



TECHNICAL & PROFESSIONAL  
SERVICES

DYNAMIC MESSAGE SIGNS



VIDEO BOARDS &  
MESSAGE CENTERS

# Fiscal First Quarter 2026 Results Call

September 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 presentation could be deemed forward-looking statements, particularly statements that reflect the 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 and orders, 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, 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.



# FQ1 2026 BUSINESS REVIEW



- Great start to the year - continued order growth, execution and transformation progress
- Efficient revenue generation against strong year-ago comparison
  - 3<sup>rd</sup> consecutive quarter of sequential revenue growth
  - Continued momentum in orders – Q1 Orders +35% YoY, driven by Live Events, HSPR, and International
  - Product Backlog of \$360 million – up 35% YOY
- Drove profitability improvement
  - Value-based pricing, strong fixed cost leverage, cost control, along with a higher margin project mix
  - Remained flexible and diligent in mitigating tariff expenses in a changing environment
- Cash flow from operations up 34% YOY



# MARKET VERTICALS – FQ1 REVIEW



## Live Events

- Won three Major League Sports Projects - two MLB and one NHL Arena project
- Strong Professional Sports demand
- Q1 Orders +81% YoY; +10% sequentially



## Commercial

- On Premise growth continues after strong finish to FY25
- OOH growth remains strong – Increasing market share with Independent Operators
- Spectaculars remains highly competitive
- Q1 Orders +5% YoY; -10% sequentially



## Transportation

- Increased ITS Orders - 2nd consecutive quarter
- Key Aviation orders at Philadelphia, Spokane, SW Wyoming
- Continued Pipeline growth of COB opportunities
- Q1 Orders -4% YoY; -7% sequentially



## International

- Record Q1 orders for Government customers
- Q1 Advertising orders were highest in over 3 years
- Demand for indoor solutions remains high for multiple markets (Gov't, Retail, Industry)
- Q1 Orders +22% YoY; -32% sequentially



## High School Park & Recreation

- Record order bookings driven by strong value propositions
- Won a 9-stadium Mobile County School District video/audio project that included Daktronics Framewrx and DakClassroom subscriptions
- Deployed a Video Display system for football and basketball in Plum, PA for Pat McAfee's home high school – Plum Mustangs
- Q1 Orders +36% YoY; +7% sequentially

# FY 2026 Q1 KEY PRODUCT DEVELOPMENTS

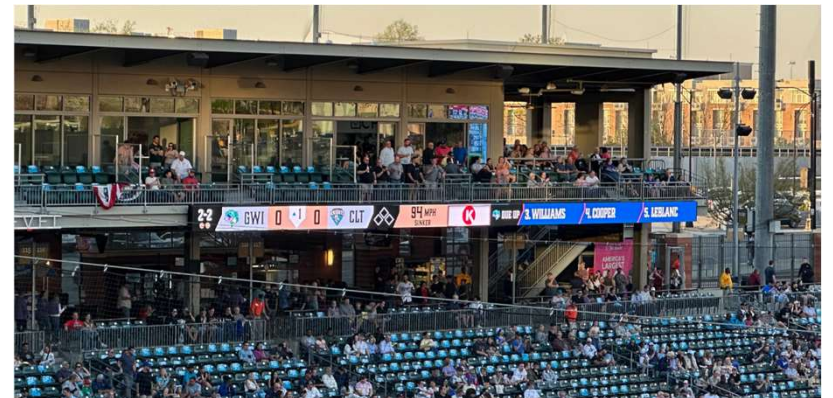


## New Product Offerings

- Q1 Milestones
  - Indoor Narrow Pixel Pitch – added models to our International product offering in Q1
  - Indoor Fascia Ribbon display released – enhance and simplify product
  - Outdoor Fascia Ribbon display update released
  - Demonstrated next generation LED Street Furniture prototype
- FY26 Planned Releases
  - Indoor Narrow Pixel Pitch – for US market
  - Next generation LED Street Furniture
  - Next generation Indoor video
  - Large Digit Fuel Price System

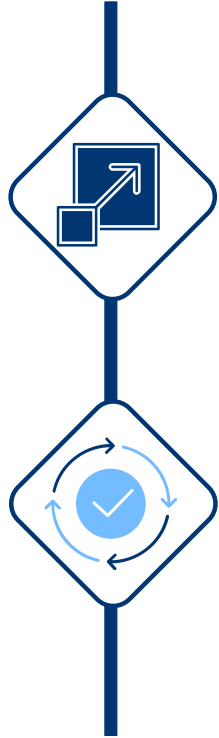


Indoor Narrow Pixel Pitch - Extron Australia  
(Lane West Cove, Australia External Territories )



Outdoor Fascia Ribbon – Charlotte Knights Baseball (Charlotte, NC)

# Transformation: Momentum from Launched Initiatives, Next 6 Months Focus – FQ1 UPDATE



## Driving profitable growth

- Value-based pricing changes – service parts and certain products – **on track**
- Launch of SaaS product trials to target customers – **on track**
- Prioritizing high-growth international geographies and segments – **on track**
- Faster inventory turnover and improved efficiency – ✓
- Launched a modernized service system in May 2025 – ✓
- Launching AI Guided Troubleshooting Tools with Technical Services - ✓

## Driving down costs

- Operational efficiency reviews & implementation of changes across all manufacturing sites (kicked off with HSPR cost-reduction initiatives) - **on track**
- 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 ✓

# DIGITAL TRANSFORMATION

FY26 – 28  
3 YEAR PLAN

## FQ1 Accomplishments

- Service Software System Release
- Corporate Performance Management (CPM) – progress along technical process
- **Slated for F2026 Completion**
- Quoting Platform – quote tool change
- Project Management - tool updates
- Service Platform Enhancements
- Subscription Management Platforms – tool update
- ERP System Upgrade Preparation
- AI experimentation, governance, roadmap
- D&A ecosystem roadmap and progress made to drive data-driven culture and build up data management practices

CREATE  
DEMAND

Quoting Platform Modernization

Subscription Management

Order Capture Streamlining

FULFILLMENT &  
SUPPORT

Project Management Platform

Service Platform Enhancements

Customer Asset Management

CORPORATE  
PERFORMANCE  
MANAGEMENT

ERP  
Upgrade

Fulfillment Performance  
Reporting

Sales and Operation Planning (S&OP)  
Modernization

Scenario Planning →

DATA &  
ARTIFICIAL  
INTELLIGENCE

Artificial Intelligence (AI)

Data & Analytics Ecosystem



# FQ1 FY2026 FINANCIAL HIGHLIGHTS

(\$ in millions, except per share data)

	<u>FQ1 2025</u>	<u>FQ4 2025</u>	<u>FQ1 2026</u>
Orders	\$176.2	\$240.7	\$238.5
Net sales	226.1	\$172.6	\$219.0
Gross margin	26.4%	25.0%	29.7%
Product design and development	9.6	10.0	10.7
Operating income (loss)	\$22.7	\$(1.7)	\$23.3
Operating margin	10.0%	(1.0)%	10.6%
Net income (loss)	(4.9)	(9.4)	16.5

FQ1 2026 includes an additional week

Net sales +26.9% sequentially

Q425 adjusted op inc of \$5.8M

Adjusted op margin of 3.4%

Q125 adjusted net inc of \$16.6M

Q425 adjusted net inc of \$8.8M

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 not measures 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.





## FQ1: Balance Sheet and Investment

Cash balance at QE = \$137 million vs \$127 million at prior YE

Operating cash flow = \$26M, +34%

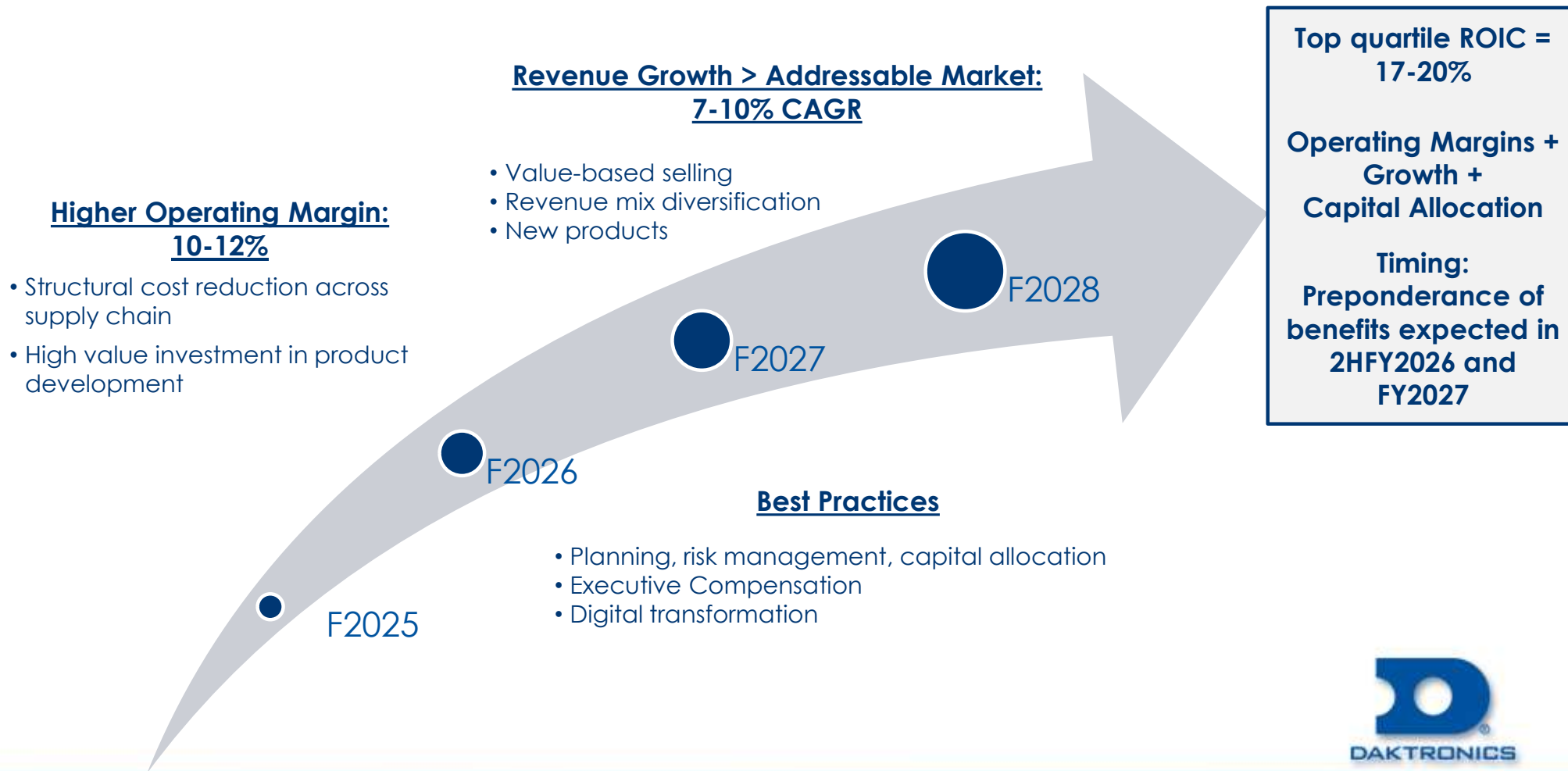
Inventory efficiency - Inventory/revenue ratio of 49.2% vs 60.4% last year

Share repurchase = \$10.7 million @ \$16.43 VWAP

IT + Product Development Spend = \$17.2 million

Capex depreciation and amortization in FQ1 = \$4.8 million vs \$4.9 million prior year average quarter

# FY26-28 TRANSFORMATION PLAN



# Outlook

- Large and growing backlog – Capturing demand and driving revenue tailwind
- Efficient revenue conversion and successful inventory, supply chain, manufacturing and cost management
- Strong operating cash flow
- Tariff uncertainty - Agile and ready to pull levers to mitigate impact
- Remain focused on differentiated, leading product introduction and supporting growth through high-return product development investment spend
- Transformation plan execution and benefits demonstrated in results – On track with roadmap and 3-year growth, profitability and return targets



Brownsburg High School  
Brownsburg Indiana

# APPENDIX



# NET SALES AND ORDERS BY BUSINESS UNIT

(\$ in thousands)

<i>(in thousands)</i>	Three Months Ended			
	August 2, 2025	July 27, 2024	Dollar Change	Percent Change
<b>Net Sales:</b>				
Commercial	\$ 46,167	\$ 34,199	\$ 11,968	35.0 %
Live Events	79,800	108,608	(28,808)	(26.5)
High School Park and Recreation	59,347	48,006	11,341	23.6
Transportation	16,575	22,490	(5,915)	(26.3)
International	17,083	12,785	4,298	33.6
	<u>\$ 218,972</u>	<u>\$ 226,088</u>	<u>\$ (7,116)</u>	<u>(3.1)%</u>
<b>Orders:</b>				
Commercial	\$ 44,223	\$ 42,122	\$ 2,101	5.0 %
Live Events	92,219	50,899	41,320	81.2
High School Park and Recreation	63,254	46,447	16,807	36.2
Transportation	21,909	22,759	(850)	(3.7)
International	16,938	13,943	2,995	21.5
	<u>\$ 238,543</u>	<u>\$ 176,170</u>	<u>\$ 62,373</u>	<u>35.4 %</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 <sup>(1)</sup>

(\$ in thousands, unaudited)

	Three Months Ended	
	August 2, 2025	July 27, 2024
Net cash provided by operating activities	\$ 26,097	\$ 19,481
Purchases of property and equipment	(4,291)	(5,081)
Proceeds from sales of property and equipment	218	45
Free cash flow	<u>\$ 22,024</u>	<u>\$ 14,445</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 NET INCOME<sup>(1)</sup>

(\$ in thousands, unaudited)

	Three Months Ended	
	August 2, 2025	July 27, 2024
Net income (loss)	\$ 16,470	\$ (4,946)
Change in fair value of convertible note	—	21,590
Adjusted net income	<u>\$ 16,470</u>	<u>\$ 16,644</u>

(1) 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 provide investors with a consistent way to analyze our performance.



# RECONCILIATION OF LONG-TERM DEBT

(\$ in thousands, unaudited)

	August 2, 2025	April 26, 2025
Mortgage	\$ 11,875	\$ 12,375
<b>Long-term debt, gross</b>	11,875	12,375
Debt issuance costs, net	(294)	(388)
Current portion	(1,500)	(1,500)
<b>Long-term debt, net</b>	<u>\$ 10,081</u>	<u>\$ 10,487</u>

