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Per Brodin, CFO
Mike Jenkins, COO

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ORION ENERGY SYSTEMS, INC.

Providing energy saving LED lighting systems and
turnkey project implementation

NASDAQ: OESX



SAFE HARBOR



Certain matters discussed in this press release, including under the headings "Q1 Financial Highlights", "CEO Commentary", "Business Outlook", and "Financial Results" are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements may generally be identified as such because the context of such statements will include words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or words of similar import. Similarly, statements that describe our future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause results to differ materially from those expected, including, but not limited to, the following: (i) our ability to manage general economic, business and geopolitical conditions, including the impacts of natural disasters, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as the COVID-19 pandemic; (ii) the deterioration of market conditions, including our dependence on customers' capital budgets for sales of products and services, and adverse impacts on costs and the demand for our products as a result of factors such as the COVID-19 pandemic and the implementation of tariffs; (iii) our ability to adapt and respond to supply chain challenges, especially related to shipping and logistics issues, component availability, rising input costs, and a tight labor market; (iv) our ability to recruit, hire and retain talented individuals in all disciplines of our company; (v) our ability to successfully launch, manage and maintain our refocused business strategy to successfully bring to market new and innovative product and service offerings; (vi) our recent and continued reliance on significant revenue to be generated in fiscal 2023 from the lighting and controls retrofit projects for two major global logistics companies; (vii) our dependence on a limited number of key customers, and the potential consequences of the loss of one or more key customers or suppliers, including key contacts at such customers; (viii) our ability to identify and successfully complete transactions with suitable acquisition candidates in the future as part of our growth strategy; (ix) the availability of additional debt financing and/or equity capital to pursue our evolving strategy and sustain our growth initiatives; (x) our risk of potential loss related to single or focused exposure within the current customer base and product offerings; (xi) our ability to sustain our profitability and positive cash flows; (xii) our ability to differentiate our products in a highly competitive and converging market, expand our customer base and gain market share; (xiii) our ability to manage and mitigate downward pressure on the average selling prices of our products as a result of competitive pressures in the light emitting diode ("LED") market; (xiv) our ability to manage our inventory and avoid inventory obsolescence in a rapidly evolving LED market; (xv) our increasing reliance on third parties for the manufacture and development of products, product components, as well as the provision of certain services; (xvi) our increasing emphasis on selling more of our products through third party distributors and sales agents, including our ability to attract and retain effective third party distributors and sales agents to execute our sales model; (xvii) our ability to develop and participate in new product and technology offerings or applications in a cost effective and timely manner; (xviii) our ability to maintain safe and secure information technology systems; (xix) our failure to comply with the covenants in our credit agreement; (xx) our ability to balance customer demand and production capacity; (xxi) our ability to maintain an effective system of internal control over financial reporting; (xxii) price fluctuations (including as a result of tariffs), shortages or interruptions of component supplies and raw materials used to manufacture our products; (xxiii) our ability to defend our patent portfolio and license technology from third parties; (xxiv) a reduction in the price of electricity; (xxv) the reduction or elimination of investments in, or incentives to adopt, LED lighting or the elimination of, or changes in, policies, incentives or rebates in certain states or countries that encourage the use of LEDs over some traditional lighting technologies; (xxvi) the cost to comply with, and the effects of, any current and future industry and government regulations, laws and policies; (xxvii) potential warranty claims in excess of our reserve estimates; and (xxviii) the other risks described in our filings with the Securities and Exchange Commission. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this press release and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, which are available at <http://www.sec.gov> or at <http://investor.orion.com/> in the Investor Relations section of our Website.

MISSION



We help our customers achieve their sustainability, energy savings and carbon footprint reduction goals through innovative technology and exceptional service.

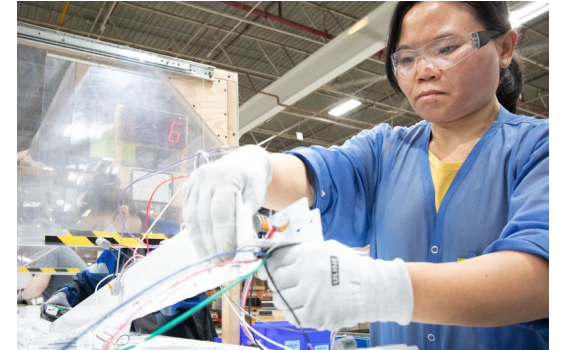


ORION AT A GLANCE



Orion systems provide:

- LED lighting, controls and IoT systems to the commercial and industrial markets
- Substantial reduction in energy costs and carbon footprint
- Significant improvement in quality of light
- Enhanced work environments, safer facilities
- Innovative technology with highest Lumen per Watt performance
- Turnkey capabilities, impressive lead times, U.S. manufacturing
- “One source solutions” and exceptional customer service



Pictured: Orion's 266,000 s.f. Wisconsin manufacturing facility

ABOUT ORION ENERGY SYSTEMS

MAIN PRODUCTS

HIGH BAY	TROFFER	LINEAR	ENCLOSED	EXTERIOR	IOT CONTROLS	CUSTOM SOLUTIONS
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PATHS TO MARKET

Direct to End Users

ESCOs

Distribution

MARKETS

Industrial

Logistics

Commercial

Healthcare

Retail

Agriculture

Automotive

Public Sector

SERVICES

Turnkey Installation

Maintenance



Industrial
Delta Faucet



Exterior
Lexus of Sacramento



Healthcare
Jacksonville Surgery Center



Agriculture
Kinnard Dairy

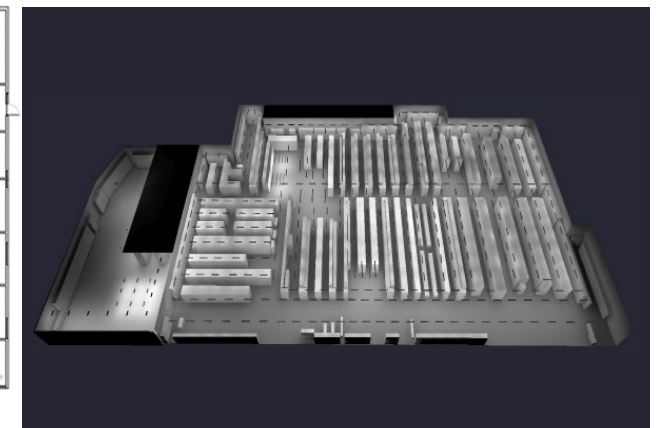


Education
Spencer School District

ORION SERVICES GROUP: One Source Solutions

100% turnkey solutions throughout North America:

- Project engineering and design
- Facility survey and auditing
- Custom fixture design
- Fixture manufacturing
- Project logistics and warehousing
- Construction management and installation services
- IoT systems integration and commissioning
- Rebate analysis and processing
- Project financing
- Warranty services
- Electrical and lighting maintenance



LONG TERM CUSTOMERS

**DOLLAR
GENERAL**

5,000+
Retail Facilities



3,000+
Distribution &
Retail Facilities

Walgreens

2,050 Retail
Facilities

Walmart 

2,000+
Retail Facilities

KOHL'S

805
Retail Facilities



23
Manufacturing
Facilities and
700+
Dealerships



500+
Retail Facilities

COSTCO
WHOLESALE

475+
Retail Facilities

Coca-Cola

400+ Bottling &
Sales Facilities



400+
Retail Facilities

TARGET

212
Retail Facilities



180+ Bottling &
Sales Facilities

Kwik Trip

142
Retail Facilities

Gordon
FOOD SERVICE

142 Distribution
& Retail Facilities

Good things
come from
Sysco

140+ Distribution
Facilities



ANHEUSER-BUSCH
Companies

100+ Bottling &
Distribution
Facilities

KraftHeinz
Mondelēz
International

100+
Manufacturing &
Distribution
Facilities

US.
FOODS

50+
Facilities



46 Government
Facilities



40+
Facilities



28 Military
Facilities



TOYOTA

14 Manufacturing
Facilities

amazon

8
Distribution Ctrs



7 Healthcare
Facilities

NIMBLE TECHNOLOGY & SERVICE LEADER

ORION VALUE-ADD

Advanced technology and design

Unique turnkey capability

Design and manufacturing flexibility

U.S. based manufacturing

Broad sales reach

Significant 50+ year customer base

COMPETITIVE ADVANTAGE

= High energy efficiency + smart design delivers high ROI

= Able to execute projects from concept to completion

= Industry leading quality and lead times

= Buy American Act (BAA) compliant

= National accounts + ESCOs + Distributors

= Access to retrofit and connected ceiling IoT opportunities

CONTROLS and IoT

Tech agnostic strategy – over a dozen control platforms available from basic to Cloud-enabled IoT systems

LED lighting controls adoption estimated at 3% in 2017, growing to 31% by 2035*



TECHNOLOGY & DESIGN LEADERSHIP

ROI is achieved through:

- Greater energy efficiency, measured in lumens per watt*
- Faster, lower cost installation/ease of retrofit
- Reduced repair and maintenance
- Value-added controls and IoT features

Orion focuses on smart fixture design, paired with best-in-class energy efficiency, advanced controls and smart ceiling capabilities to deliver superior long-term customer ROI.

Orion produces two product classes to cater to differing customer needs.

* Lumens Per Watt (LPW), a measure of how much visible light is emitted, divided by the power used, to illustrate the energy efficiency of various LED fixtures. **Higher Lumens Per Watt performance = less energy consumption = lower operating costs = greater long-term ROI.**

HARRIS

Standard Performance
Up to 181 LPW

Economical
Energy Savings



vs. ~115 - 130 LPW in competitive products

ISON™

High Performance Up
to 214 LPW

Highest Performance in
Market

ISON High Bay
ranked #1 for energy efficiency
by inside.lighting
August 2021



vs. ~170 - 195 LPW in competitive products

DIVERSIFIED PRODUCT OFFERING

Over 20,000 configured products and countless customizable options

COMMERCIAL AND OFFICE



Commercial, Retail, Hospitality



Office, Hospital, Retail



Food Prep, Brewery, Cooler/Freezer, Wash Down Applications



Agricultural, Exterior, High Impact Environment (Gym, Warehouse)

LIGHT & HEAVY INDUSTRIAL



Industrial, Warehouse, Manufacturing, Commercial, Wholesale & Distribution Centers



EXTERIOR



Parking Garage, Surface Lot, Auto Dealership, Building Security

AIR MOVEMENT & UVC



PUREMOTION™
AIR



Circulates air for better airflow, temperature comfort and energy savings.

PUREMOTION™
LIGHT



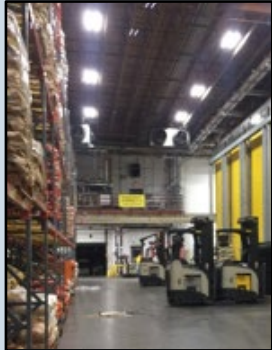
Has the air quality benefits of PUREMOTION AIR, plus high efficiency LED luminaire for energy savings and longer life over fluorescent technology.

PUREMOTION™
UVC

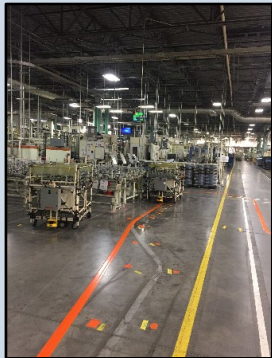


Sanitizes air in a safe UVC chamber that eliminates various airborne viruses, bacteria, mold and fungi including COVID-19.

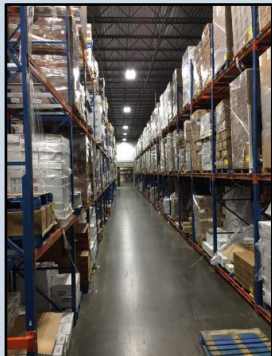
ORION CASE STUDIES



- **TOYOTA MANUFACTURING | Georgetown KY**
- \$4.3 million project
- 3.7 year ROI
- ISON™ high bay, Apollo® high bay, LED strip retrofit kits
- Energy savings funded connected ceiling IoT applications



- **USPS DISTRIBUTION CENTER**
- \$768,000 project
- 2 year ROI
- Apollo® high bay, LED tubes, LDR® (LED Door Retrofit), exterior parking lot lighting
- Over 46 USPS locations awarded to date



- **US FOODS COLD STORAGE | Alcoa TN**
- \$257,000 project
- 2 year ROI
- Apollo® high bay and parking lot lighting
- Won over multiple competitors based on turnkey capability.

ORION CASE STUDIES



- **NAVAL AIR STATION | Jacksonville FL**
- \$2.1m project yielding >\$260,000 savings per year
- LDR® (LED Door Retrofit) high bays, exteriors
- 20+ U.S. Navy projects since 2006, 8th at this base

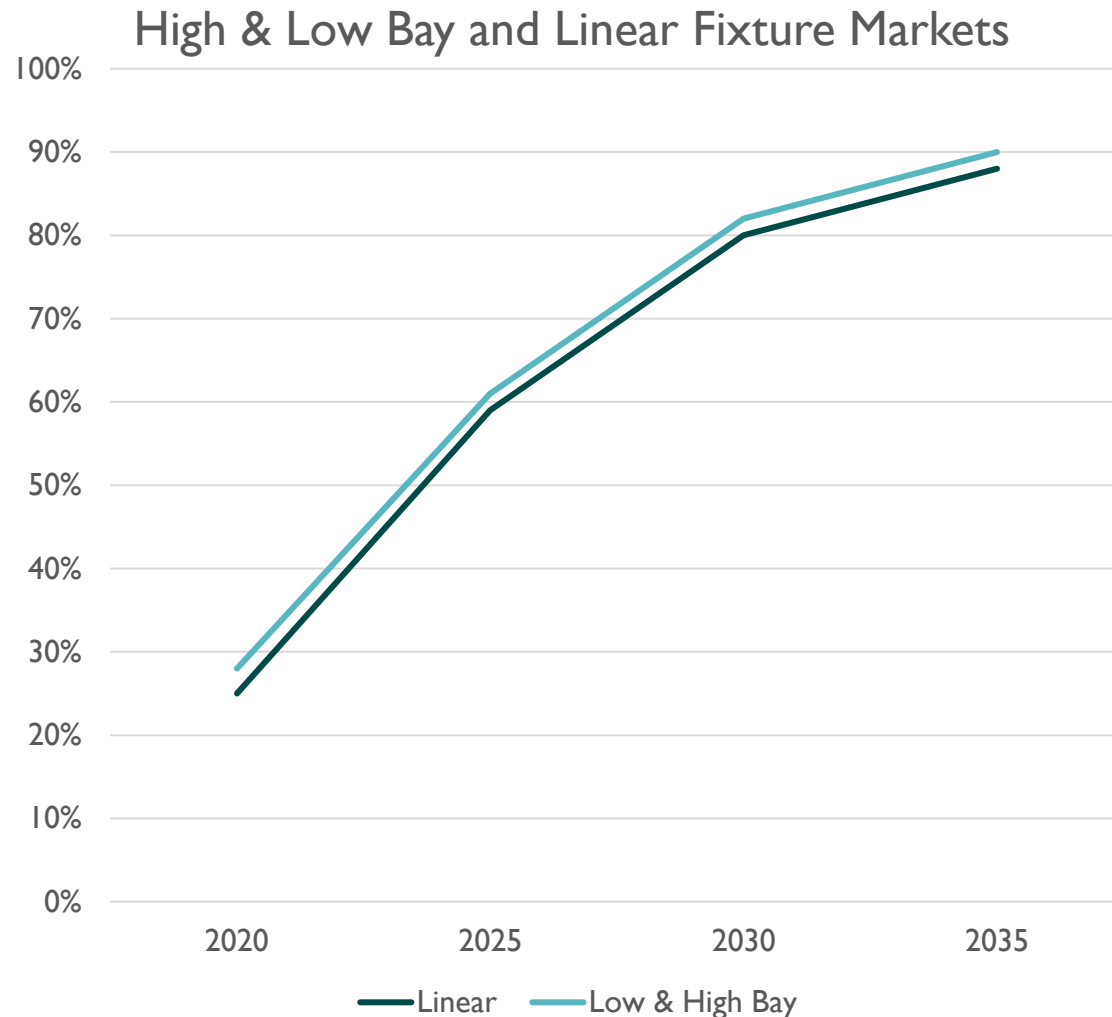


- **COSTCO RETAIL STORE | Morris IL**
- \$230,000 project
- Apollo® NSF VaporTight high bays
- Originally specified a large competitor; unhappy with quality and performance; Orion exceeded specifications and delivered on accelerated schedule



- **VETERAN'S ADMINISTRATION HEALTHCARE | Puget Sound WA**
- \$199,000 project
- VA designed and specified made in USA Orion solutions from the start
- 6th VA facility completed to date

LED ADOPTION IN COMMERCIAL & INDUSTRIAL MARKETS



PROJECTED MARKET OPPORTUNITY				
	2020	2025	2030	2035
COMMERCIAL & INDUSTRIAL MARKET				
Units (in millions)	583	1,020	1,306	1,454
Estimated Market Size* (in billions)	\$45.6	\$80.7	\$103.6	\$115.3
HIGH & LOW BAY AND LINEAR SUBMARKET				
Units (in millions)	268	644	901	1,020
Estimated Market Size* (in billions)	\$21.8	\$52.3	\$73.0	\$82.5

Data Source: U.S. Department of Energy: Energy Savings Forecast of Solid-State Lighting in General Illumination Applications; December 2019

*Based on average commercial/linear unit price of \$75 and average industrial/high & low bay unit price of \$150

ESG

■ Environmental

- Superior lighting solutions that reduce energy consumption, thereby reducing our customers' carbon footprints
- Over 10% of Orion's own energy produced via renewable sources

■ Social

- Recruiting and staffing programs to ensure diversity
- Local community support via donations and other financial support, as well as volunteer time

■ Governance

- Code of Conduct disseminated throughout the organization and reviewed annually
- Strong governance discipline for highest levels of transparency, fairness and alignment with our core values

■ FY22 customer impact:

- 240,627.56 tons Carbon Dioxide reduction
- 1,790.27 tons Sulfur Dioxide reduction
- 2,394.85 tons Nitrogen Oxide reduction
- 14.331 pounds Mercury reduction

■ Customer carbon savings over 5 years:

- = 96,672 Acres of trees planted
- = 85,088 Cars removed from the road
- = 43,493,073 Gallons of gasoline saved

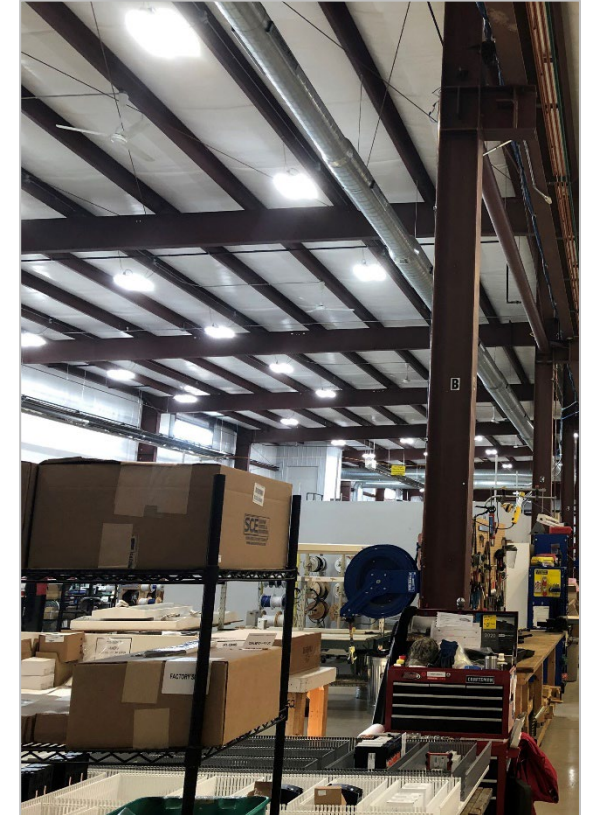
- Recycled 92% of the materials used in our manufacturing process in 2021
- Recycled 96% of fluorescent lamps replaced in 2021

“We have about half the shop done right now. It is pretty unbelievable how much different the lighting is. I always thought the shop was pretty well lit but being half done you can really see the difference. The existing fluorescent fixtures are kind of a dull yellow light and the LED are a nice bright white light. Lots of good feedback from the employees working in the shop.”

Mark Kallas, President
PanelTEK



Original Fluorescents



Orion LED

APPENDIX

ORION SENIOR MANAGEMENT

Mike Altschaefl

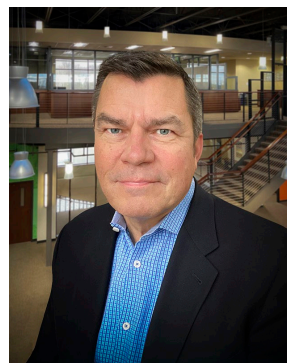
Chief Executive Officer



Mike has served as CEO since May 2017, Board Chair from August 2016 – August 2022, and has been a Director since 2009. He brings 10 years of relevant manufacturing and management experience as Chairman and President at E-S Plastic Products, VP at Shiloh Industries, CEO of Albany-Chicago Company (purchased by Shiloh Industries), and 27 years at international public accounting firms.

Per Brodin

Chief Financial Officer



Per Brodin joined Orion as Executive Vice President in October 2020 and was named Chief Financial Officer in November 2020. He has over 30 years experience as a finance executive spanning public accounting and corporate roles, including more than ten years as CFO of publicly registered companies. Most recently, Per served as Interim CFO for Fleet Farm, a KKR retailer with 48 stores in five Midwest states and previously at Claire's Stores, Shopko Stores and ATI Physical Therapy.

Mike Jenkins

Chief Operating Officer



Mike Jenkins joined Orion as Chief Operating Officer in November 2021. Mike served as General Manager/Regional Business Director for Bostik Inc. since 2013. From 2011 to 2013, he was Regional Director Americas managing sales and marketing for Diversy, a private equity company that was sold to Sealed Air. Mike spent nine years at Kohler Co., from 2001 to 2010 in a variety of senior positions including Vice President of Sales and Installation for Kohler's Canac cabinetry company where he managed their turnkey installation business model.

Scott Green

President, Orion Services Group

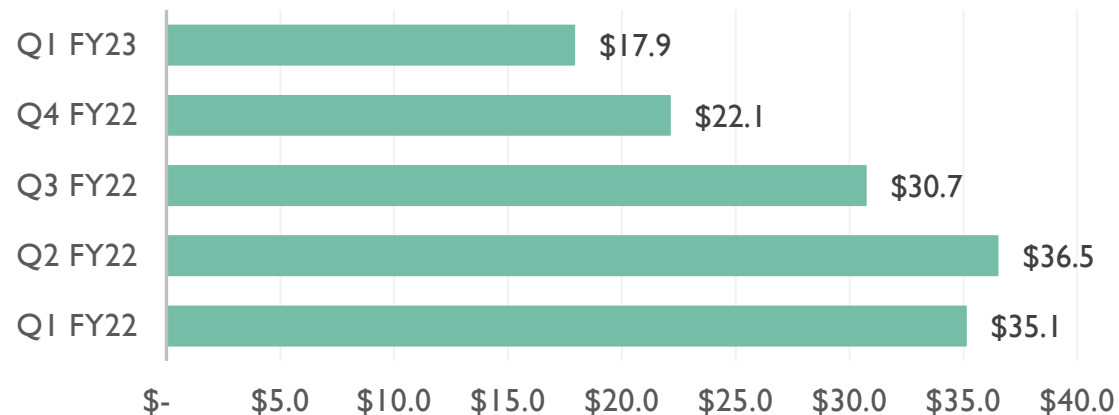


Scott joined Orion upon the 2013 acquisition of Harris Lighting. Prior to being named Orion's COO in May 2017, he served as Executive Vice President Innovation, Project Engineering, Construction Management and Orion Engineered Systems. At Harris Lighting, Scott served as Executive VP and CEO. Prior, Scott served as CEO of Green Enterprises, Inc, a real estate development and multi-location restaurant owner and operator.

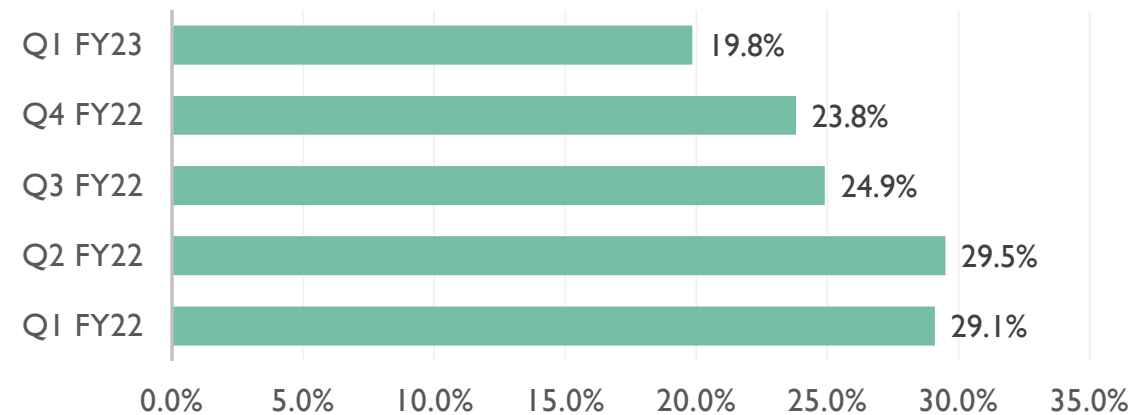
QUARTERLY REVENUE, MARGIN, EBITDA & LIQUIDITY DATA

(\$s in Millions)

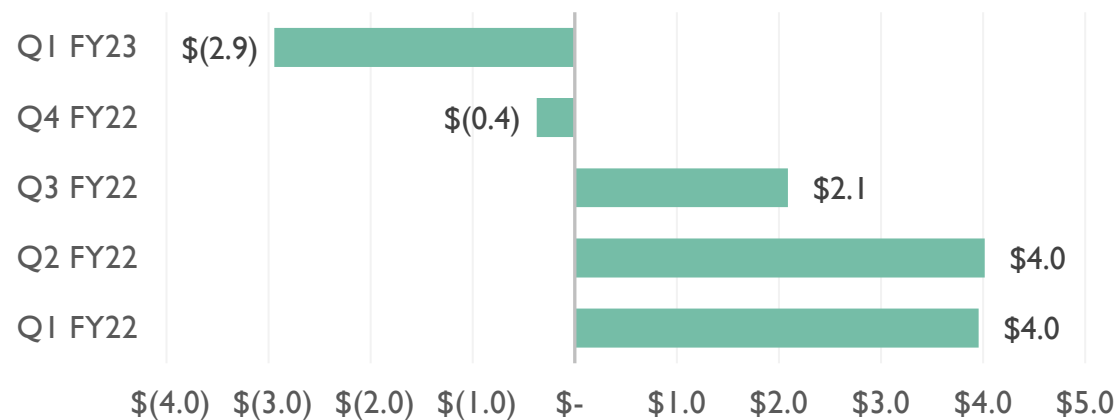
Revenue



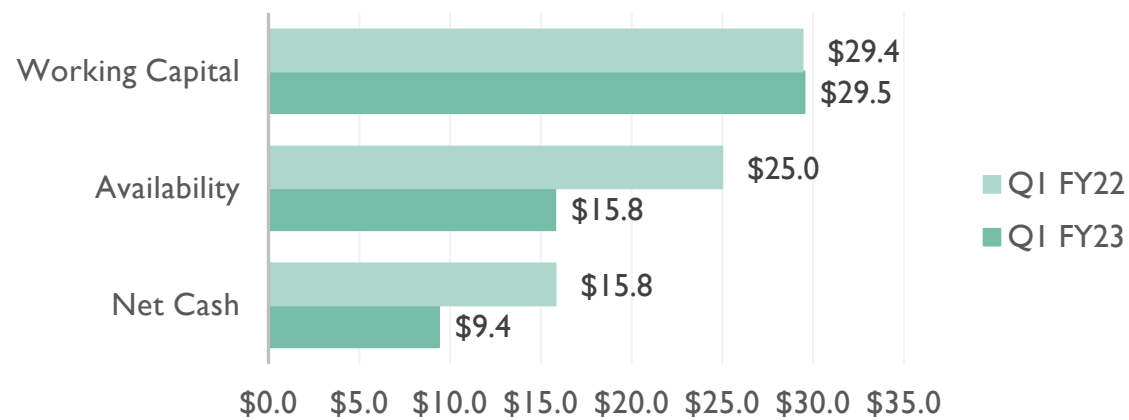
Gross Margin %



Adjusted EBITDA*



Liquidity



Q1 FY22
Q1 FY23

*See EBITDA reconciliation to GAAP net income

NON-GAAP RECONCILIATION

Net Income to EBITDA and Adjusted EBITDA

	<u>FY'23 Q1</u>	<u>FY'22 Q4</u>	<u>FY'22 Q3</u>	<u>FY'22 Q2</u>	<u>FY'22 Q1</u>
Net Income	\$ (2,835)	\$ (1,180)	\$ 1,102	\$ 3,659	\$ 2,510
Interest	17	21	26	14	19
Taxes	(815)	(247)	189	1,343	874
Depreciation	354	391	314	313	309
Amortization of intangible assets	52	69	45	46	67
Amortization of debt issue costs	15	16	15	15	16
EBITDA	\$ (3,212)	\$ (930)	\$ 1,691	\$ 5,390	\$ 3,795
Stock-based compensation	254	222	219	211	160
Payroll tax credit	—	—	—	(1,587)	—
Acquisition expenses	14	334	178	—	—
ADJUSTED EBITDA	\$ (2,944)	\$ (374)	\$ 2,088	\$ 4,014	\$ 3,955

“When our managers leave their older facilities and step in this warehouse, they say ‘wow’. When we explain the energy savings they are really impressed. Not only does the system look good, it is also saving the facility money.

Donnie Stepps
Engineer
Pepsi Bottling Ventures

orion™

