



NASDAQ: LYTS

INVESTOR PRESENTATION

MAY 2022



DISCLAIMER

Forward-Looking Statements



This presentation contains “forward-looking statements”—that is, statements related to future events within the meaning of the Private Securities Litigation Reform Act of 1995. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. In this context, forward-looking statements often address our expected future business, financial performance, financial condition and results of operations, often contain words such as “estimates,” “targets,” “anticipates,” “hopes,” “projects,” “plans,” “expects,” “intends,” “believes,” “seeks,” “may,” “will,” “see,” “should” and similar expressions and the negative versions of those words and may be identified by the context in which they are used. Such statements, whether expressed or implied, are based upon current expectations of LSI and speak only as of the date made. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those expressed or implied. Forward-looking statements include statements that address activities, events or developments that LSI expects, believes or anticipates will or may occur in the future, such as earnings estimates (including projections and guidance) and other predictions of financial performance. Forward-looking statements are based on LSI’s experience and perception of current conditions, trends, expected future developments and other factors it believes are appropriate under the circumstances and are subject to numerous risks and uncertainties, many of which are beyond LSI’s control. These risks and uncertainties include, but are not limited to the following: the impact of competitive products and services; product and pricing demands, and market acceptance risks; LSI’s reliance on third-party manufacturers and suppliers; LSI’s stock price volatility; potential costs associated with litigation, other proceedings and regulatory compliance; LSI’s ability to develop, produce and market quality products that meet customers’ needs; information technology security threats and computer crime; reliance on key customers; financial difficulties experienced by customers; the cyclical and seasonal nature of our business; the adequacy of reserves and allowances for doubtful accounts; failure of an acquisition or acquired company to achieve its plans or objectives generally; unexpected difficulties in integrating acquired businesses; the ability to retain key employees, including key employees of acquired businesses; unfavorable economic and market conditions; the results of asset impairment assessments; risks related to disruptions or reductions in business operations or prospects due to pandemics, epidemics, widespread health emergencies, or outbreaks of infectious diseases such as the coronavirus disease COVID-19; and the other risk factors LSI describes from time to time in SEC filings. You are cautioned to not place undue reliance on these forward-looking statements. LSI does not guarantee any forward-looking statement, and actual results may differ materially from those projected. LSI undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, circumstances or otherwise. Additional descriptions of risks, uncertainties and other matters can be found in our annual reports on Form 10-K and quarterly reports on Form 10-Q that we file with the SEC and are incorporated herein by reference. Our public communications and other reports may contain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

INTRODUCTION

LSI is Positioned for Profitable Growth



LSI By The Numbers	1976 Year Founded	Cincinnati, OH Headquarters	LYTS NASDAQ	~1,400 Employees	11 # of Locations
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- **Integrated Lighting/Display Solutions Company** with Adjacent Growth Opportunities in Services Businesses
- **Strong Foundation With Entrenched Position** in Target Vertical Market Applications; Selectively Expanding; **Where We Focus, We Win**
- **Turnkey Program Integrator Capabilities;** Design, Site Surveys, Products, Installation, After-Market Services
- **Multi-Year Focus on Migration to Higher Value Solutions,** Away from Commodity Products / Services
- **All Manufacturing & Design Center Facilities Located in the United States;** Broad Modification and Custom Product Competency
- **Generating Earnings Growth and Operating Margin Expansion;** Stair Step Increase in Operating Performance/Results
- **Shifting to New Phase of Business Transformation – Growth;** Organic Growth Targeting Key Vertical Markets; **Completed Acquisition of JSI Fixtures in May 2021**

WHY LSI WINS IN OUR FOCUS MARKETS

How We Differentiate



Generalists

- Conglomerates
- Standard / High Volume
- “Telephone Book” Portfolio
- Convert Focused Specialist to Standard Volume
- Little Unique Differentiation
- Pricing is Main Decision Factor
- Built on Scale / Low-Cost Provider



Focused Specialists



- Vertical / Application Solutions Driven
- End-User Driven Specifications
- Competency with Modification and Customization
- Strong Engineering / Relationship with Channel and End-User
- Our Solutions Enhance our Customers Value Proposition
- Financially More Attractive
- Model Built on Focus
- Highest Value Provider





VERTICAL MARKET FOCUS

Customize Solutions Serving High-Value Applications



Vertical Markets



Market Driven Portfolio

Lighting Solutions

Indoor

- High Bay
- Troffer
- Linear
- Downlights
- Decorative
- Retrofit Kits

Outdoor

- Area
- Canopy
- Garage
- Wall Mount
- Flood
- Bollards

Controls

- Sensors
- Photocontrols
- Dimmers
- Motion Detection
- Bluetooth Systems
- Wireless IoT Systems

Display Solutions

- Printed Graphics
- Structural Graphics
- Facades and Cladding
- Digital Signage
- Menu Board Systems
- Display Fixtures
- Refrigerated Displays
- Custom Display Elements

Services

- Creative Services
- Site Surveys
- Permitting
- Construction / Installation
- Rebrands / Change-Outs
- Content Management
- Post-Implementation

VERTICAL MARKET FOCUS

Paths to Market



Vertical Markets



Channel

Projects
Quote/Bid Process

Stock and Flow
Local Distributor Stock Availability

Direct

Direct
C-Suite, Specifications, Architects, Other

Lighting Solutions

Display Solutions

Services

STRONG CUSTOMER ENGAGEMENT

Target Verticals with End-User Specific Lighting & Display Solutions



Leading Partners

Our Solutions Enhance the Value Proposition of our Customers

Customers Contracts Range from 100's to 1,000's of Locations



CONSOLIDATED FINANCIAL RESULTS – YTD Q3 22 vs 21

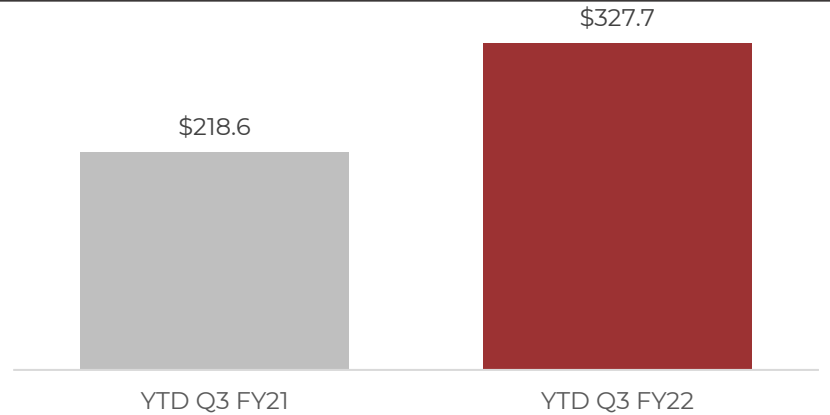


Year-Over-Year Improvement Across All Key Financial Metrics as Recovery Accelerates

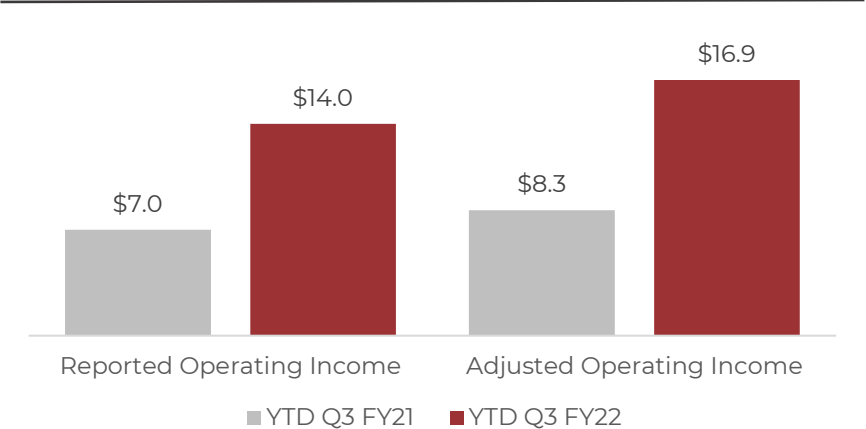
LSI Fiscal Year (FY) Begins July 1st, Through June 30th

- Sales Growth of 50%, 17% Organic
- Growth Driven by continued Secular Construction Market Growth, Share Gains in Select Verticals, and the JSI Acquisition
- Significant Earnings Growth and Margin Expansion Driven by Sales Volume in Key Vertical Markets, Pricing, and the JSI Acquisition

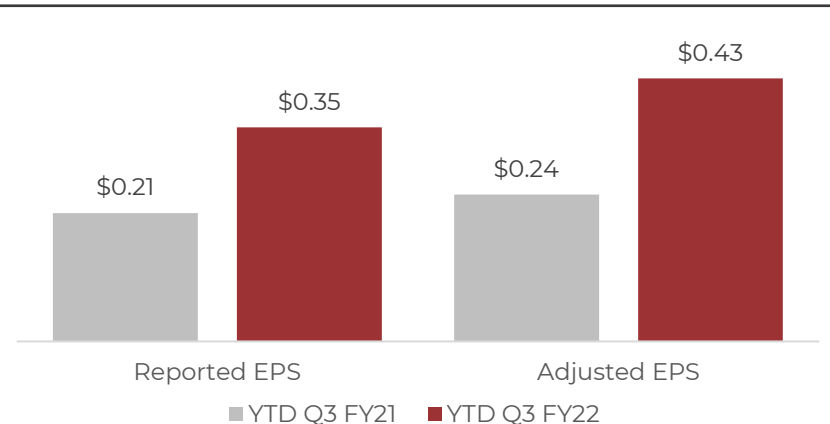
Total Net Sales (\$M)



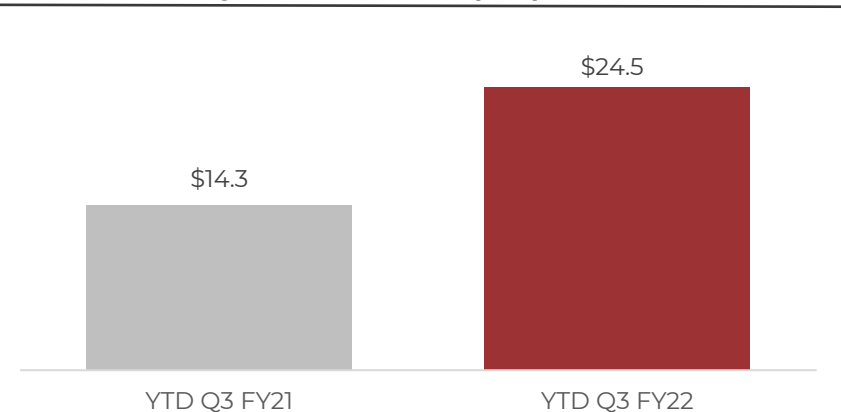
Operating Income (\$M)



EPS



Non-GAAP Adjusted EBITDA (\$M)



F3Q22 BUSINESS UPDATE

Anticipate Record Revenue, Adjusted EBITDA and Net Income for FY22



- F3Q22 Exit Backlog Substantially Above PY; Improved Sequentially from F2Q22
- Positive Free Cash Flow Generated in F3Q22 Projected to Continue in F4Q22
- Anticipate Record Revenue, Adjusted EBITDA and Net Income for Full-Year FY22, Despite Continued Supply Chain Challenges and Material Input Cost Inflation
- New Business Wins – Large QSR Program Extension; New Award for QSR Focused on Chicken; Grocery Orders for FY23
- Introduced \$15 Million Share Repurchase Authorization in April 2022, as Part of Balanced Capital Deployment Priorities

CAPITAL ALLOCATION PRIORITIES

Balanced Approach for Driving Shareholder Value



1

Organic and Inorganic Growth

- Organic – Invest in New Product Development / Innovation, Sales / Marketing Capabilities, Strategic Inventory Investments to Support Market Share Gains
- Inorganic – Pursue Complementarily, Bolt-On Acquisitions in Adjacent Markets that Drive Margin Expansion and Profitable Growth

2

Reduce Net Leverage

- Allocate Free Cash Flow Generation Toward Reduction in Net Leverage Over the Next 24 Months
- Target Net Leverage at or Below 2.0x by Fiscal Year-End 2024

3

Return of Capital

- Committed to Supporting a Regular Quarterly Cash Dividend; Average Return of More than \$5 Million Annually Since 2017
- Introduced \$15 Million Share Repurchase Authorization in April 2022



THE PATH FORWARD

Bridging to 2025

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Deep Commitment to ESG



Environmental Factors

LSI takes its commitment to the environment very seriously. As demand for electricity continues to increase, our customers and their communities look to us to provide product solutions that help reduce energy consumption, light pollution and associated greenhouse gas emissions.



Social Factors

As America strives to become more energy-efficient, our products allow customers to retrofit and replace their outdated lighting systems, as well as install entirely new LED systems, with technology that benefits society as a whole.



Governance Factors

A key component of our approach to ESG is our Code of Business Ethics and Conduct. This serves as a blueprint for making the right decisions in the best interests of the Company, our customers, communities and shareholders.

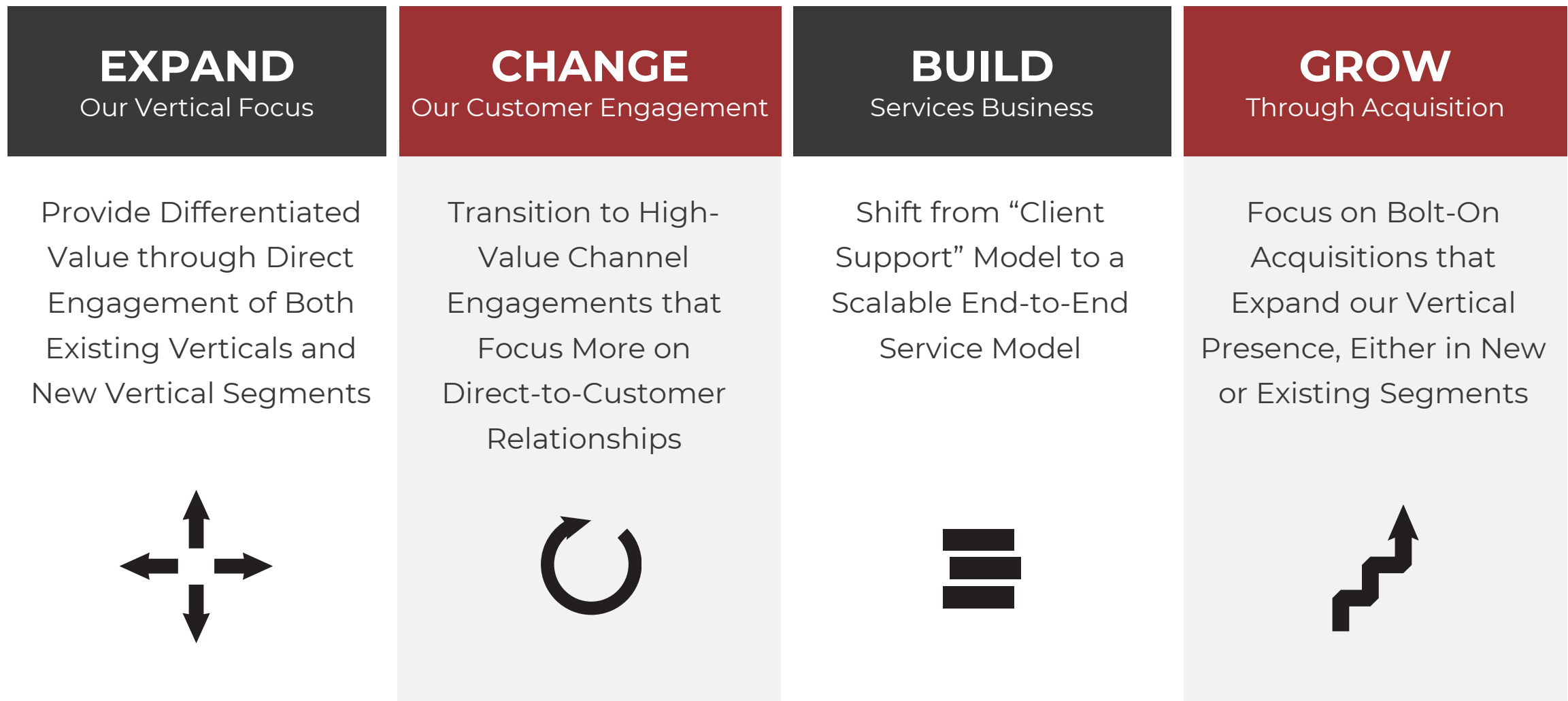
Full Sustainability Report Available at www.lsicorp.com

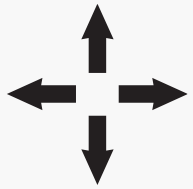


THE PATH FORWARD



Targeting \$500 Million of Revenue & Double-Digit EBITDA in Fiscal 2025





EXPAND OUR VERTICAL FOCUS

Increase SOW and SAM with Current Customers



Vertical Markets



EXPAND
Share of Wallet



Focused Growth Within our Customer Base by Building Upon Current Relationships and Vertical Knowledge



EXPAND
Served Available Market

Expand Partnership Model to New Customers within a Vertical



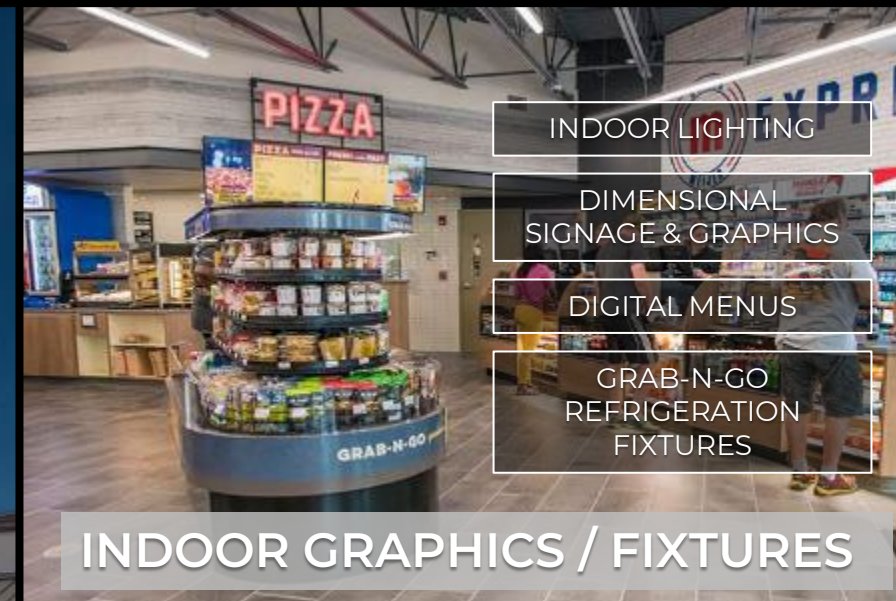
EXPAND
Increase Addressable Market

Expand to New Attractive Verticals that Align with LSI Value Proposition



REFUELING & CONVENIENCE STORE

Lead with Display Solutions and Lighting



GROCERY

Lead with Display Solutions



AUTOMOTIVE

Lead with Outdoor Lighting



QUICK SERVE RESTAURANTS (QSR)

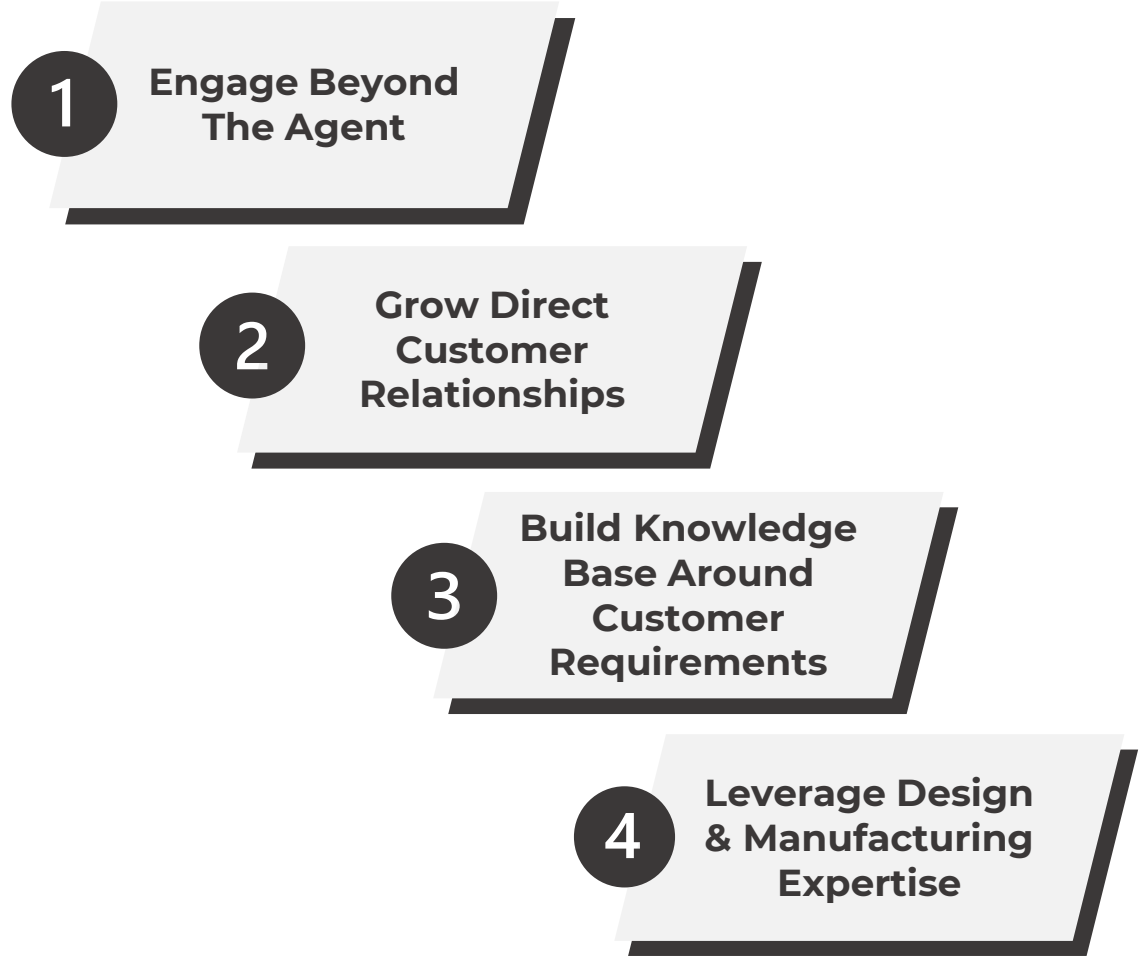
Lead with Digital Menu Boards and Lighting





CHANGE OUR CUSTOMER ENGAGEMENT

Migrating Closer Toward the Customer



Go-Forward End-User Focus

- There is Value in Having Both **Agency** and **Direct** Relationships
- As we Move Higher on the Value Chain with More Specialized Products, **Access to the Customer** is Increasingly Critical
- Customer Access Creates the Ability to **Work Collaboratively**
- New Product Development will Require Us to **Move Closer to the End-User**
- Educate and **Empower our Agent Partners** Through New Sales and Support Tools, Together with Access to Decision Makers at LSI



BUILD A SERVICES BUSINESS

Addresses Customer Pain Point



- Provide a Differentiated Customer Value Proposition
- Margin Shift to Higher Professional Services Profile
- Unique Advantage Over Industry Competitors
- Market Opportunity to Expanded Customer Base to Non-Traditional Segments
- Service Business Scalable via Partnerships

SCALABLE SERVICE MODEL

SERVICE BUSINESS

- End-to-End Integrator

FUTURE EXPANSION

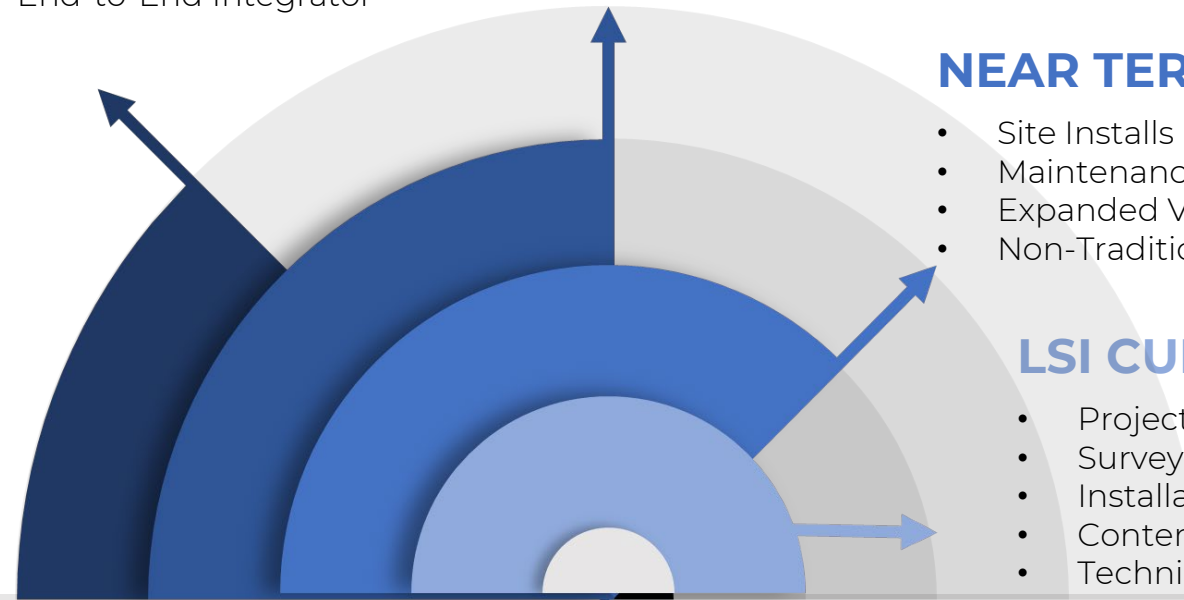
- Turnkey Installations
- Maintenance Contracts
- ESCO Services

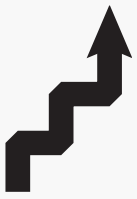
NEAR TERM EXPANSION

- Site Installs
- Maintenance
- Expanded Vertical Segments
- Non-Traditional Segment Sales

LSI CURRENT SERVICES

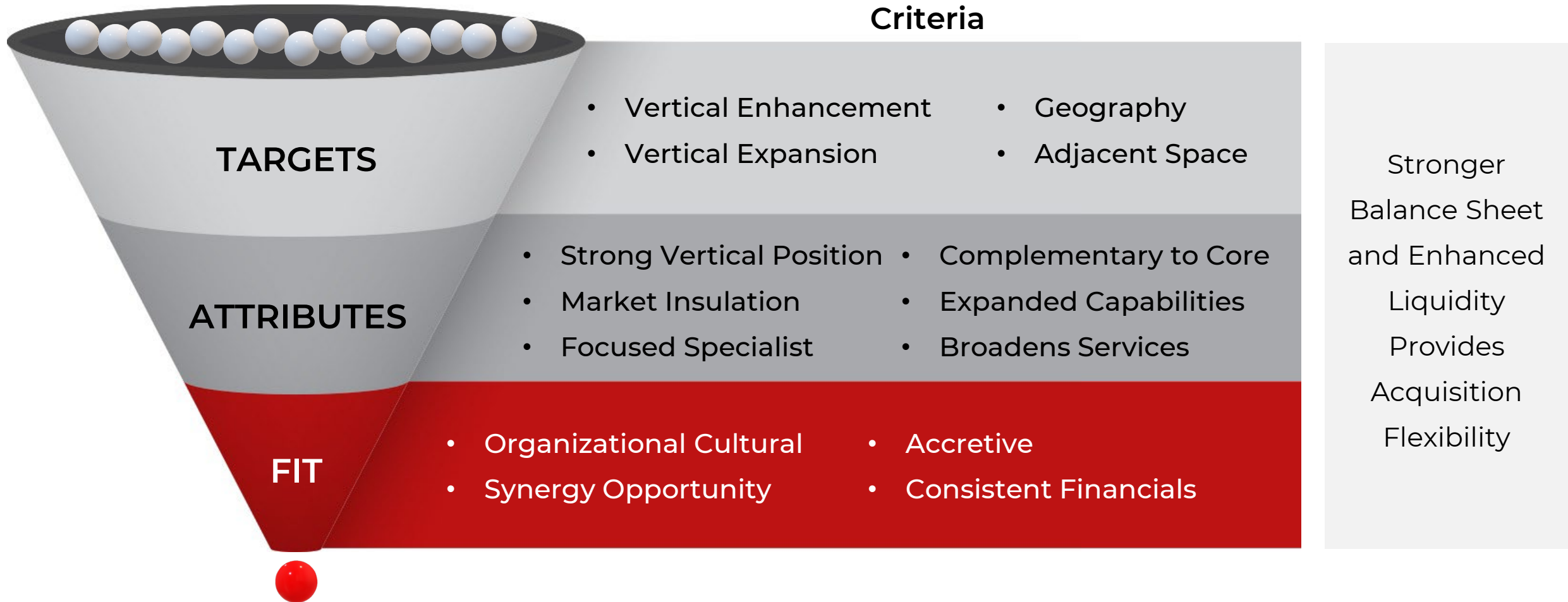
- Project Management
- Surveys
- Installations
- Content Management
- Technical Design





GROW THROUGH ACQUISITION

Focused on Complementary and Adjacent Spaces



JSI TRANSACTION OVERVIEW

Building our Presence Within Growing, Complementary Vertical Markets



Transaction Highlights

- 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
- JSI provides attractive revenue growth, margin expansion and immediate adjusted EPS accretion

Acquisition Update: Exceeding Expectations

- FY22 sales and EBITDA exceeding acquisition case targets. FY22 sales forecast \$90+m, FY20 pro forma \$70m. Double-digit operating margin
- Awarded in Q2 \$15m display case order from one of the nation's largest grocery retailers
- Record backlog exiting Q3 FY22. Industry leading lead-times/service capabilities contributing to growth
- Customer demand in higher margin refrigeration displays generates favorable mix
- Accelerated synergy timeline
 - JSI cross-selling opportunities with C-Store
 - LSI cross-selling opportunities with Grocery
 - Manufacturing leverage utilizing LSI facility capacity

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



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

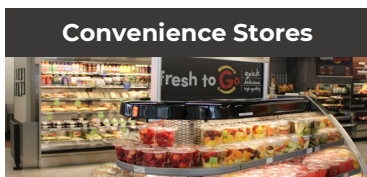
\$2.2 Billion Total Addressable Market



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

ESTABLISHED, MULTI-CHANNEL PRODUCT PORTFOLIO



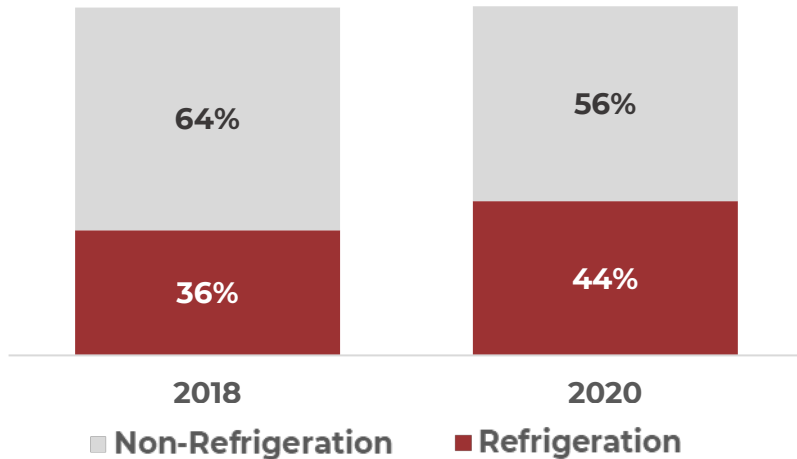
JSI's Innovative Products Maintain Freshness, Promote Food Safety, Drive Traffic

Diversified Based of Large, Long-Tenured National Customer Accounts

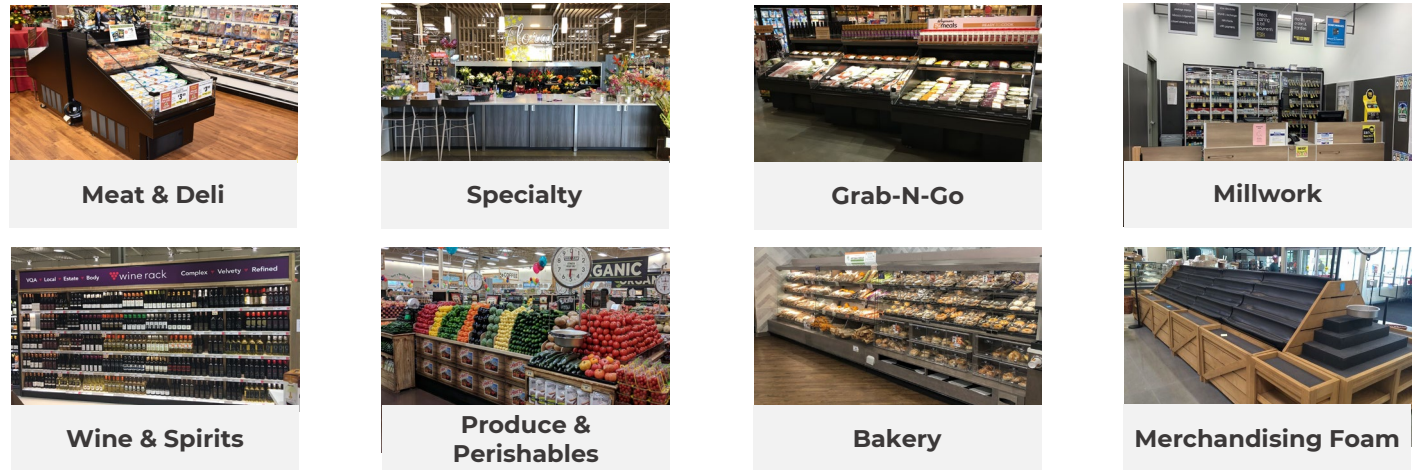
- JSI serves **13 of the top 20** pure-play NA grocers
- Average customer tenure is **15 years**
- Organic growth in refrigeration is **innovation-driven**
- **Pharmacy, QSR and foodservice** represent additional adjacent market opportunities



Growth Within Higher-Value Refrigeration



Established Bundled Food Equipment Product Portfolio



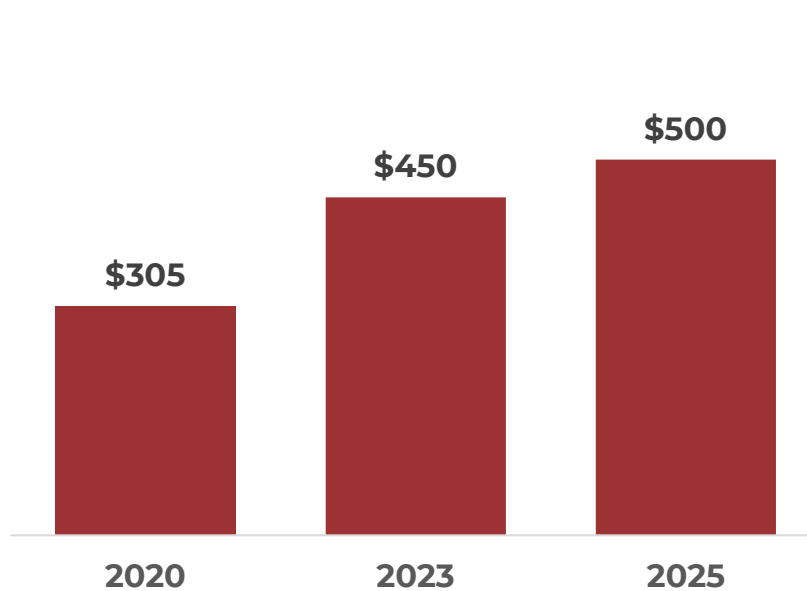
Organic Growth in Higher-Margin Refrigeration Revenue Has Contributed to Sustained Margin Expansion

PROJECTED FINANCIALS

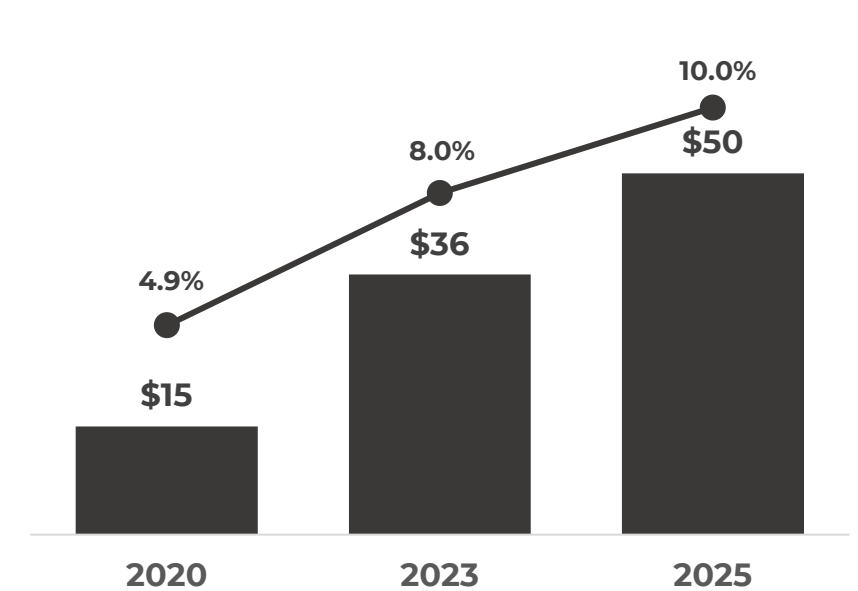
\$500M Sales and Double-Digit EBITDA Margin in 2025



Projected Sales (\$M)



Projected Adj. EBITDA/Margin (\$M)



Sales Growth a Combination of Organic and Inorganic Initiatives

EBITDA Increase Driven by Continued Improvement to Gross Margin Rates for Existing Business, Combined with Leverage Generated by Sales Growth

LSI Fiscal Year (FY) is from July 1 to June 30

INVESTMENT SUMMARY

American-Made Company Positioned for Profitable Growth



EXPAND

Our Vertical
Focus



CHANGE

Our Customer
Engagement



BUILD

Services
Business



GROW

Through
Acquisition

- **Integrated** Lighting / Display Solutions Company with Adjacent Growth Opportunities in Services Businesses
- **Strong Foundation** With Entrenched Position in Target Vertical Market Applications; Selectively Expanding; **Where We Focus, We Win**
- Multi-year Focus on Migration to **Higher Value Solutions**, Away from Commodity
- Strengthened **End-User** Customer Engagement
- **Increased Earnings** Generating Go-Forward Cash Flow to Support Growth
- **Exceptional Management** Team Experienced in Change Management and Execution



APPENDIX

STATEMENT ON NON-GAAP FINANCIAL MEASURES



This presentation includes adjustments to GAAP operating income, net income and earnings per share for the nine months ended March 31, 2022 and 2021. Operating income, net income and earnings per share, which exclude the impact of stock compensation expense, acquisition costs, severance costs and restructuring costs are non-GAAP financial measures. We exclude these non-recurring items because we believe they are not representative of the ongoing results of operations of our business. Also included in this presentation are non-GAAP financial measures including Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA and Adjusted EBITDA), Free Cash Flow and Organic Net Sales. We believe that these are useful as supplemental measures in assessing the operating performance of our business. These measures are used by our management, including our chief operating decision maker, to evaluate business results, and are frequently referenced by those who follow the Company. These non-GAAP measures may be different from non-GAAP measures used by other companies. In addition, the non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Non-GAAP measures have limitations, in that they do not reflect all amounts associated with our results as determined in accordance with U.S. GAAP. Therefore, these measures should be used only to evaluate our results in conjunction with corresponding GAAP measures. Below is a reconciliation of these non-GAAP measures to the net income and earnings per share reported for the periods indicated along with the calculation of EBITDA, Adjusted EBITDA, Free Cash Flow and Organic Net Sales.

NON-GAAP RECONCILIATION



	YTD Q3 FY2022	YTD Q3 FY2021
LSI Industries		
Net Sales [a]	327,651	218,597
Operating Income	14,027	6,984
Stock compensation expense	2,466	1,317
Acquisition costs	361	-
Severance costs	5	21
Restructuring costs	-	3
Adjusted Operating Income [b]	16,859	8,325
Depreciation and amortization	7,632	5,943
Adjusted EBITDA [c]	24,491	14,268
Operating Margin % [b] / [a]	5.1%	3.8%
Adjusted EBITDA Margin % [c] / [a]	7.5%	6.5%

NON-GAAP RECONCILIATION



	YTD Q3 FY2022		YTD Q3 FY2021	
	Diluted EPS		Diluted EPS	
Net Income	\$ 9,856	\$ 0.35	\$ 5,670	\$ 0.21
Stock compensation expense	1,850	0.07	1,012	0.04
Acquisition costs	285	0.01	-	-
Severance costs	4	-	17	-
Restructuring costs	-	-	2	-
Tax impact due to the change in the estimated annual tax rate used for GAAP reporting purposes	-	-	(254)	(0.01)
Net Income Adjusted	\$ 11,995	\$ 0.43	\$ 6,447	\$ 0.24

NON-GAAP RECONCILIATION



	YTD Q3 FY2022	YTD Q3 FY2021	% Variance
Lighting Segment	\$ 165,663	\$ 136,271	21.6%
Display Solutions Segment	161,988	82,326	96.8%
Total Net Sales	327,651	218,597	49.9%
Less:			
JSI Store Fixtures	72,952	-	
Total Organic Net Sales	\$ 254,699	\$ 218,597	16.5%



For Additional Questions,
Please Contact 720.778.2415

Thank You,

LSI Investor Relations