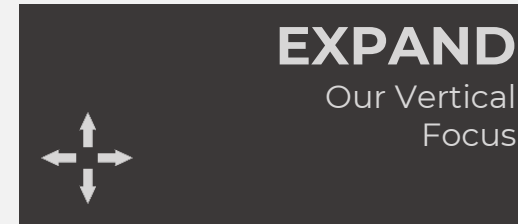
JSI expands product and services offering to new and existing customers

LSI-JSI combination drives rapid de-leveraging

On-track to achieve 2025 financial targets

Execution on Core, Long-Term Strategy

Positioned for Profitable Growth



Combination of LSI's graphics signage and JSI's display fixtures businesses, together with LSI's deep portfolio of lighting and program management solutions, provide a compelling, one-stop value proposition

JSI Acquisition Provides Compelling Value Creation Potential for LSI Shareholders