**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, DC 20549**

**FORM 10-Q**

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024 , OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ________________ TO ________________.

Commission File No. 0-13375

**LSI Industries Inc.**
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Ohio | 31-0888951 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| 10000 Alliance Road , Cincinnati , Ohio | 45242 |
| (Address of principal executive offices) | (Zip Code) |

( 513 ) 793-3200
Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, no par value | LYTS | NASDAQ Global Select Market |

Indicate by checkmark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by checkmark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | |
|---|---|---|
| Large accelerated filer ☐ | Accelerated filer ☒ | Emerging growth company ☐ |
| Non-accelerated filer ☐ | Smaller reporting company ☐ | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 26, 2024, there were 29,129,848 shares of the registrant's common stock, no par value per share, outstanding.

LSI INDUSTRIES INC.
FORM 10-Q
FOR THE QUARTER ENDED March 31, 2024

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

LSI INDUSTRIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| *(In thousands, except per share data)* | Three Months Ended March 31 2024 | Three Months Ended March 31 2023 | Nine Months Ended March 31 2024 | Nine Months Ended March 31 2023 |
|---|---|---|---|---|
| Net Sales | $ 108,186 | $ 117,470 | $ 340,632 | $ 373,343 |
| Cost of products and services sold | 76,846 | 85,266 | 240,789 | 272,230 |
| Severance and restructuring costs | 130 | - | 508 | 31 |
| Gross profit | 31,210 | 32,204 | 99,335 | 101,082 |
| Severance and restructuring costs | 12 | - | 40 | - |
| Selling and administrative expenses | 23,538 | 24,472 | 72,788 | 74,291 |
| Operating income | 7,660 | 7,732 | 26,507 | 26,791 |
| Interest expense | 134 | 877 | 1,153 | 2,924 |
| Other (income) expense | 75 | ( 71) | 142 | 86 |
| Income before income taxes | 7,451 | 6,926 | 25,212 | 23,781 |
| Income tax expense | 2,076 | 2,257 | 5,903 | 6,434 |
| Net income | $ 5,375 | $ 4,669 | $ 19,309 | $ 17,347 |
| Earnings per common share (see Note 4) | | | | |
| Basic | $ 0.18 | $ 0.16 | $ 0.67 | $ 0.62 |
| Diluted | $ 0.18 | $ 0.16 | $ 0.64 | $ 0.60 |
| Weighted average common shares outstanding | | | | |
| Basic | 29,163 | 28,306 | 28,981 | 28,012 |
| Diluted | 30,122 | 29,611 | 30,005 | 29,055 |

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

LSI INDUSTRIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

| *(In thousands)* | Three Months Ended March 31 | | | | Nine Months Ended March 31 | | | |
|---|---|---|---|---|---|---|---|---|
| | **2024** | | **2023** | | **2024** | | **2023** | |
| Net Income | $ | 5,375 | $ | 4,669 | $ | 19,309 | $ | 17,347 |
| Foreign currency translation adjustment | | 31 | | 117 | | 46 | | 192 |
| Comprehensive Income | $ | 5,406 | $ | 4,786 | $ | 19,355 | $ | 17,539 |

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

LSI INDUSTRIES INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

| *(In thousands, except shares)* | | **March 31, 2024** | | **June 30, 2023** |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current assets | | | | |
| Cash and cash equivalents | $ | 7,175 | $ | 1,828 |
| Accounts receivable, less allowance for credit losses of $ 493 and $ 435 , respectively | | 68,730 | | 77,681 |
| Inventories | | 60,331 | | 63,718 |
| Refundable income taxes | | 2,654 | | 3,120 |
| Other current assets | | 4,595 | | 3,529 |
| Total current assets | | 143,485 | | 149,876 |
| Property, Plant and Equipment, at cost | | | | |
| Land | | 4,010 | | 4,010 |
| Buildings | | 24,600 | | 24,561 |
| Machinery and equipment | | 67,713 | | 67,457 |
| Buildings under finance leases | | 2,033 | | 2,033 |
| Construction in progress | | 1,792 | | 1,231 |
| | | 100,148 | | 99,292 |
| Less accumulated depreciation | | ( 74,043) | | ( 73,861) |
| Net property, plant and equipment | | 26,105 | | 25,431 |
| Goodwill | | 45,030 | | 45,030 |
| Other intangible assets, net | | 59,633 | | 63,203 |
| Operating lease right-of-use assets | | 9,063 | | 8,921 |
| Other long-term assets, net | | 4,653 | | 3,688 |
| Total assets | $ | 287,969 | $ | 296,149 |

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

LSI INDUSTRIES INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

| *(In thousands, except shares)* | **March 31, 2024** | **June 30, 2023** |
|---|---|---|
| **LIABILITIES & SHAREHOLDERS' EQUITY** | | |
| Current liabilities | | |
| Current maturities of long-term debt | $ 3,571 | $ 3,571 |
| Accounts payable | 26,114 | 29,206 |
| Accrued expenses | 36,576 | 43,785 |
| Total current liabilities | 66,261 | 76,562 |
| Long-term debt | 12,782 | 31,629 |
| Finance lease liabilities | 719 | 960 |
| Operating lease liabilities | 6,222 | 5,954 |
| Other long-term liabilities | 3,548 | 3,466 |
| Commitments and contingencies (Note 12) | | |
| Shareholders' Equity | | |
| Preferred shares, without par value; Authorized 1,000,000 shares, none issued | - | - |
| Common shares, without par value; Authorized 50,000,000 shares; Outstanding 29,112,651 and 28,488,570 shares, respectively | 154,475 | 148,691 |
| Treasury shares, without par value | ( 8,520) | ( 7,166) |
| Deferred compensation plan | 8,520 | 7,166 |
| Retained earnings | 43,577 | 28,548 |
| Accumulated other comprehensive income | 385 | 339 |
| Total shareholders' equity | 198,437 | 177,578 |
| Total liabilities & shareholders' equity | $ 287,969 | $ 296,149 |

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

LSI INDUSTRIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

| *(In thousands, except per share data)* | **Common Shares** Number Of Shares | **Common Shares** Amount | **Treasury Shares** Number Of Shares | **Treasury Shares** Amount | **Key Executive Compensation Amount** | **Accumulated Other Comprehensive Income** | **Retained Earnings** | **Total Shareholders' Equity** |
|---|---|---|---|---|---|---|---|---|
| **Balance at June 30, 2022** | 27,484 | $ 139,500 | ( 822) | $ ( 5,927) | $ 5,927 | $ 45 | $ 8,224 | $ 147,769 |
| Net Income | - | - | - | - | - | - | 6,261 | 6,261 |
| Other comprehensive gain | - | - | - | - | - | 7 | - | 7 |
| Board stock compensation | 12 | 75 | - | - | - | - | - | 75 |
| Restricted stock units issued, net of shares withheld for tax withholdings | 201 | ( 66) | - | - | - | - | - | ( 66) |
| Shares issued for deferred compensation | 80 | 539 | - | - | - | - | - | 539 |
| Activity of treasury shares, net | - | - | ( 77) | ( 512) | - | - | - | ( 512) |
| Deferred stock compensation | - | - | - | - | 512 | - | - | 512 |
| Stock-based compensation expense | - | 551 | - | - | - | - | - | 551 |
| Stock options exercised, net | - | - | - | - | - | - | - | - |
| Dividends — $ 0.05 per share | - | - | - | - | - | - | ( 1,408) | ( 1,408) |
| **Balance at September 30, 2022** | 27,777 | $ 140,599 | ( 899) | $ ( 6,439) | $ 6,439 | $ 52 | $ 13,077 | $ 153,728 |
| Net Income | - | - | - | - | - | - | 6,417 | 6,417 |
| Other comprehensive gain | - | - | - | - | - | 68 | - | 68 |
| Board stock compensation | 23 | 98 | - | - | - | - | - | 98 |
| Restricted stock units issued, net of shares withheld for tax withholdings | 71 | ( 399) | - | - | - | - | - | ( 399) |
| Shares issued for deferred compensation | 57 | 548 | - | - | - | - | - | 548 |
| Activity of treasury shares, net | - | - | ( 58) | ( 549) | - | - | - | ( 549) |
| Deferred stock compensation | - | - | - | - | 549 | - | - | 549 |
| Stock-based compensation expense | - | 864 | - | - | - | - | - | 864 |
| Stock options exercised, net | 192 | 1,278 | - | - | - | - | - | 1,278 |
| Dividends — $ 0.05 per share | - | - | - | - | - | - | ( 1,286) | ( 1,286) |
| **Balance at December 31, 2022** | 28,120 | $ 142,988 | ( 957) | $ ( 6,988) | $ 6,988 | 120 | $ 18,208 | $ 161,316 |
| Net Income | - | - | - | - | - | - | 4,669 | 4,669 |
| Other comprehensive gain | - | - | - | - | - | 117 | - | 117 |
| Board stock compensation awards | 2 | 97 | - | - | - | - | - | 97 |
| ESPP stock Awards | 10 | 97 | - | - | - | - | - | 97 |
| Restricted stock units issued, net of shares withheld for tax withholdings | 29 | ( 379) | - | - | - | - | - | ( 379) |
| Shares issued for deferred compensation | 31 | 443 | - | - | - | - | - | 443 |
| Activity of treasury shares, net | - | - | 66 | 252 | - | - | - | 252 |
| Deferred stock compensation | - | - | - | - | ( 252) | - | - | ( 252) |
| Stock-based compensation expense | - | 893 | - | - | - | - | - | 893 |
| Stock options exercised, net | 157 | 1,861 | - | - | - | - | - | 1,861 |
| Dividends — $ 0.05 per share | - | - | - | - | - | - | ( 1,371) | ( 1,371) |
| **Balance at March 31, 2023** | 28,349 | $ 146,000 | ( 891) | $ ( 6,736) | $ 6,736 | 237 | $ 21,506 | $ 167,743 |

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

LSI INDUSTRIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

| | Common Shares | | | Treasury Shares | | | Key Executive | | Accumulated Other | | | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number Of Shares | | Amount | Number Of Shares | | Amount | | Compensation Amount | | Comprehensive Income | | Retained Earnings | | Shareholders' Equity |
| **Balance at June 30, 2023** | 28,488 | $ | 148,691 | (922) | $ | (7,166) | $ | 7,166 | $ | 339 | $ | 28,548 | $ | 177,578 |
| Net Income | - | | - | - | | - | | - | | - | | 8,028 | | 8,028 |
| Other comprehensive loss | - | | - | - | | - | | - | | (56) | | - | | (56) |
| Board stock compensation | 9 | | 113 | - | | - | | - | | - | | - | | 113 |
| ESPP stock awards | 3 | | 57 | - | | - | | - | | - | | - | | 57 |
| Restricted stock units issued, net of shares withheld for tax withholdings | 276 | | - | - | | - | | - | | - | | - | | - |
| Shares issued for deferred compensation | 32 | | 437 | - | | - | | - | | - | | - | | 437 |
| Activity of treasury shares, net | - | | - | (30) | | (417) | | - | | - | | - | | (417) |
| Deferred stock compensation | - | | - | - | | - | | 417 | | - | | - | | 417 |
| Stock-based compensation expense | - | | 1,220 | - | | - | | - | | - | | - | | 1,220 |
| Stock options exercised, net | 70 | | 549 | - | | - | | - | | - | | - | | 549 |
| Dividends — $ 0.05 per share | - | | - | - | | - | | - | | - | | (1,380) | | (1,380) |
| **Balance at September 30, 2023** | 28,878 | $ | 151,067 | (952) | $ | (7,583) | $ | 7,583 | $ | 283 | $ | 35,196 | $ | 186,546 |
| Net Income | - | | - | - | | - | | - | | - | | 5,906 | | 5,906 |
| Other comprehensive gain | - | | - | - | | - | | - | | 71 | | - | | 71 |
| Board stock compensation | 7 | | 112 | - | | - | | - | | - | | - | | 112 |
| ESPP stock awards | 4 | | 41 | - | | - | | - | | - | | - | | 41 |
| Restricted stock units issued, net of shares withheld for tax withholdings | 28 | | (244) | - | | - | | - | | - | | - | | (244) |
| Shares issued for deferred compensation | 36 | | 506 | - | | - | | - | | - | | - | | 506 |
| Activity of treasury shares, net | - | | - | (36) | | (505) | | - | | - | | - | | (505) |
| Deferred stock compensation | - | | - | - | | - | | 505 | | - | | - | | 505 |
| Stock-based compensation expense | - | | 814 | - | | - | | - | | - | | - | | 814 |
| Stock options exercised, net | 107 | | 628 | - | | - | | - | | - | | - | | 628 |
| Dividends — $ 0.05 per share | - | | - | - | | - | | - | | - | | (1,446) | | (1,446) |
| **Balance at December 31, 2023** | 29,060 | $ | 152,924 | (988) | $ | (8,088) | $ | 8,088 | $ | 354 | $ | 39,656 | $ | 192,934 |
| Net Income | - | | - | - | | - | | - | | - | | 5,375 | | 5,375 |
| Other comprehensive gain | - | | - | - | | - | | - | | 31 | | - | | 31 |
| Board stock compensation | 8 | | 113 | - | | - | | - | | - | | - | | 113 |
| ESPP stock awards | 4 | | 47 | - | | - | | - | | - | | - | | 47 |
| Restricted stock units issued, net of shares withheld for tax withholdings | - | | (60) | - | | - | | - | | - | | - | | (60) |
| Shares issued for deferred compensation | 29 | | 431 | - | | - | | - | | - | | - | | 431 |
| Activity of treasury shares, net | - | | - | (31) | | (432) | | - | | - | | - | | (432) |
| Deferred stock compensation | - | | - | - | | - | | 432 | | - | | - | | 432 |
| Stock-based compensation expense | - | | 927 | - | | - | | - | | - | | - | | 927 |
| Stock options exercised, net | 12 | | 93 | - | | - | | - | | - | | - | | 93 |
| Dividends — $ 0.05 per share | - | | - | - | | - | | - | | - | | (1,454) | | (1,454) |
| **Balance at March 31, 2024** | 29,113 | $ | 154,475 | (1,019) | $ | (8,520) | $ | 8,520 | $ | 385 | $ | 43,577 | $ | 198,437 |

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

LSI INDUSTRIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

| *(In thousands)* | Nine Months Ended March 31 2024 | Nine Months Ended March 31 2023 |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Net income | $ 19,309 | $ 17,347 |
| Non-cash items included in net income | | |
| Depreciation and amortization | 7,143 | 7,295 |
| Deferred income taxes | ( 1,143) | 59 |
| Deferred compensation plan | 1,374 | 1,530 |
| ESPP discount | 145 | 97 |
| Stock compensation expense | 2,961 | 2,308 |
| Issuance of common shares as compensation | 338 | 270 |
| Loss on disposition of fixed assets | 173 | 37 |
| Allowance for credit losses | 57 | ( 80) |
| Inventory obsolescence reserve | ( 1,259) | 740 |
| Changes in certain assets and liabilities | | |
| Accounts receivable | 8,894 | 8,542 |
| Inventories | 4,646 | 6,020 |
| Refundable income taxes | 466 | ( 1,865) |
| Accounts payable | ( 3,092) | ( 10,034) |
| Accrued expenses and other | ( 6,865) | 2,830 |
| Customer prepayments | ( 850) | ( 2,548) |
| Net cash flows provided by operating activities | 32,297 | 32,548 |
| Cash Flows from Investing Activities | | |
| Proceeds from the sale of fixed assets | 32 | 1 |
| Purchases of property, plant and equipment | ( 4,626) | ( 1,754) |
| Net cash flows used in investing activities | ( 4,594) | ( 1,753) |
| Cash Flows from Financing Activities | | |
| Payments of long-term debt | ( 102,366) | ( 150,547) |
| Borrowings of long-term debt | 83,520 | 120,524 |
| Cash dividends paid | ( 4,280) | ( 4,065) |
| Shares withheld for employees' taxes | ( 304) | ( 844) |
| Payments on financing lease obligations | ( 241) | ( 192) |
| Proceeds from stock option exercises | 1,270 | 3,139 |
| Net cash flows used in financing activities | ( 22,401) | ( 31,985) |
| Change related to foreign currency | 45 | 78 |
| Increase (decrease) in cash and cash equivalents | 5,347 | ( 1,112) |
| Cash and cash equivalents at beginning of period | 1,828 | 2,462 |
| Cash and cash equivalents at end of period | $ 7,175 | $ 1,350 |

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

**NOTE 1 - INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements are unaudited and are prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information, and rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the interim financial statements include all normal adjustments and disclosures necessary to present fairly the Company's financial position as of March 31, 2024, the results of its operations for the three and nine-month periods ended March 31, 2024, and 2023, and its cash flows for the nine-month periods ended March 31, 2024, and 2023. These statements should be read in conjunction with the financial statements and footnotes included in the fiscal 2023 Annual Report on Form 10-K. Financial information as of June 30, 2023, has been derived from the Company's audited consolidated financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Consolidation:**

A summary of the Company's significant accounting policies is included in Note 1 to the audited consolidated financial statements of the Company's fiscal 2023 Annual Report on Form 10-K.

**Revenue Recognition:**

The Company recognizes revenue when it satisfies the performance obligation in its customer contracts or purchase orders. Most of the Company's products have a single performance obligation which is satisfied at a point in time when control is transferred to the customer. Control is generally transferred at time of shipment when title and risk of ownership passes to the customer. For customer contracts with multiple performance obligations, the Company allocates the transaction price and any discounts to each performance obligation based on relative standalone selling prices. Payment terms are typically within 30 to 90 days from the shipping date, depending on the terms with the customer. The Company offers standard warranties that do not represent separate performance obligations.

Installation is a separate performance obligation, except for the Company's digital signage products. For digital signage products, installation is not a separate performance obligation as the product and installation is the combined item promised in digital signage contracts. The Company is not always responsible for installation of products it sells and has no post-installation responsibilities other than standard warranties.

A number of the Company's display solutions and select lighting products are customized for specific customers. As a result, these customized products do not have an alternative use. For these products, the Company has a legal right to payment for performance to date and generally does not accept returns on these items. The measurement of performance is based upon cost plus a reasonable profit margin for work completed. Because there is no alternative use and there is a legal right to payment, the Company transfers control of the item as the item is being produced and therefore, recognizes revenue over time. The customized product types are as follows:

- Customer specific branded print graphics
- Electrical components based on customer specifications
- Digital signage and related media content

The Company also offers installation services for its display solutions elements and select lighting products. Installation revenue is recognized over time as the customer simultaneously receives and consumes the benefits provided through the installation process.

For these customized products and installation services, revenue is recognized using a cost-based input method: recognizing revenue and gross profit as work is performed based on the relationship between the actual cost incurred and the total estimated cost for the performance obligation.

On occasion, the Company enters into bill-and-hold arrangements on a limited basis. Each bill-and-hold arrangement is reviewed and revenue is recognized only when certain criteria have been met: (1) the customer has requested delayed delivery and storage of the products by the Company because the customer wants to secure a supply of the products but lacks storage space; (ii) the risk of ownership has passed to the customer; (iii) the products are segregated from the Company's other inventory items held for sale; (iv) the products are ready for shipment to the customer; and (v) the Company does not have the ability to use the products or direct them to another customer.

Disaggregation of Revenue

The Company disaggregates the revenue from contracts with customers by the timing of revenue recognition because the Company believes it best depicts the nature, amount, and timing of its revenue and cash flows. The table below presents a reconciliation of the disaggregation by reportable segments:

| *(In thousands)* | Three Months Ended | | | |
|---|---|---|---|---|
| | March 31, 2024 | | March 31, 2023 | |
| | Lighting Segment | Display Solutions Segment | Lighting Segment | Display Solutions Segment |
| **Timing of revenue recognition** | | | | |
| Products and services transferred at a point in time | $ 53,619 | $ 30,304 | $ 57,249 | $ 42,378 |
| Products and services transferred over time | 11,263 | 13,000 | 9,458 | 8,385 |
| | $ 64,882 | $ 43,304 | $ 66,707 | $ 50,763 |

| | Nine Months Ended | | | |
|---|---|---|---|---|
| | March 31, 2024 | | March 31, 2023 | |
| | Lighting Segment | Display Solutions Segment | Lighting Segment | Display Solutions Segment |
| **Timing of revenue recognition** | | | | |
| Products and services transferred at a point in time | $ 165,890 | $ 99,560 | $ 173,917 | $ 136,894 |
| Products and services transferred over time | 31,428 | 43,754 | 27,157 | 35,375 |
| | $ 197,318 | $ 143,314 | $ 201,074 | $ 172,269 |

| | Three Months Ended | | | |
|---|---|---|---|---|
| | March 31, 2024 | | March 31, 2023 | |
| | Lighting Segment | Display Solutions Segment | Lighting Segment | Display Solutions Segment |
| **Type of Product and Services** | | | | |
| LED lighting, digital signage solutions, electronic circuit boards | $ 53,917 | $ 8,321 | $ 55,894 | $ 4,907 |
| Poles, other display solution elements | 10,181 | 26,628 | 9,920 | 37,019 |
| Project management, installation services, shipping and handling | 784 | 8,355 | 893 | 8,837 |
| | $ 64,882 | $ 43,304 | $ 66,707 | $ 50,763 |

| | Nine Months Ended | | | |
|---|---|---|---|---|
| | March 31, 2024 | | March 31, 2023 | |
| | Lighting Segment | Display Solutions Segment | Lighting Segment | Display Solutions Segment |
| **Type of Product and Services** | | | | |
| LED lighting, digital signage solutions, electronic circuit boards | $ 162,524 | $ 26,045 | $ 165,839 | $ 17,883 |
| Poles, other display solution elements | 32,532 | 86,326 | 32,681 | 120,173 |
| Project management, installation services, shipping and handling | 2,262 | 30,943 | 2,554 | 34,213 |
| | $ 197,318 | $ 143,314 | $ 201,074 | $ 172,269 |

Practical Expedients and Exemptions

- The Company's contracts with customers have an expected duration of one year or less, as such, the Company applies the practical expedient to expense sales commissions as incurred and has omitted disclosures on the amount of remaining performance obligations.
- Shipping costs that are not material in context of the delivery of products are expensed as incurred.
- The Company's accounts receivable balance represents the Company's unconditional right to receive payment from its customers with contracts. Payments are generally due within 30 to 90 days of completion of the performance obligation and invoicing; therefore, payments do not contain significant financing components.
- The Company collects sales tax and other taxes concurrent with revenue-producing activities which are excluded from revenue. Shipping and handling costs are treated as fulfillment activities and included in cost of products and services sold on the Consolidated Statements of Operations.

**New Accounting Pronouncements:**

In October 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers," creating an exception to the recognition and measurement principles in ASC 805. The amendment requires that entities apply ASC 606, "Revenue from Contracts with Customers," rather than using fair value, to recognize and measure contracts assets and contract liabilities from contracts with customers acquired in a business combination. The ASU is effective for fiscal years beginning after December 15, 2022, and interim periods therein. Early adoption is permitted, including adoption in an interim period, regardless of whether a business combination occurs in that period. The guidance should be applied prospectively; however, an entity that elects to early adopt in an interim period should apply the amendments to all business combinations that occurred during the fiscal year that includes that interim period. There has not been a material impact on the Company's consolidated financial statements and related disclosures as a result of its adoption of the guidance on July 1, 2023.

**NOTE 3 - SEGMENT REPORTING INFORMATION**

The accounting guidance on Segment Reporting establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information of those segments to be presented in financial statements. Operating segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the chief operating decision maker (the Company's Chief Executive Officer or "CODM") in making decisions on how to allocate resources and assess performance. The Company's two operating segments are Lighting and Display Solutions (formerly known as the Graphics Segment), with one executive team under the organizational structure reporting directly to the CODM with responsibilities for managing each segment. Corporate and Eliminations, which captures the Company's corporate administrative activities, is also reported in the segment information.

The Lighting Segment includes non-residential outdoor and indoor lighting fixtures utilizing LED light sources that have been fabricated and assembled for the Company's markets, primarily the refueling and convenience store markets, parking lot and garage markets, quick-service restaurant market, retail and grocery store markets, the automotive market, the warehouse market, and the sports court and field market. The Company also services lighting product customers through the commercial and industrial project, stock and flow, and renovation channels. In addition to the manufacture and sale of lighting fixtures, the Company offers a variety of lighting controls to complement its lighting fixtures which include sensors, photocontrols, dimmers, motion detection and Bluetooth systems. The Lighting Segment also includes the design, engineering and manufacturing of electronic circuit boards, assemblies and sub-assemblies which are sold directly to customers.

The Display Solutions Segment manufactures, sells and installs exterior and interior visual image and display elements, including printed graphics, structural graphics, digital signage, menu board systems, display fixtures, refrigerated displays, and custom display elements. These products are used in visual image programs in several markets including the refueling and convenience store markets, parking lot and garage markets, quick-service restaurant market, retail and grocery store markets, the automotive market, the warehouse market, and the sports court and field market. The Display Solutions Segment also provides a variety of project management services to complement our display elements, such as installation management, site surveys, permitting, and content management which are offered to our customers to support our digital signage.

The Company's corporate administration activities are reported in the Corporate and Eliminations line item. These activities primarily include intercompany profit in inventory eliminations, expense related to certain corporate officers and support staff, the Company's internal audit staff, expense related to the Company's Board of Directors, equity compensation expense for various equity awards granted to corporate administration employees, certain consulting expenses, investor relations activities, and a portion of the Company's legal, auditing, and professional fee expenses. Corporate identifiable assets primarily consist of cash, invested cash (if any), refundable income taxes (if any), and deferred income taxes.

There were no customers or customer programs representing a concentration of 10% or more of the Company's consolidated net sales in the three and nine months ended March 31, 2024, or 2023. There was no concentration of accounts receivable at March 31, 2024, or 2023.

Summarized financial information for the Company's operating segments is provided for the indicated periods and as of March 31, 2024, and March 31, 2023:

| *(In thousands)* | Three Months Ended March 31 | | Nine Months Ended March 31 | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Net Sales:** | | | | |
| Lighting Segment | $ 64,882 | $ 66,707 | $ 197,318 | $ 201,074 |
| Display Solutions Segment | 43,304 | 50,763 | 143,314 | 172,269 |
| | $ 108,186 | $ 117,470 | $ 340,632 | $ 373,343 |
| **Operating Income (Loss):** | | | | |
| Lighting Segment | $ 7,268 | $ 6,529 | $ 24,877 | $ 22,441 |
| Display Solutions Segment | 4,064 | 5,501 | 14,585 | 19,759 |
| Corporate and Eliminations | ( 3,672) | ( 4,298) | ( 12,955) | ( 15,409) |
| | $ 7,660 | $ 7,732 | $ 26,507 | $ 26,791 |
| **Capital Expenditures:** | | | | |
| Lighting Segment | $ 999 | $ 401 | $ 3,012 | $ 725 |
| Display Solutions Segment | 167 | 338 | 1,215 | 1,038 |
| Corporate and Eliminations | 111 | 19 | 399 | ( 9) |
| | $ 1,277 | $ 758 | $ 4,626 | $ 1,754 |
| **Depreciation and Amortization:** | | | | |
| Lighting Segment | $ 2,635 | $ 1,344 | $ 3,944 | $ 4,113 |
| Display Solutions Segment | 1,970 | 1,044 | 2,946 | 2,993 |
| Corporate and Eliminations | 75 | 67 | 253 | 189 |
| | $ 4,680 | $ 2,455 | $ 7,143 | $ 7,295 |

| | March 31, 2024 | June 30, 2023 |
|---|---|---|
| **Total Assets:** | | |
| Lighting Segment | $ 135,569 | $ 142,941 |
| Display Solutions Segment | 138,449 | 145,307 |
| Corporate and Eliminations | 13,951 | 7,901 |
| | $ 287,969 | $ 296,149 |

The segment net sales reported above represent sales to external customers. Segment operating income, which is used in management's evaluation of segment performance, represents net sales less all operating expenses. Identifiable assets are those assets used by each segment in its operations.

The Company records a 10 % mark-up on intersegment revenues. Any intersegment profit in inventory is eliminated in consolidation. Intersegment revenues were eliminated in consolidation as follows:

**Inter-segment sales**

| *(In thousands)* | Three Months Ended March 31 | | Nine Months Ended March 31 | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Lighting Segment inter-segment net sales | $ 6,318 | $ 5,101 | $ 18,468 | $ 16,312 |
| Display Solutions Segment inter-segment net sales | $ 96 | $ 175 | $ 536 | $ 139 |

The Company's operations are located solely within North America. As a result, the geographic distribution of the Company's net sales and long-lived assets originate within North America.

**NOTE 4 - EARNINGS PER COMMON SHARE**

The following table presents the amounts used to compute basic and diluted earnings per common share, as well as the effect of dilutive potential common shares on weighted average shares outstanding (in thousands, except per share data):

| | Three Months Ended March 31 | | Nine Months Ended March 31 | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **BASIC EARNINGS PER SHARE** | | | | |
| Net income | $ 5,375 | $ 4,669 | $ 19,309 | $ 17,347 |
| Weighted average shares outstanding during the period, net of treasury shares | 28,084 | 27,376 | 27,933 | 27,050 |
| Weighted average vested restricted stock units outstanding | 75 | 52 | 78 | 70 |
| Weighted average shares outstanding in the Deferred Compensation Plan during the period | 1,004 | 878 | 970 | 892 |
| Weighted average shares outstanding | 29,163 | 28,306 | 28,981 | 28,012 |
| Basic earnings per common share | $ 0.18 | $ 0.16 | $ 0.67 | $ 0.62 |
| **DILUTED EARNINGS PER SHARE** | | | | |
| Net income | $ 5,375 | $ 4,669 | $ 19,309 | $ 17,347 |
| Weighted average shares outstanding: | | | | |
| Basic | 29,163 | 28,306 | 28,981 | 28,012 |
| Effect of dilutive securities (a): | | | | |
| Impact of common shares to be issued under stock option plans, and contingently issuable shares, if any | 959 | 1,305 | 1,024 | 1,043 |
| Weighted average shares outstanding | 30,122 | 29,611 | 30,005 | 29,055 |
| Diluted earnings per common share | $ 0.18 | $ 0.16 | $ 0.64 | $ 0.60 |
| Anti-dilutive securities (b) | 3 | - | 10 | 181 |

(a) Calculated using the “Treasury Stock” method as if dilutive securities were exercised and the funds were used to purchase common shares at the average market price during the period.

(b) Anti-dilutive securities were excluded from the computation of diluted net income per share for the three months ended March 31, 2024, and March 31, 2023, because the exercise price was greater than the average fair market price of the common shares or because the assumed proceeds from the award’s exercise or vesting was greater than the average fair market price of the common shares.

**NOTE 5 – INVENTORIES**

The following information is provided as of the dates indicated:

| *(In thousands)* | | March 31, 2024 | | June 30, 2023 |
|---|---|---|---|---|
| Inventories: | | | | |
| Raw materials | $ | 44,051 | $ | 47,689 |
| Work-in-progress | | 3,790 | | 3,373 |
| Finished goods | | 12,490 | | 12,656 |
| Total Inventories | $ | 60,331 | $ | 63,718 |

**NOTE 6 - ACCRUED EXPENSES**

The following information is provided as of the dates indicated:

| *(In thousands)* | | March 31, 2024 | | June 30, 2023 |
|---|---|---|---|---|
| Accrued Expenses: | | | | |
| Customer prepayments | $ | 4,575 | $ | 5,425 |
| Compensation and benefits | | 10,016 | | 13,116 |
| Accrued warranty | | 6,009 | | 6,501 |
| Operating lease liabilities | | 3,557 | | 3,566 |
| Accrued sales commissions | | 4,185 | | 5,082 |
| Accrued Freight | | 2,898 | | 3,821 |
| Accrued FICA | | 543 | | 546 |
| Finance lease liabilities | | 317 | | 284 |
| Other accrued expenses | | 4,476 | | 5,444 |
| Total Accrued Expenses | $ | 36,576 | $ | 43,785 |

**NOTE 7 - GOODWILL AND OTHER INTANGIBLE ASSETS**

The carrying values of goodwill and other intangible assets with indefinite lives are reviewed at least annually for possible impairment. The Company may first assess qualitative factors in order to determine if goodwill and indefinite-lived intangible assets are impaired. If through the qualitative assessment it is determined that it is more likely than not that goodwill and indefinite-lived assets are not impaired, no further testing is required. If it is determined more likely than not that goodwill and indefinite-lived assets are impaired, or if the Company elects not to first assess qualitative factors, the Company's impairment testing continues with the estimation of the fair value of the reporting unit using a combination of a market approach and an income (discounted cash flow) approach, at the reporting unit level. The estimation of the fair value of reporting unit requires significant management judgment with respect to revenue and expense growth rates, changes in working capital and the selection and use of an appropriate discount rate. The estimates of the fair value of reporting units are based on the best information available as of the date of the assessment. The use of different assumptions would increase or decrease estimated discounted future operating cash flows and could increase or decrease an impairment charge. Company management uses its judgment in assessing whether assets may have become impaired between annual impairment tests. Indicators such as adverse business conditions, economic factors and technological change or competitive activities may signal that an asset has become impaired.

The Company identified its reporting units in conjunction with its annual goodwill impairment testing. The Company has a total of three reporting units that contain goodwill. One reporting unit is within the Lighting Segment and two reporting units are within the Display Solutions Segment. The tradename intangible assets have an indefinite life and are also tested separately on an annual basis. The Company relies upon a number of factors, judgments and estimates when conducting its impairment testing including, but not limited to, the Company's stock price, operating results, forecasts, anticipated future cash flows, and marketplace data. There are inherent uncertainties related to these factors and judgments in applying them to the analysis of goodwill impairment.

The following table presents information about the Company's goodwill on the dates or for the periods indicated:

| **Goodwill**<br>*(In thousands)* | | **Lighting Segment** | | **Display Solutions Segment** | | **Total** |
|---|---|---|---|---|---|---|
| Balance as of March 31, 2024 | | | | | | |
| Goodwill | $ | 70,971 | $ | 63,347 | $ | 134,318 |
| Accumulated impairment losses | | ( 61,763) | | ( 27,525) | | ( 89,288) |
| Goodwill, net as of March 31, 2024 | $ | 9,208 | $ | 35,822 | $ | 45,030 |
| | | | | | | |
| Balance as of June 30, 2023 | | | | | | |
| Goodwill | $ | 70,971 | $ | 63,347 | $ | 134,318 |
| Accumulated impairment losses | | ( 61,763) | | ( 27,525) | | ( 89,288) |
| Goodwill, net as of June 30, 2023 | $ | 9,208 | $ | 35,822 | $ | 45,030 |

The gross carrying amount and accumulated amortization by each major intangible asset class is as follows:

| **Other Intangible Assets**<br>*(In thousands)* | **March 31, 2024** | | | | | |
|---|---|---|---|---|---|---|
| | | **Gross Carrying Amount** | | **Accumulated Amortization** | | **Net Amount** |
| Amortized Intangible Assets | | | | | | |
| Customer relationships | $ | 62,083 | $ | 20,379 | $ | 41,704 |
| Patents | | 268 | | 268 | | - |
| LED technology firmware, software | | 20,966 | | 16,670 | | 4,296 |
| Trade name | | 2,658 | | 1,238 | | 1,420 |
| Non-compete | | 260 | | 149 | | 111 |
| Total Amortized Intangible Assets | | 86,235 | | 38,704 | | 47,531 |
| | | | | | | |
| Indefinite-lived Intangible Assets | | | | | | |
| Trademarks and trade names | | 12,102 | | - | | 12,102 |
| Total indefinite-lived Intangible Assets | | 12,102 | | - | | 12,102 |
| | | | | | | |
| Total Other Intangible Assets | $ | 98,337 | $ | 38,704 | $ | 59,633 |

| **Other Intangible Assets**<br>*(In thousands)* | **June 30, 2023** | | | | | |
|---|---|---|---|---|---|---|
| | | **Gross Carrying Amount** | | **Accumulated Amortization** | | **Net Amount** |
| Amortized Intangible Assets | | | | | | |
| Customer relationships | $ | 62,083 | $ | 17,817 | $ | 44,266 |
| Patents | | 268 | | 268 | | - |
| LED technology firmware, software | | 20,966 | | 15,783 | | 5,183 |
| Trade name | | 2,658 | | 1,156 | | 1,502 |
| Non-compete | | 260 | | 110 | | 150 |
| Total Amortized Intangible Assets | | 86,235 | | 35,134 | | 51,101 |
| | | | | | | |
| Indefinite-lived Intangible Assets | | | | | | |
| Trademarks and trade names | | 12,102 | | - | | 12,102 |
| Total indefinite-lived Intangible Assets | | 12,102 | | - | | 12,102 |
| | | | | | | |
| Total Other Intangible Assets | $ | 98,337 | $ | 35,134 | $ | 63,203 |

| *(In thousands)* | Three Months Ended March 31 2024 | Three Months Ended March 31 2023 | Nine Months Ended March 31 2024 | Nine Months Ended March 31 2023 |
|---|---|---|---|---|
| Amortization Expense of Other Intangible Assets | $ 1,190 | $ 1,190 | $ 3,570 | $ 3,570 |

The Company expects to record annual amortization expense as follows:

| *(In thousands)* | |
|---|---|
| 2024 | $ 4,760 |
| 2025 | $ 4,760 |
| 2026 | $ 4,760 |
| 2027 | $ 4,754 |
| 2028 | $ 4,708 |
| After 2028 | $ 27,359 |

**NOTE 8 - DEBT**

The Company’s long-term debt as of March 31, 2024, and June 30, 2023, consisted of the following:

| *(In thousands)* | March 31, 2024 | June 30, 2023 |
|---|---|---|
| Secured line of credit | $ - | $ 18,729 |
| Term loan, net of debt issuance costs of $ 20 and $ 30 , respectively | 16,353 | 16,471 |
| Total debt | $ 16,353 | $ 35,200 |
| Less: amounts due within one year | 3,571 | 3,571 |
| Total amounts due after one year, net | $ 12,782 | $ 31,629 |

In September 2021, the Company amended its existing $ 100 million secured line of credit, to a $ 25 million term loan and $ 75 million remaining as a secured revolving line of credit. Both facilities expire in the third quarter of fiscal 2026. The principal of the term loan is repaid annually in the amount of $ 3.6 million over a five-year period with a balloon payment of the remaining balance due on the last month. Interest on both the revolving line of credit and the term loan is charged based upon an increment over the Secured Overnight Financing Rate (SOFR) or a base rate, at the Company’s option. The base rate is calculated as the highest of (a) the Prime rate, (b) the sum of the Overnight Funding Rate plus 50 basis points and (c) the sum of the Daily SOFR Rate plus 100 basis points. The increment over the SOFR borrowing rate fluctuates between 100 and 225 basis points, and the increment over the Base Rate fluctuates between 0 and 125 basis points, both of which depend upon the ratio of indebtedness to earnings before interest, taxes, depreciation, and amortization (“EBITDA”), as defined in the line of credit agreement. As of March 31, 2024, the Company has no borrowings against its revolving line of credit. If the Company had borrowed on its revolving line of credit, the borrowing rate as of March 31, 2024, would have been 6.6 %. The increment over the SOFR borrowing rate will be 100 basis points for the fourth quarter of fiscal 2024. The fee on the unused balance of the $ 75 million committed line of credit fluctuates between 15 and 25 basis points. Under the terms of this line of credit, the Company is required to comply with financial covenants that limit the ratio of indebtedness to EBITDA and require a minimum fixed charge ratio. As of March 31, 2024, the entire $ 75 million revolving line of credit was available for borrowing.

The Company is in compliance with all of its loan covenants as of March 31, 2024.

**NOTE 9 - CASH DIVIDENDS**

The Company paid cash dividends of $ 4.3 million and $ 4.1 million for the nine months ended March 31, 2024, and March 31, 2023, respectively. In April 2024, the Board of Directors declared a regular quarterly cash dividend of $ 0.05 per share payable May 14, 2024, to shareholders of record as of May 6, 2024. The indicated annual cash dividend rate is $ 0.20 per share.

## NOTE 10 – EQUITY COMPENSATION

The 2019 Omnibus Award Plan ("2019 Omnibus Plan") authorizes for issuance up to 2,350,000 shares. The purpose of the 2019 Omnibus Plan is to provide a means to attract and retain key personnel and to align the interests of the directors, officers, and employees with the Company's shareholders. The plan also provides a vehicle whereby directors and officers may acquire shares in order to meet the ownership requirements under the Company's Stock Ownership Policy. The 2019 Omnibus Plan allows for the grant of stock options, stock appreciation rights, restricted stock awards, restricted stock units ("RSUs"), performance stock units ("PSUs") and other awards. While RSU grants are time-based, PSU grants offer participants the opportunity to acquire shares over a three-year performance measurement period tied to specific company performance metrics. As of March 31, 2024, 1,944,773 shares remain available for issuance under the 2019 Omnibus Plan.

In the first nine months of fiscal 2024, the Company granted 175,251 PSUs and 116,834 RSUs, both with a weighted average market value of $ 12.76 . Stock compensation expense was $ 0.9 million and $ 0.9 million for the three months ended March 31, 2024, and 2023, respectively, and $ 2.9 million and $ 2.3 million in the nine months ended March 31, 2024, and 2023, respectively.

In the third quarter of fiscal 2024, the Company granted 30,000 inducement stock options, with a weighted average fair market value of $ 14.41 . Stock compensation expense was $ 0.1 million for the three and nine months ended March 31, 2024, respectively.

In November of 2021, our board of directors approved the LSI Employee Stock Purchase Plan ("ESPP"). A total of 270,000 shares of common stock were provided for issuance under the ESPP. Employees may participate at their discretion and are able to purchase, through payroll deduction, common stock at a 10 % discount on a quarterly basis. Employees may end their participation at any time during the offering period, and participation ends automatically upon termination of employment with the company. During the first nine months of fiscal year 2024, employees purchased 11,000 shares. At March 31, 2024, 245,000 shares remained available for purchase under the ESPP.

## NOTE 11 - SUPPLEMENTAL CASH FLOW INFORMATION

| *(In thousands)* | Nine Months Ended March 31 | |
|---|---|---|
| | 2024 | 2023 |
| Cash Payments: | | |
| Interest | $ 1,122 | $ 2,325 |
| Income taxes | $ 6,317 | $ 7,808 |
| | | |
| Non-cash investing and financing activities | | |
| Issuance of common shares as compensation | $ 338 | $ 270 |
| Issuance of common shares to fund deferred compensation plan | $ 1,374 | $ 1,530 |
| Issuance of common shares to fund ESPP plan | $ 145 | $ 97 |

## NOTE 12 - COMMITMENTS AND CONTINGENCIES

The Company is party to various negotiations, customer bankruptcies, and legal proceedings arising in the normal course of business. The Company provides reserves for these matters when a loss is probable and reasonably estimable. Because it is not possible to predict with certainty the outcome or costs of these matters, the Company does not disclose a range of potential losses. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position, results of operations, cash flows or liquidity.

The Company may occasionally issue a standby letter of credit in favor of third parties. As of March 31, 2024, there were no such standby letters of credit issued.

## NOTE 13 - LEASES

The Company leases certain manufacturing facilities along with a small office space, several forklifts, several small tooling items, and various items of office equipment. The Company also has one sublease. All but two of the Company's leases are operating leases. Leases have a remaining term of one to seven years some of which have an option to renew. The Company does not assume renewals in determining the lease term unless the renewals are deemed reasonably certain. The lease agreements do not contain any material residual guarantees or material variable lease payments.

The Company has periodically entered into short-term operating leases with an initial term of twelve months or less. The Company elected not to record these leases on the balance sheet. For the three and nine months ended March 31, 2024, and 2023, the rent expense for these leases is immaterial.

The Company has certain leases that contain lease and non-lease components and has elected to utilize the practical expedient to account for these components together as a single lease component.

Lease expense is recognized on a straight-line basis over the lease term. The Company used its incremental borrowing rate when determining the present value of lease payments.

| | Three Months Ended March 31 | | Nine Months Ended March 31 | |
|---|---|---|---|---|
| *(In thousands)* | 2024 | 2023 | 2024 | 2023 |
| Operating lease cost | $ 993 | $ 884 | $ 2,893 | $ 2,661 |
| Financing lease cost: | | | | |
| Amortization of right of use assets | 73 | 74 | 219 | 221 |
| Interest on lease liabilities | 13 | 16 | 41 | 51 |
| Variable lease cost | 22 | 22 | 65 | 65 |
| Sublease income | ( 116) | ( 116) | ( 348) | ( 348) |
| Total lease cost | $ 985 | $ 880 | $ 2,870 | $ 2,650 |

**Supplemental Cash Flow Information:**

| | Nine Months Ended March 31 | |
|---|---|---|
| *(In thousands)* | 2024 | 2023 |
| Cash flows from operating leases | | |
| Fixed payments - operating cash flows | $ 2,806 | $ 2,754 |
| Liability reduction - operating cash flows | $ 2,421 | $ 2,451 |
| | | |
| Cash flows from finance leases | | |
| Interest - operating cash flows | $ 41 | $ 51 |
| Repayments of principal portion - financing cash flows | $ 241 | $ 192 |

**Operating Leases:**

| | March 31, 2024 | June 30, 2023 |
|---|---|---|
| Total operating right-of-use assets | $ 9,063 | $ 8,921 |
| | | |
| Accrued expenses (Current liabilities) | $ 3,557 | $ 3,566 |
| Long-term operating lease liability | 6,222 | 5,954 |
| Total operating lease liabilities | $ 9,779 | $ 9,520 |
| | | |
| Weighted Average remaining Lease Term (in years) | 3.77 | 3.31 |
| | | |
| Weighted Average Discount Rate | 5.35% | 5.44% |

| **Finance Leases:** | March 31, 2024 | June 30, 2023 |
|---|---|---|
| Buildings under finance leases | $ 2,033 | $ 2,033 |
| Equipment under finance leases | 41 | 34 |
| Accumulated depreciation | ( 1,159) | ( 929) |
| Total finance lease assets, net | $ 915 | $ 1,138 |
| | | |
| Accrued expenses (Current liabilities) | $ 317 | $ 284 |
| Long-term finance lease liability | 719 | 960 |
| Total finance lease liabilities | $ 1,036 | $ 1,244 |
| | | |
| Weighted Average remaining Lease Term (in years) | 3.08 | 3.83 |
| | | |
| Weighted Average Discount Rate | 4.86% | 4.86% |

| **Maturities of Lease Liability:** | Operating Lease Liabilities | Finance Lease Liabilities | Operating Subleases | Net Lease Commitments |
|---|---|---|---|---|
| 2024 | $ 3,577 | $ 317 | $ ( 94) | $ 3,800 |
| 2025 | 2,675 | 362 | ( 31) | 3,006 |
| 2026 | 1,824 | 362 | - | 2,186 |
| 2027 | 1,360 | 114 | - | 1,474 |
| 2028 | 496 | - | - | 496 |
| Thereafter | 1,049 | - | - | 1,049 |
| Total lease payments | $ 10,981 | $ 1,155 | $ ( 125) | $ 12,011 |
| Less: Interest | ( 1,202) | ( 119) | | ( 1,321) |
| Present Value of Lease Liabilities | $ 9,779 | $ 1,036 | | $ 10,690 |

**NOTE 14 – INCOME TAXES**

The Company's effective income tax rate is based on expected income, statutory rates, and tax planning opportunities available in the various jurisdictions in which it operates. For interim financial reporting, the Company estimates the annual income tax rate based on projected taxable income for the full year and records a quarterly income tax provision or benefit in accordance with the anticipated annual rate. The Company refines the estimates of the year's taxable income as new information becomes available, including actual year-to-date financial results. This continual estimation process often results in a change to the expected effective income tax rate for the year. When this occurs, the Company adjusts the income tax provision during the quarter in which the change in estimate occurs so that the year-to-date provision reflects the expected income tax rate. Significant judgment is required in determining the effective tax rate and in evaluating tax positions.

| | Three Months Ended March 31 | | Nine Months Ended March 31 | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Reconciliation of effective tax rate:** | | | | |
| | | | | |
| Provision for income taxes at the anticipated annual tax rate | 25.3% | 30.5% | 26.0% | 25.9% |
| Uncertain tax positions | 2.6 | 1.2 | 0.3 | 0.3 |
| Other | - | 0.7 | - | 0.2 |
| Share-based compensation | - | 0.2 | ( 2.9) | 0.6 |
| Effective tax rate | 27.9% | 32.6% | 23.4% | 27.0% |

**NOTE 15 – SUBSEQUENT EVENTS**

On April 18, 2024, the Company announced the acquisition of privately held EMI Industries (“EMI”) for an all-cash purchase price of $ 50 million. LSI funded the acquisition with cash and availability under its existing credit facility. Florida-based EMI is a metal and millwork manufacturer of standard and customized fixtures, displays, and food equipment for the convenience store, grocery, and restaurant industries. EMI designs and manufactures products from five production facilities located across the United States. EMI reported total revenue of $ 87.0 million in calendar 2023. Upon closing, the transaction will be immediately accretive to LSI on an adjusted earnings per share basis. EMI will become part of LSI’s display solutions segment on a reporting basis moving forward.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Note About Forward-Looking Statements

This report includes estimates, projections, statements relating to our business plans, objectives, and expected operating results that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may appear throughout this report, including this section. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "focus," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially. We describe risks and uncertainties that could cause actual results and events to differ materially in in our Annual Report on Form 10-K in the following sections: "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Quantitative and Qualitative Disclosures about Market Risk," and "Risk Factors." All of those risks and uncertainties are incorporated herein by reference. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the results of operations and financial condition of LSI Industries Inc. MD&A is provided as a supplement to, and should be read in conjunction with, our Annual Report on Form 10-K for the year ended June 30, 2023, and our financial statements and the accompanying Notes to Financial Statements (Part I, Item 1 of this Form 10-Q).

Our condensed consolidated financial statements, accompanying notes and the "Safe Harbor" Statement, each as appearing earlier in this report, should be referred to in conjunction with this Management's Discussion and Analysis of Financial Condition and Results of Operations.

### Summary of Consolidated Results

| **Net Sales by Business Segment** | **Three Months Ended March 31** | | **Nine Months Ended March 31** | |
|---|---|---|---|---|
| *(In thousands)* | **2024** | **2023** | **2024** | **2023** |
| Lighting Segment | $ 64,882 | $ 66,707 | $ 197,318 | $ 201,074 |
| Display Solutions Segment | 43,304 | 50,763 | 143,314 | 172,269 |
| | $ 108,186 | $ 117,470 | $ 340,632 | $ 373,343 |

| **Operating Income by Business Segment** | **Three Months Ended March 31** | | **Nine Months Ended March 31** | |
|---|---|---|---|---|
| *(In thousands)* | **2024** | **2023** | **2024** | **2023** |
| Lighting Segment | $ 7,268 | $ 6,529 | $ 24,877 | $ 22,441 |
| Display Solutions Segment | 4,064 | 5,501 | 14,585 | 19,759 |
| Corporate and Eliminations | (3,672) | (4,298) | (12,955) | (15,409) |
| | $ 7,660 | $ 7,732 | $ 26,507 | $ 26,791 |

Net sales of $108.2 million for the three months ended March 31, 2024, decreased $9.3 million or 8% as compared to net sales of $117.5 million for the three months ended March 31, 2023. The decrease in net sales was attributed to a $1.8 million decrease in net sales of the Lighting Segment, while the remainder of the decrease in net sales was attributable to the Display Solutions Segment. In our Display Solutions segment, recent program awards generated strong growth in the refueling/c-store and QSR verticals, partially offsetting delayed activity in the grocery vertical. Our diverse end-market exposure and solid execution was key during the third quarter, as certain verticals demonstrated robust or stable demand strength, while the grocery vertical remains unfavorably impacted by the proposed merger of two industry participants, and longer than expected regulatory review.

Net sales of $340.6 million for the nine months ended March 31, 2024, decreased $32.7 million or 9% as compared to net sales of $373.3 million for the nine months ended March 31, 2023. Net sales in the Lighting Segment decreased ($3.8 million or 2%) from the prior year. Net sales in the Display Solutions Segment decreased ($29.0 million or 17%) from the prior year. The challenges previously addressed above in the grocery market have been the primary cause of the decline in total sales year-over-year.

Operating income of $7.7 million for the three months ended March 31, 2024, remained stable from the same period in fiscal 2023. Adjusted operating income, a Non-GAAP measure, was $8.8 million in the three months ended March 31, 2024, and was also unchanged from the period in fiscal 2023. Refer to "Non-GAAP Financial Measures" below for a reconciliation of Non-GAAP financial measures to U.S. GAAP measures. Despite an 8% decrease in sales, operating income remained consistent from prior year which reflects the Company's focus in higher-value, solutions-based sales mix, continued sales discipline, and moderating input costs.

Operating income of $26.5 million for the nine months ended March 31, 2024, declined slightly from $26.8 million operating income for the nine months ended March 31, 2023. Adjusted operating income, a Non-GAAP financial measure, was $30.2 million in the nine months ended March 31, 2024, and remained equal to the same period in fiscal 2023. Refer to "Non-GAAP Financial Measures" below for a reconciliation of Non-GAAP financial measures to U.S. GAAP measures. Similar to the third quarter results, the Company was able to maintain the same level of operating income despite a 9% decline in sales.

**Non-GAAP Financial Measures**

We believe it is appropriate to evaluate our performance after making adjustments to the as-reported U.S. GAAP operating income, net income, and earnings per share. Adjusted operating income, net income, and earnings per share, which exclude the impact of long-term performance based compensation expense, severance and restructuring costs, and consulting expense related to commercial growth initiatives, are Non-GAAP financial measures. Also included below are Non-GAAP financial measures including Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA and Adjusted EBITDA), Free Cash Flow, and Net Debt to Adjusted EBITDA. We believe that these adjusted supplemental measures are useful in assessing the operating performance of our business. These supplemental measures are used by our management, including our chief operating decision maker, to evaluate business results. Although the impacts of some of these items have been recognized in prior periods and could recur in future periods, we exclude these items because they provide greater comparability and enhanced visibility into our results of operations. 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 operating income, net income, and earnings per share for the periods indicated along with the calculation of EBITDA and Adjusted EBITDA, Free Cash Flow, and Net Debt to Adjusted EBITDA.

| **Reconciliation of operating income to adjusted operating income:** | **Three Months Ended March 31** | |
|---|---|---|
| *(In thousands)* | **2024** | **2023** |
| **Operating Income as reported** | **$ 7,660** | **$ 7,732** |
| Long-Term Performance Based Compensation | 1,021 | 968 |
| Consulting expense: Commercial Growth Initiatives | - | 75 |
| Severance costs and Restructruing costs | 141 | - |
| **Adjusted Operating Income** | **$ 8,822** | **$ 8,775** |

| **Reconciliation of net income to adjusted net income** | **Three Months Ended March 31** | | | |
|---|---|---|---|---|
| *(In thousands, except per share data)* | **2024** | | **2023** | |
| | | **Diluted EPS** | | **Diluted EPS** |
| **Net Income as reported** | **$ 5,375** | **$ 0.18** | **$ 4,669** | **$ 0.16** |
| Long-Term Performance Based Compensation | 767 (1) | 0.03 | 769 (3) | 0.03 |
| Consulting expense: Commercial Growth Initiatives | - | - | 59 (4) | - |
| Severance costs and Restructruing costs | 101 (2) | - | - | - |
| **Net Income adjusted** | **$ 6,243** | **$ 0.21** | **$ 5,497** | **$ 0.19** |

The following represents the income tax effects of the adjustments in the tables above, which were calculated using the estimated combined U.S., Canada and Mexico effective income tax rates for the periods indicated (in thousands):

(1) $254
(2) $40
(3) $199
(4) $16

| **Reconciliation of operating income to adjusted operating income:** | **Nine Months Ended March 31** | |
|---|---|---|
| *(In thousands)* | **2024** | **2023** |
| **Operating Income as reported** | **$ 26,507** | **$ 26,791** |
| Long-Term Performance Based Compensation | 3,195 | 2,521 |
| Consulting expense: Commercial Growth Initiatives | 19 | 864 |
| Severance costs and Restructruing costs | 529 | 46 |
| Adjusted Operating Income | $ 30,250 | $ 30,222 |

| **Reconciliation of net income to adjusted net income** | **Nine Months Ended March 31** | | | |
|---|---|---|---|---|
| *(In thousands, except per share data)* | **2024** | | **2023** | |
| | | **Diluted EPS** | | **Diluted EPS** |
| **Net Income as reported** | **$ 19,309** | **$ 0.64** | **$ 17,347** | **$ 0.60** |
| Long-Term Performance Based Compensation | 2,366(1) | 0.08 | 2,107(4) | 0.08 |
| Consulting expense: Commercial Growth Initiatives | 13(2) | - | 708(5) | 0.02 |
| Severance costs and Restructruing costs | 390(3) | 0.01 | 38(6) | - |
| Tax rate difference between reported and adjusted net income | (732) | (0.02) | - | - |
| Net Income adjusted | $ 21,346 | $ 0.71 | $ 20,200 | $ 0.70 |

The following represents the income tax effects of the adjustments in the tables above, which were calculated using the estimated combined U.S., Canada and Mexico effective income tax rates for the periods indicated (in thousands):

(1) $829
(2) $6
(3) $139
(4) $414
(5) $156
(6) $8

| **Reconciliation of Net Income to Adjusted EBITDA** | **Three Months Ended March 31** | | **Nine Months Ended March 31** | |
|---|---|---|---|---|
| *(In thousands)* | **2024** | **2023** | **2024** | **2023** |
| **Net Income - Reported** | **$ 5,375** | **$ 4,669** | **$ 19,309** | **$ 17,347** |
| | | | | |
| Income Tax | 2,076 | 2,257 | 5,903 | 6,434 |
| Interest Expense, Net | 134 | 877 | 1,153 | 2,924 |
| Other (Income) Expense | 75 | (71) | 142 | 86 |
| **Operating Income as reported** | **$ 7,660** | **$ 7,732** | **$ 26,507** | **$ 26,791** |
| | | | | |
| Depreciation and Amortization | 2,415 | 2,455 | 7,143 | 7,295 |
| | | | | |
| **EBITDA** | **$ 10,075** | **$ 10,187** | **$ 33,650** | **$ 34,086** |
| | | | | |
| Long-Term Performance Based Compensation | 1,021 | 968 | 3,195 | 2,521 |
| Consulting expense: Commercial Growth Initiatives | - | 75 | 19 | 864 |
| Severance costs and Restructruing costs | 141 | - | 529 | 46 |
| | | | | |
| **Adjusted EBITDA** | **$ 11,237** | **$ 11,230** | **$ 37,393** | **$ 37,517** |

| **Reconciliation of cash flow from operations to free cash flow** | **Three Months Ended March 31** | | **Nine Months Ended March 31** | |
|---|---|---|---|---|
| *(In thousands)* | **2024** | **2023** | **2024** | **2023** |
| | | | | |
| **Cash Flow from Operations** | **$ 12,429** | **$ 12,486** | **$ 32,297** | **$ 32,548** |
| | | | | |
| Capital expenditures | (1,277) | (759) | (4,626) | (1,754) |
| | | | | |
| **Free Cash Flow** | **$ 11,152** | **$ 11,727** | **$ 27,671** | **$ 30,794** |

| **Net Debt to Adjusted EBITDA** | **March 31** | |
|---|---|---|
| *(In thousands)* | **2024** | **2023** |
| | | |
| Current portion and long-term debt as reported | **$ 3,571** | **$ 3,571** |
| Long-Term Debt | 12,782 | 46,002 |
| Total Debt | 16,353 | 49,573 |
| Less: Cash and cash equivalents | (7,175) | (1,350) |
| | | |
| **Net Debt** | **$ 9,178** | **$ 48,223** |
| | | |
| **Adjusted EBITDA - Trailing 12 Months** | **$ 51,496** | **$ 48,117** |
| | | |
| **Net Debt to Adjusted EBITDA** | **0.2** | **1.0** |

**Results of Operations**

**THREE MONTHS ENDED MARCH 31, 2024, COMPARED TO THREE MONTHS ENDED MARCH 31, 2023**

| **Lighting Segment** | **Three Months Ended March 31** | |
|---|---|---|
| *(In thousands)* | **2024** | **2023** |
| | | |
| Net Sales | $ 64,882 | $ 66,707 |
| Gross Profit | $ 21,564 | $ 20,278 |
| Operating Income | $ 7,268 | $ 6,529 |

Lighting Segment net sales of $64.9 million in the three months ended March 31, 2024, decreased 3% from net sales of $66.7 million in the same period in fiscal 2023. Demand levels for the non-residential construction market have decreased slightly, and while our quotation pipeline remains highly active, the order conversion period continues to lengthen, specifically for larger projects.

Gross profit of $21.6 million in the three months ended March 31, 2024, increased $1.3 million or 6% from the same period of fiscal 2023. Gross profit as a percentage of net sales was 33.2% in the three months ended March 31, 2024, compared to 30.4% in the same period of fiscal 2023. The improvement in gross profit as a percentage of sales on a 3% decrease in net sales was driven by stable pricing, a higher-value sales mix, continued sales price disciplines, favorable material input costs, and improved manufacturing productivity.

Operating expenses of $14.3 million in the three months ended March 31, 2024, increased $0.6 million or 4% from the same period of fiscal 2023, primarily driven by driven by continued investments in the agent network and commercial sales initiatives.

Lighting Segment operating income of $7.3 million for the three months ended March 31, 2024, increased $0.8 million or 11% from operating income of $6.5 million in the same period of fiscal 2023 primarily driven by an improvement in gross profit as a percentage of sales on lower net sales, and continued sales price disciplines, favorable material input costs, and improved manufacturing productivity.

| **Display Solutions Segment** | **Three Months Ended March 31** | |
|---|---|---|
| *(In thousands)* | **2024** | **2023** |
| Net Sales | $ 43,304 | $ 50,763 |
| Gross Profit | $ 9,645 | $ 11,927 |
| Operating Income | $ 4,064 | $ 5,501 |

Display Solutions Segment net sales of $43.3 million in the three months ended March 31, 2024, decreased $7.5 million or 15% from net sales of $50.8 million in the same period in fiscal 2023. Despite growth in the refueling/c-store and QSR verticals, sales in the Display Solutions segment continue to be unfavorably impacted by a temporary pause in projected demand within the grocery market vertical related to the pending merger of two larger grocery chains.

Gross profit of $9.6 million in the three months ended March 31, 2024, decreased $2.3 million or 19% from the same period of fiscal 2023. Gross profit as a percentage of net sales in the three months ended March 31, 2024, was 22.3% compared to 23.5% in the same period of fiscal 2023. The reduction in gross profit as a percentage of sales was primarily driven by the decrease in net sales partially offset by favorable program pricing and prudent cost management.

Operating expenses of $5.6 million in the three months ended March 31, 2024, decreased $0.8 million from $6.4 million in the same period of fiscal 2023. The decrease in operating expenses was primarily driven by efforts to manage costs in line with the decline in net sales.

Display Solutions Segment operating income of $4.1 million in the three months ended March 31, 2024, decreased $1.4 million from operating income of $5.5 million in the same period of fiscal 2023. The decrease in operating income was primarily driven by the decrease in net sales.

| **Corporate and Eliminations** | **Three Months Ended March 31** | |
|---|---|---|
| *(In thousands)* | **2024** | **2023** |
| Gross Profit (Loss) | $ 1 | $ (1) |
| Operating (Loss) | $ (3,672) | $ (4,298) |

The gross profit (loss) relates to the change in the intercompany profit in inventory elimination.

Operating expenses of $3.7 million in the three months ended March 31, 2024, decreased $0.6 million or 15% for operating expenses of $4.3 million in the same period of fiscal 2023. The decrease was primarily the result of cost containment initiatives across several of the Company’s cost categories.

**Consolidated Results**

The Company reported $0.1 million and $0.9 million of net interest expense in the three months ended March 31, 2024, and March 31, 2023, respectively. The decrease in interest expense was the result of the Company's ability to paydown its debt from cash generated by operations. The Company also recorded a nominal amount of other income which is related to net foreign exchange currency transaction net gains and (losses) through the Company's Mexican and Canadian subsidiaries.

The $2.1 million of income tax expense in the three months ended March 31, 2024, represents a consolidated effective tax rate of 27.9%. The income tax rate for the $2.3 million of income tax expense in the three months ended March 31, 2023, represents a consolidated effective tax rate of 32.6%. The decrease in the effective tax rate is primarily driven by a decrease in pre-tax profits in the higher taxing jurisdictions outside of the United States where the Company conducts business.

The Company reported net income of $5.4 million in the three months ended March 31, 2024, compared to net income of $4.6 million in the three months ended March 31, 2023. Non-GAAP adjusted net income was $6.2 million for the three months ended March 31, 2024, compared to adjusted net income of $5.5 million for the three months ended March 31, 2023 (Refer to the Non-GAAP tables above). The increase in Non-GAAP adjusted net income is primarily the net results result of a decrease in net sales more than offset by an increase in the gross profit as a percentage of sales, a decrease in operating expenses primarily driven by efforts to manage costs in line with the decline in net sales, and a decrease in interest expense resulting from a reduction in debt. Diluted earnings per share of $0.18 was reported in the three months ended March 31, 2024, as compared to $0.16 diluted earnings per share in the same period of fiscal 2023. The weighted average common shares outstanding for purposes of computing diluted earnings per share in the three months ended March 31, 2024, were 30,122,000 shares compared to 29,611,000 shares in the same period last year.

**NINE MONTHS ENDED MARCH 31, 2024, COMPARED TO NINE MONTHS ENDED MARCH 31, 2023**

| **Lighting Segment** | **Nine Months Ended March 31** | |
|---|---|---|
| *(In thousands)* | **2024** | **2023** |
| Net Sales | $ 197,318 | $ 201,074 |
| Gross Profit | $ 67,542 | $ 63,015 |
| Operating Income | $ 24,877 | $ 22,441 |

Lighting Segment net sales of $197.3 million in the nine months ended March 31, 2024, decreased 2% from net sales of $201.1 million in the same period in fiscal 2023. Despite continued softness in the non-residential construction market, which contributed to the small decline in sales, the Company continues to outperform the broader market and gain market share.

Gross profit of $67.5 million in the nine months ended March 31, 2024, increased $4.5 million or 7% from the same period of fiscal 2023. Gross profit as a percentage of net sales was 34.2% in the nine months ended March 31, 2024, compared to 31.3% in the same period of fiscal 2023. The improvement in gross profit as a percentage of sales on a 2% decrease in net sales was driven by stable pricing, a higher-value sales mix, continued sales price disciplines, favorable material input costs, and improved manufacturing productivity.

Operating expenses of $42.7 million in the nine months ended March 31, 2024, increased $2.1 million from the same period of fiscal 2023, primarily driven by driven by continued investments in the agent network and the sales team.

Lighting Segment operating income of $24.9 million for the nine months ended March 31, 2024, increased $2.5 million or 11% from operating income of $22.4 million in the same period of fiscal 2023 primarily driven by an improvement in gross profit as a percentage of sales on lower net sales, and continued sales price disciplines, favorable material input costs, and improved manufacturing productivity.

| **Display Solutions Segment** | **Nine Months Ended March 31** | |
|---|---|---|
| *(In thousands)* | **2024** | **2023** |
| Net Sales | $ 143,314 | $ 172,269 |
| Gross Profit | $ 31,793 | $ 38,061 |
| Operating Income | $ 14,585 | $ 19,759 |

Display Solutions Segment net sales of $143.3 million in the nine months ended March 31, 2024, decreased $29.0 million or 17% from net sales of $172.3 million in the same period in fiscal 2023. Despite recent growth in the refueling/c-store and QSR verticals, sales in the Display Solutions segment continue to be unfavorably impacted by a temporary pause in projected demand within the grocery market vertical related to the pending merger of two larger grocery chains.

Gross profit of $31.8 million in the nine months ended March 31, 2024, decreased $6.3 million or 17% from the same period of fiscal 2023. Gross profit as a percentage of net sales in the nine months ended March 31, 2024, was 22.2% compared to 22.1% in the same period of fiscal 2023. The small improvement in gross profit as a percentage of sales was driven improved program pricing, and favorable sales mix on lower sales.

Operating expenses of $17.2 million in the nine months ended March 31, 2024, decreased $1.1 million or 6% from $18.3 million in the same period of fiscal 2023. The decrease in operating expenses was primarily driven by efforts to manage costs in line with the decline in net sales.

Display Solutions Segment operating income of $14.6 million in the nine months ended March 31, 2024, decreased $5.2 million or 26% from operating income of $19.8 million in the same period of fiscal 2023. The decrease in operating income was primarily driven by the decrease in net sales.

| **Corporate and Eliminations** | **Nine Months Ended March 31** | |
|---|---|---|
| *(In thousands)* | **2024** | **2023** |
| Gross Profit | $ - | $ 6 |
| Operating (Loss) | $ (12,955) | $ (15,409) |

The gross profit relates to the change in the intercompany profit in inventory elimination.

Operating expenses of $13.0 million in the nine months ended March 31, 2024, decreased $2.6 million from the same period of fiscal 2023. The decrease was primarily the result of cost containment initiatives across several of the Company’s cost categories.

**Consolidated Results**

The Company reported $1.2 million and $2.9 million of net interest expense in the nine months ended March 31, 2024, and March 31, 2023, respectively. The decrease in interest expense was the result of the Company’s ability to paydown its debt from cash generated by operations. The Company also recorded a nominal amount of other income which is related to net foreign exchange currency transaction net gains through the Company’s Mexican and Canadian subsidiaries.

The $5.9 million of income tax expense in the nine months ended March 31, 2024, represents a consolidated effective tax rate of 23.4%. The $6.4 million income tax expense in the nine months ended March 31, 2023, represents a consolidated effective tax rate of 27.0%. The decrease in the effective tax rate is primarily driven by the favorable tax treatment of the Company’s long-term performance based compensation in fiscal 2024 with no comparable favorable tax treatment in fiscal 2023.

The Company reported net income of $19.3 million in the nine months ended March 31, 2024, compared to net income of $17.3 million in the nine months ended March 31, 2023. Non-GAAP adjusted net income was $21.3 million for the nine months ended March 31, 2024, compared to adjusted net income of $20.2 million for the nine months ended March 31, 2023 (Refer to the Non-GAAP tables above). The increase in Non-GAAP adjusted net income is primarily the net results result of a decrease in net sales more than offset by an increase in the gross profit as a percentage of sales, a decrease in operating expenses primarily driven by efforts to manage costs in line with the decline in net sales, and a decrease in interest expense resulting from a reduction in debt. Diluted earnings per share of $0.64 was reported in the nine months ended March 31, 2024, as compared to $0.60 diluted earnings per share in the same period of fiscal 2023. The weighted average common shares outstanding for purposes of computing diluted earnings per share in the nine months ended March 31, 2024, were 30,005,000 shares compared to 29,055,000 shares in the same period last year.

**Liquidity and Capital Resources**

The Company considers its level of cash on hand, borrowing capacity, current ratio and working capital levels to be its most important measures of short-term liquidity. For long-term liquidity indicators, the Company believes its ratio of long-term debt to equity and our historical levels of net cash flows from operating activities to be the most important measures.

At March 31, 2024, the Company had working capital of $77.2 million compared to $73.3 million at June 30, 2023. Non-cash working capital for the period ending March 31, 2024, was $70.0 million which represents a drop of $1.4 million from $71.4 million non-cash working capital as of June 30, 2023. The ratio of current assets to current liabilities was 2.2 to 1.0 at March 31, 2024, and 2.0 at June 30, 2023. The decrease in non-cash working capital from June 30, 2023, to March 31, 2024, is primarily driven by a $9.0 million decrease in net accounts receivable and a $3.4 million decrease in net inventory partially offset by $10.0 million decrease in accounts payable and accrued expenses.

Net accounts receivable was $68.7 million and $77.8 million at March 31, 2024, and June 30, 2023, respectively. DSO was 58 days at March 31, 2023, slightly higher than 57 days at June 30, 2023.

Net inventories of $60.3 million at March 31, 2024, decreased $3.4 million from $63.7 million at June 30, 2023. The decrease of $3.4 million is the net result of a decrease in net inventory of $4.2 million in the Lighting Segment partially offset by a $0.8 million increase in net inventory in the Display Solutions Segment.

Cash generated from operations and borrowing capacity under the Company's line of credit is its primary source of liquidity. In September 2021, the Company amended its existing $100 million credit facility, to a $25 million term loan and $75 million remaining as a secured revolving line of credit. Both facilities expire in the third quarter of fiscal 2026. As of March 31, 2024, the entire $75 million of the revolving credit line was available. The Company is in compliance with all of its loan covenants. The $100 million credit facility plus cash flows from operating activities are adequate for operational and capital expenditure needs for the remainder of fiscal 2024.

The Company generated $32.3 million of cash from operating activities in the nine months ended March 31, 2024, compared to a similar generation of cash of $32.5 million in the nine months ended March 31, 2023. The Company continues to effectively manage its working capital while generating increasing cash flow from earnings in both fiscal years, resulting in strong cash flow from operations.

The Company used $4.6 million and $1.8 million of cash related to investing activities to support the Company's various capital initiatives, in the nine months ended March 31, 2024, and March 31, 2023, respectively. The Company has increased its investment in equipment and tooling year-over-year to support sales growth and new products.

The Company used cash of $22.4 million and $32.0 million related to financing activities in the nine months ended March 31, 2024, and March 31, 2023, respectively. The use of cash in both fiscal years was primarily the result of cash generated from improved earnings and effective working capital management, which in turn was used to pay down the Company's line of credit. The Company also received $1.3 million and $3.1 million of cash in fiscal 2024 and fiscal 2023, respectively, related to the exercise of stock options. This influx of cash also contributed to the pay down of the Company's line of credit. On or about April 18, 2024, the Company borrowed $44.0 million, net of available cash, under the credit facility for the purposes of financing the acquisition of EMI.

The Company has on its balance sheet financial instruments consisting primarily of cash and cash equivalents, short-term investments, revolving lines of credit, and long-term debt. The fair value of these financial instruments approximates carrying value because of their short-term maturity and/or variable, market-driven interest rates.

**Off-Balance Sheet Arrangements**

The Company has no financial instruments with off-balance sheet risk and have no off-balance sheet arrangements.

**Cash Dividends**

In April 2024, the Board of Directors declared a regular quarterly cash dividend of $0.05 per share payable May 14, 2024, to shareholders of record as of May 6, 2024. The indicated annual cash dividend rate for fiscal 2024 is $0.20 per share. The Board of Directors has adopted a policy regarding dividends which indicates that dividends will be determined by the Board of Directors in its discretion based upon its evaluation of earnings, cash flow requirements, financial condition, debt levels, stock repurchases, future business developments and opportunities, and other factors deemed relevant.

**Critical Accounting Policies and Estimates**

A summary of our significant accounting policies is included in Note 1 to the audited consolidated financial statements of the Company's fiscal 2023 Annual Report on Form 10-K.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our exposure to market risk since June 30, 2023. Additional information can be found in Item 7A, Quantitative and Qualitative Disclosures About Market Risk, which appears on page 16 of the Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

## ITEM 4. CONTROLS AND PROCEDURES

### Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as such term is defined Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized, and reported within required time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

We conducted, under the supervision of our management, including the Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2024, our disclosure controls and procedures were effective. Management believes that the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q are fairly presented in all material respects in accordance with GAAP for interim financial statements, and the Company’s Chief Executive Officer and Chief Financial Officer have certified that, based on their knowledge, the condensed consolidated financial statements included in this report fairly present in all material respects the Company’s financial condition, results of operations and cash flows for each of the periods presented in this report.

### Changes in Internal Control

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the second quarter ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

# PART II. OTHER INFORMATION

## ITEM 5. OTHER INFORMATION

None.

**ITEM 6. EXHIBITS -**

Exhibits:

10.1* Nonqualified Deferred Compensation Plan Amended and Restated as of January 24, 2024

19.1 Insider Trading Policy Amended and Restated as of January 24, 2024

31.1 Certification of Principal Executive Officer required by Rule 13a-14(a)

31.2 Certification of Principal Financial Officer required by Rule 13a-14(a)

32.1 Section 1350 Certification of Principal Executive Officer

32.2 Section 1350 Certification of Principal Financial Officer

101.INS Inline XBRL Instance Document

101.SCH Inline XBRL Taxonomy Extension Schema Document

101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document

101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document

104 Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)

* Management compensatory agreement.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**LSI Industries Inc.**

By: /s/ James A. Clark
James A. Clark
Chief Executive Officer and President
(Principal Executive Officer)

By: /s/ James E. Galeese
James E. Galeese
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

May 6, 2024

**Exhibit 10.1**

**LSI INDUSTRIES INC.**
**NONQUALIFIED DEFERRED COMPENSATION PLAN**
**(Amended and Restated as of January 24, 2024)**

**PREAMBLE**

LSI Industries Inc. and each Employer hereby amend and restate the Plan effective as of January 24, 2024 as set forth herein. The Plan was originally effective as of September 15, 1996. The Plan was amended and restated as of July 1, 1998, July 1, 2002, April 27, 2004, September 9, 2005, November 1, 2006, December 31, 2008, November 19, 2009, November 18, 2010, November 20, 2014, December 30, 2019 and August 17, 2022. This Plan is an unfunded deferred compensation arrangement for a select group of management or highly compensated employees who render services to an Employer. Amounts credited to a Participant's Deferred Compensation Account are deemed to be invested in Common Stock of LSI Industries Inc (the "Shares") and distributions to Plan Participants are made in Shares.

**ARTICLE I. DEFINITIONS**

1.1 "Beneficiary" shall mean the person or persons entitled to receive the distributions, if any, payable under the Plan upon or after a Participant's death, to such person or persons as such Participant's Beneficiary. Each Participant may designate a Beneficiary by filing the proper form with the Committee. A Participant may designate one or more contingent Beneficiaries to receive any distributions after the death of a prior Beneficiary. A designation shall be effective upon said filing, provided that it is so filed during such Participant's lifetime and may be changed from time to time by the Participant.

1.2 "Base Salary" shall mean Compensation that is not incentive based and paid to the Employee on a regular periodic basis.

1.3 [Reserved]

1.4 "Change in Control" shall mean the occurrence of a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of LSI Industries Inc., as defined under Section 409A of the Code.

1.5 "Code" shall mean the Internal Revenue Code of 1986 as amended.

1.6 "Committee" shall mean the Compensation Committee of the Board of Directors of LSI Industries Inc., or its designee, which is responsible for the administration of this Plan in accordance with the provisions of the Plan as set forth in this document.

1.7 "Compensation" shall mean the total amount of earnings (including bonuses) paid by an Employer to an Executive or which would otherwise be paid but for a deferral election hereunder or a salary reduction election under any Code Section 401(k) plan or Code Section 125 plan.

1.8 "Deferred Compensation Account" shall mean the account to be established by an Employer as a book reserve to reflect the amounts deferred by a Participant, the amounts credited by the Employer, and the earnings adjustment under Article VII. A Participant's Deferred Compensation Account shall be reduced by distributions under Article VIII and Article IX.

1.9 "Employer" shall mean LSI Industries Inc. and any affiliate of LSI Industries Inc. (whether or not incorporated) which has adopted the Plan with the consent of LSI Industries Inc., or any successor or assignee of any of them.

1.10"Executive" shall mean any employee designated by the Committee (in conjunction with senior management of LSI Industries Inc.) as a member of the select group of management or highly compensated employees eligible for participation in this Plan.

1.11"Participant" shall mean any Executive who has a right to a benefit under the Plan and a person who was such at the time of the Executive's death or Separation from Service and who retains, or whose Beneficiary retains, a benefit under the Plan which has not been distributed.

1.12"Plan" shall mean the LSI Industries Inc. Nonqualified Deferred Compensation Plan as described in this instrument, amended and restated, and, as may be amended thereafter.

1.13"Plan Year" shall mean the 12-consecutive month period beginning on July 1.

1.12"Separation from Service" shall mean a "separation from service" within the meaning of Code Section 409A and the rules and regulations promulgated thereunder.

1.13"Shares" is defined in the Preamble.

1.14"Subsequent Election" is defined in Section 8.2(b).

## ARTICLE II. PARTICIPANT'S ELECTION TO DEFER

2.1 Each Executive may elect to have up to 20% of the Executive's Base Salary (in whole percentages) for a Plan Year deferred and credited with earnings in accordance with the terms and conditions of the Plan. Deferrals are credited to a Participant's Deferred Compensation Account and deemed to be invested in Shares.

2.2 An Executive desiring to exercise an election under Paragraph 2.1 shall notify the Committee of his/her deferral election. Such notice must be in writing on a form provided by the Committee, or in a manner otherwise satisfactory to the Committee, and provided to the Committee by such date as the Committee shall specify, but in all events no later than the end of the calendar year preceding the first day of the Plan Year to which such election is to apply. Notwithstanding the foregoing, the following special rules shall apply:

(a) Base Salary. The deferral election with respect to Base Salary earned for periods commencing after December 31, 2022 (and that is not otherwise subject to an irrevocable deferral election) must be filed with the Committee by, and shall become irrevocable as of, December 31 (or such earlier date as specified by the Committee on the deferral election) of the calendar year next preceding the calendar year for which such base salary would otherwise be earned. For purposes of illustration only, an election for deferral of base salary to be earned in calendar year 2023 for the fiscal 2023 Plan Year must be made by December 31, 2022.

(b) New Participants. An Executive's election for deferrals must be provided no later than 30 days following the date the Executive first becomes eligible, and such election will only be effective with regard to Compensation earned following the election; otherwise the Executive must wait until the next enrollment period.

2.3 A deferral election shall be effective with respect to the entire Plan Year or calendar year to which it relates and may not be modified or terminated for that Plan Year or calendar year; provided, however, in the event of an unforeseeable emergency (as defined in Paragraph 8.4), a Participant's deferral election shall be terminated for the remainder of the respective Plan Year or calendar year, as applicable.

2.4 The Compensation otherwise payable to the Executive during the Plan Year or calendar year shall be reduced pursuant to the Executive's election under this Article II. Such amounts shall be credited to the Executive's Deferred Compensation Account.

## ARTICLE III. EMPLOYER MAKE-UP ALLOCATIONS

3.1 If because of an election under Article II, a Participant receives a smaller allocation of Employer contributions and/or forfeitures under the LSI Industries Inc. Retirement Plan for a Plan Year of that plan than the Participant would have received had no such election been made, then there shall be credited to the Participant's Deferred Compensation Account an amount equal to the amount which bears the same relationship to the amounts deferred under Article II and credited to the Participant's Deferred Compensation Account during the Plan Year as the Participant's allocations (of Employer contributions and/or forfeitures) under the LSI Industries Inc. Retirement Plan bear to the Participant's compensation taken into account under that plan. Such amount shall be credited to the Participant's Deferred Compensation Account at such time as the Committee shall determine.

3.2 (a)If, by reason of the application of the compensation limitation imposed by Code Section 401(a)(17) (or any corresponding successor provision), including any provision in the LSI Industries Inc. Retirement Plan providing such limitation, a Participant receives a smaller allocation of Employer contributions and/or forfeitures under the LSI Industries Inc. Retirement Plan for any plan year of that plan than he would have received had no such limitation been in effect, then there shall be credited to his Deferred Compensation Account the amount determined under (b) below. Such amount shall be credited to the Participant's Deferred Compensation Account at such time as the Committee shall determine.

(b) The amount hereunder shall be equal to the amount which is the same percentage of the Participant's compensation (as defined in the LSI Industries Inc. Retirement Plan) in excess of the compensation limitation referred to in (a) above as the percentage allocated under the LSI Industries Inc. Retirement Plan on compensation in excess of the Social Security taxable wage base (but not in excess of the limitation referred to in (a) above).

## ARTICLE IV. LSI INCENTIVE ALLOCATIONS

4.1 Each Participant shall be eligible for an Employer incentive allocation for a Plan Year, to be determined in accordance with Paragraph 4.2, if the Participant satisfies both of the following requirements:

(a) The Participant must have elected to make Compensation deferrals under the Plan for the Plan Year of the LSI incentive allocation; and

(b) The Participant must be employed by an Employer at the time the Committee makes the allocation.

4.2 Participants eligible for an Employer incentive allocation under Paragraph 4.1 above shall receive such an allocation determined by the Committee as follows:

(a) The Employer shall match 100% the amount deferred by the Participant; provided that the Employer shall not in a Plan Year make matches that in the aggregate exceed 20% of the Participant's Base Salary; and

(b) The Committee shall make the match at the same time the Participant deferral is made or at such time as is reasonably administratively practical for the Employer. The match shall be deemed to be made in Shares.

## ARTICLE V. ADDITIONAL LSI ALLOCATIONS

The Employer may make additional discretionary allocations to certain Participants. Such additional discretionary allocations must be approved by the Committee and shall be credited to the Participants' Deferred Compensation Accounts at such time as the Committee shall determine.

## ARTICLE VI. PARTICIPANT'S INTEREST

Neither a Participant nor a Participant's designated Beneficiary shall acquire any property interest in the Participant's Deferred Compensation Account or any other assets of the Employer, their rights being limited to receiving from the Employer a deferred payment as set forth in this Plan, and these rights are conditioned upon continued compliance with the terms and conditions of this Plan. To the extent that any Participant or Beneficiary acquires a right to receive benefits under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Employer.

## ARTICLE VII. CREDITING OF EARNINGS

7.1 General. There shall be credited to the Deferred Compensation Account of each Participant an additional amount of earnings (or losses) determined under this Article VII.

7.2 Investment of Compensation Deferrals in Shares . All Compensation deferrals shall be credited with earnings (or losses) as though invested in Shares without reference to dividends paid on Shares.

7.3 Employer Allocations. Employer allocations under Article III and Article IV shall be credited with earnings (or losses) as if it were invested in Shares without reference to the payment of dividends. The Participant shall have no right to elect that alternative investments be used.

7.4 Valuation of Deferred Amounts and Employer Matching Contribution . Executive deferrals shall be valued at the closing price of Shares on the NASDAQ on the date the deferral is made, and the Employer matching contribution shall be likewise valued. The Committee shall determine the valuation of any Employer discretionary contribution.

7.5 Valuation of Account. For each Plan Year quarter or other period, the Participant's Deferred Compensation Account shall be increased or decreased as if it had been invested in Shares on the date of the valuation using the NASDAQ closing price for the Shares om such date.

## ARTICLE VIII. PLAN BENEFITS

8.1 Vesting. A Participant's rights to the Participant's Deferred Compensation Account (as adjusted for earnings and losses) shall be fully vested and nonforfeitable at all times.

8.2 Distribution of Benefit.

(a) At the time an Executive makes the first deferral election under Article II, the Executive shall also elect to have the amounts represented by the Executive's Deferred Compensation Account paid in one of the following two forms commencing as soon as administratively feasible upon the Executive's Separation from Service but in all events within 90 days following the date of such Separation from Service:

(1) a single lump sum payment, or

(2) approximately equal annual installments to last not more than 10 years.

If installment payments are in effect, the Participant's Deferred Compensation Account shall continue to be credited with earnings (or losses) under Article VII until payment of the final installment.

(b) A Participant may change the election referred to in (a) above only in accordance with this Paragraph 8.2(b). A Participant may make a one-time election on a form provided by the Employer to change the form of payment of his Deferred Compensation Account to a form otherwise permitted under Section 8.2(a) of the Plan (a "Subsequent Payment Election"). The Subsequent Payment Election shall become irrevocable upon acceptance by the Employer and shall be made in accordance with the following rules:

(1) The Subsequent Payment Election may not take effect until at least 12 months after the date on which it is accepted by the Employer.

(2) Except in the event of the death or unforeseeable emergency (within the meaning of Section 8.4 hereof) of the Participant, the payment of such Deferred Compensation Account will be delayed until the 5th anniversary of the date that the Deferred Compensation Account would otherwise have been paid under the Plan if such Subsequent Payment Election had not been made (or, in the case of installment payments, which are treated as a single payment for purposes of this Section, on the 5th anniversary of the date that the first installment payment was scheduled to be made).

(c) If a Participant has no election concerning the form of benefit payment under this Paragraph 8.2 in effect at the time of the Participant's Separation from Service, payment shall be made in a single lump sum payment.

(d) Elections shall be made in writing, on a form provided by the Committee, and shall be made in accordance with the rules established by the Committee.

(e) Notwithstanding the Participant's payment election under this Paragraph 8.2, if a Participant is deemed a "specified employee" as defined in Code Section 409A and the rules and regulations promulgated thereunder, at the time of the Separation From Service, then such payment will be delayed until the earlier of the date that is six months following the the Participant's Separation from Service or if earlier, the date of death of the Participant.

8.3 Distribution of Shares. Participants shall receive benefit payments in the form of whole shares of Shares. Any fractional shares shall be paid in cash. Any expenses attributable to such payment may be deducted from the Participant's Deferred Compensation Account. The issuance of Shares under the Plan must be pursuant to a Shareholder approved plan.

8.4 Hardship Distribution. Subject to the approval of the Committee, a Participant may withdraw all or a portion of the Participant's Deferred Compensation Account in the event of a hardship. The distribution shall be made in the form of whole Shares. Any fractional shares shall be paid in cash. A hardship distribution shall only be made in the event of an unforeseeable emergency that would result in severe financial hardship to the Participant if hardship distributions were not permitted. Withdrawals of amounts because of an unforeseeable emergency shall only be permitted to the extent reasonably needed to satisfy the emergency need. An unforeseeable emergency is defined as severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2) and (d)(1)(B)), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case, but, in any case, payment may not be made to the extent such hardship is or may be relieved (1) through reimbursement or compensation by insurance or otherwise (2) liquidation of the Participant's assets (to the extent the liquidation of such assets would not cause severe financial hardship, or (3) by cessation of deferrals under the Plan. In the event of an unforeseeable emergency (regardless of whether a hardship distribution is made), a Participant's deferral election under Paragraph 2.1 shall terminate and no further deferrals shall be made for such Participant for the remainder of the Plan Year or calendar year.

8.5 Change in Control. For deferrals of Compensation related to deferral elections that first become irrevocable on or after December 31, 2019, notwithstanding any payment election or Plan provision to the contrary, upon the occurrence of a Change in Control, the remaining amount of the Participant's Deferred Compensation Account attributable to such deferrals shall be paid to the Participant or his Beneficiary in a single lump sum within 30 days following such Change in Control, or such later date as may be required under Section 8.2(e) hereof.

## ARTICLE IX. DEATH

Upon the death of a Participant prior to commencement of payment under Article VIII, the amounts represented by the Participant's Deferred Compensation Account, increased by any amounts due to be credited but not yet credited under Article II, Article III or Article IV shall be payable to the Participant's Beneficiary as soon as administratively feasible following the date of the Participant's death but in all events within 90 days following such date in the form of distribution elected by the Participant pursuant to Paragraph 8.2(a). If the Participant has already commenced receiving the amounts represented by the Participant's Deferred Compensation Account in the installment payment form, the installment payments shall continue to be paid to the Participant's Beneficiary. The Beneficiary shall receive any benefit payments in the form of whole shares of Shares.

## ARTICLE X. NON-ASSIGNABLE/NON-ATTACHMENT

Except as required by law, no right of the Participant or designated Beneficiary to receive payments under this Plan shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy or similar process or assignment by operation of law and any attempt, voluntary or involuntary, to effect any such action shall be null and void and of no effect. An Employer may not assign its obligations hereunder.

## ARTICLE XI. CONSTRUCTION

This Plan shall be construed under the laws of the Code and to the extent not preempted by federal law, according to the laws of the State of Ohio. Article headings are for convenience only and shall not be considered as part of the terms and provisions of the Plan. The Committee shall have full power and authority to interpret, construe and administer this Plan.

## ARTICLE XII. AMENDMENT OR TERMINATION OF PLAN

The Plan may be terminated at any time or amended in whole or in part from time to time by LSI Industries Inc. provided that no such termination or amendment may directly or indirectly reduce a Participant’s Deferred Compensation Account (other than through a distribution thereof to the Participant (or his Beneficiary in the event of his death)); and any such amendment shall be binding on each Employer, Participant and designated Beneficiary.

## ARTICLE XIII. MISCELLANEOUS

13.1 Neither this Plan, nor any action of LSI Industries Inc., an Employer or the Committee, nor any election to defer Compensation hereunder shall be held or construed to confer on any person any legal right to be continued as an employee of LSI Industries Inc. or any Employer.

13.2 LSI Industries Inc. and the Participant’s Employer shall have the right to deduct from all payments and amounts credited hereunder any taxes required by law to be withheld with respect to any benefits under this Plan.

13.3 The Committee hereby delegates to the Company’s General Counsel the administrative activities under the Plan (including, but not limited to, the preparation and distribution of enrollment materials) until such time as the Committee withdraws such delegation. The General Counsel shall report to the Committee on plan enrollment and such others matters conducted by the General Counsel on behalf of the Committee.

IN WITNESS WHEREOF, LSI Industries Inc. and each Employer, with the consent of LSI Industries Inc., have caused this amended and restated Plan to be executed as of this 24th day of January 2024

LSI INDUSTRIES INC.

By: /s/ James A. Clark, Chief Executive Officer

**Exhibit 19.1**

# LSI INDUSTRIES INC. INSIDER TRADING POLICY AND ANTI- HEDGING AND PLEDGING POLICY

Date: Adopted January 24, 2024

**SCOPE:**

This policy applies to all directors and employees of LSI Industries Inc. and its subsidiaries and divisions. LSI may also determine that other persons should be subject to this policy, such as contractors or consultants who may have access to material non-public information. This policy also applies to family members, other members of a person's household and entities controlled by a person covered by this policy.

**PURPOSE:**

Federal law makes persons who engage in transactions in securities on the basis of material non-public information, as well as their employers in certain cases, liable for fines, criminal penalties and civil liabilities. LSI has adopted this policy to assist it and its directors and employees in avoiding unlawful insider trading and improprieties related to transactions in LSI securities, including the establishment of blackout periods during which transactions in LSI securities by LSI directors, certain employees (including those employees identified on the attachment to this policy), their family members and others are prohibited. In addition, the policy applies to information relating to securities issued by other companies with which LSI may have a business relationship or proposed business relationship.

**POLICY:**

Insider Trading Policy and Anti-Hedging and Pledging Policy.

**GENERAL PROHIBITION:**

Directors and employees of LSI and its subsidiaries are prohibited from:

(i) engaging in transactions in LSI securities or in the securities of any company with which LSI may be conducting business or proposing to be conducting business while in possession of material non-public information regarding LSI or such other company;

(ii) transactions in "puts" or "calls" or other derivative securities linked to LSI;

(iii) tipping, or providing such information to others for other than legitimate corporate purposes;

(iv) recommending the purchase or sale of any security;

(v) engaging in short sales of LSI stock. "Short" sales of stock are transactions where you borrow stock, sell it, then buy stock at a later date to replace the borrowed shares; and

(vi) assisting someone who is engaged in any of the above activities.

**EXPLANATION OF KEY CONCEPTS:**

The following discussion is provided in applying the "General Prohibition."

(i) LSI Securities.

LSI securities include shares of LSI common stock and incentive awards such as stock options, restricted shares, restricted share units and performance awards related to shares of LSI common stock.

This policy also applies to any other securities that LSI may issue, including, but not limited to, preferred stock, convertible debentures and warrants, as well as derivative securities that are not issued by LSI, such as exchange-traded put or call options or swaps related to LSI securities. Gifts and other contributions of LSI securities are also subject to this policy.

(ii) Materiality

The materiality of a fact depends upon the circumstances. A fact is material if it is likely that an investor would take it into account in deciding to purchase or sell securities. It need not be so important that it would change the investor's decision of whether to buy or sell; it is enough if it is the type of information on which reasonable investors usually rely in making purchase or sale decisions. As a general rule, if disclosure of the information is likely to affect the market price of a security, the information is always material. Material information can be either business or market related, can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security, debt or equity. Examples of material information include, but are not limited to, information about:

- corporate earnings, earnings forecasts, or other earnings projections or guidance;
- possible mergers, acquisitions, tender offers, dispositions, joint ventures or restructurings;
- major new service offerings or new major contract awards;
- important business developments, such as developments of significant new product lines;
- significant litigation, regulatory action or other investigation;
- senior management or control changes;
- developments in the Company's business or prospects related to extraordinary events, such as pandemics, wars, terrorist attacks and natural disasters;

- changes in dividend policies or amounts or stock splits;
- significant financing developments including pending public sales or offerings of debt or equity securities;
- defaults on borrowings;
- changes in auditors or notification that the auditor’s reports may no longer be relied upon;
- the establishment of a repurchase plan or program for Company securities;
- significant cybersecurity incidents, including significant data breaches or the investigation of such incidents;
- bankruptcies; and
- significant related party transactions.

It is important to remember that materiality determinations are often challenged with the benefit of hindsight and therefore if there is any question whether particular information is material, the employee should not engage in transactions or communicate the information without consulting the Company’s General Counsel. Moreover, material information does not have to be directly about a company's business. For example, the contents of a forthcoming newspaper column that is expected to affect the market price of a security can be material.

(iii) Non-Public

Information is non-public unless it has been disclosed to the investing public. Selective disclosure to a few persons does not make information public. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through the Dow Jones “broad tape,” newswire services, publication in a widely-available newspaper, magazine or news websites, a Regulation FD-compliant conference call, or public disclosure documents filed with the SEC that are available on the SEC’s website.

The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination. In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. Generally, one should allow one full trading day following publication as a reasonable waiting period before such information is deemed to be public.

(iv) Unauthorized Disclosure

Maintaining the confidentiality of Company information is essential for competitive, security and other business reasons, as well as to comply with securities laws. Directors and employees should treat all information learned about the Company or its business plans in connection with employment as confidential and proprietary to, and as owned by, the Company. Inadvertent disclosure of confidential or inside information may adversely affect business plans and expose the Company and its directors and employees to significant risk of investigation and litigation.

The timing and nature of the Company's disclosure of material information to outsiders is subject to federal law, the breach of which could result in substantial liability to the Company and its employees. Accordingly, it is important that responses to inquiries about the Company by the press, investment analysts or others in the financial community be made on the Company's behalf only through authorized individuals.

All directors and employees are prohibited from posting or responding to any posting on or in Internet message boards, chat rooms, discussion groups or other publicly accessible forums, with respect to LSI. Keep in mind that any inquiries about LSI should be directed to the Company's Chief Financial Officer.

**BLACKOUT PERIODS**

The Chief Financial Officer or General Counsel shall notify directors and select employees of the Company when there is a blackout period during which Covered Persons shall be prohibited from engaging in most transactions involving LSI securities. "Covered Persons" include LSI directors and select employees (including executive officers and those employees identified on the attachment to this policy) along with their family members, other members of a person's household and persons or entities they control in a trust or custodial capacity. Note that the Company has the sole and absolute discretion to include, among others, certain administrative staff, information technology employees, sales representatives and other service- providers as "Covered Persons" from time to time. Such notice will generally be delivered by email to such directors and select employees without specific identification of the reason for the blackout. Those periods shall be determined as follows:

(i) The period beginning fifteen days prior to the end of the fiscal quarter and ending one full trading day after the public release of actual earnings for that fiscal quarter.

(ii) Any other period during the fiscal year deemed appropriate to declare a blackout period as a result of pending news or activity of the Company that could significantly impact the market price of the Company's stock, including the events identified in the section above captioned "Explanation of Key Concepts."

**PRE-CLEARANCE**

Covered Persons must contact the General Counsel, or in his absence, the Chief Financial Officer, to discuss any plans to engage in any transactions in LSI securities in the open market *prior to* the transaction to determine if there is any reason the contemplated transaction should not proceed. If there is nothing that should prohibit the transaction at that time, the Covered Person will be given approval for the transaction. If a Covered Person seeks pre-clearance and permission to engage in the transaction is denied, then such Covered Person should refrain from initiating any transaction in LSI's securities and should not inform any other person of the restriction.

**TRANSACTIONS NOT SUBJECT TO THIS POLICY**

This policy does not apply to the following transactions, except as specifically noted:

Stock Option Exercises. This policy does not apply to the exercise (i.e., purchase and hold) of an employee or director stock option acquired pursuant to LSI's plans, or to the exercise of a tax withholding right pursuant to which a person has elected to have LSI withhold shares subject to an option to satisfy tax withholding requirements. This policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

Restricted Stock Awards. This policy does not apply to the vesting of restricted stock, or the exercise of a tax withholding right pursuant to which a person elects to have LSI withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock. The policy does apply, however, to any market sale of restricted stock.

Nonqualified Deferred Compensation Plan. This policy does not apply to purchases of LSI securities in LSI's Nonqualified Deferred Compensation Plan resulting from periodic (i.e., monthly) contribution of funds to the plan pursuant to payroll deduction elections. This policy also does not apply to distributions of LSI securities out of LSI's Nonqualified Deferred Compensation Plan. As the timing of the annual purchase for LSI shares under the Nonqualified Deferred Compensation Plan is determined by LSI management, such annual purchase shall be subject to this policy.

Pre-arranged Trading Plans. This policy does not apply to purchases or sales of LSI securities by a Covered Person pursuant to pre-arranged trading plans that comply with Rule 10b5-1 and the requirements of this policy applicable to Rule 10b5-1 plans. Use of a pre-arranged trading plan allows a Covered Person to trade in LSI securities or the securities of other companies even during trading blackout periods because trading decisions are made by an independent third party according to a pre-set plan.

All Covered Persons entering into a Rule 10b5-1 trading plan must act in good faith with respect to the plan. The Rule 10b5-1 trading plan must be entered into at a time when the Covered Person does not possess material non-public information. The Rule 10b5-1 trading plan may not be entered into during a blackout period. Covered Persons must pre-clear such Rule 10b5-1 trading plans by submitting to the General Counsel, or in his absence, the Chief Financial Officer, a copy of the written Rule 10b5-1 trading plan for review and approval before it can be entered into and effective.

The written Rule 10b5-1 trading plan must be a binding contract, instruction, or other arrangement under specified terms and conditions for the purchase or sale of securities. SEC rules require Covered Persons to include representations in their written Rule 10b5-1 trading plans certifying, at the time of the adoption of a new or modified plan, that: (1) they are not aware of material nonpublic information about LSI or its securities; and (2) they are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5. The written Rule 10b5-1 trading plan also must:

(i) expressly specify the amount, price, and date of trades;

(ii) include a written formula or algorithm, or computer program, for determining amounts, prices, and dates; or

(iii) not permit the Covered Person to exercise any subsequent influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade; provided, in addition, that any other person who does exercise such influence is not aware (or is deemed to be unaware of the material nonpublic information when doing so).

All Rule 10b5-1 trading plans of Covered Persons must have “cooling-off” periods between the date the Rule 10b5-1 trading plan is adopted or modified and when trading under the plan commences. For Covered Persons, the cooling-off period is the later of (i) 90 days after the adoption or modification of the Rule 10b5-1 trading plan or (ii) two business days following the filing of the Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted or modified. In any event, the required cooling-off period for Covered Persons must not exceed 120 days following the Rule 10b5-1 trading plan adoption or modification. For employees who are not Covered Persons, the applicable cooling-off period is 30 days after the adoption or modification of the Rule 10b5-1 trading plan.

No Covered Person may maintain or use multiple overlapping Rule 10b5-1 trading plans for open market purchases of LSI securities except as described below. This prohibition does not apply where a person transacts directly with LSI such as in a dividend reinvestment plan, employee stock ownership plan or deferred compensation plan, which are not executed on the open market. Also, the prohibition does not apply to plans authorizing an agent to sell only enough securities as are necessary to satisfy tax withholding obligations arising exclusively from the vesting of a compensatory award, such as on the vesting and settlement of restricted stock units, performance share awards and stock options (“sell-to-cover” Rule 10b5-1 trading plans), provided that the award holder is not permitted to exercise control over the timing of such sales. Also, a Covered Person may maintain two separate Rule 10b5-1 trading plans for open market purchases or sales of LSI securities if trading under the later-commencing plan is not authorized to begin until after all trades under the earlier-commencing plan are completed or expire without execution. If the first plan is terminated early, the first trade under the later-commencing plan, however, must not be scheduled to occur until after the effective cooling-off period following the termination of the earlier plan which, as explained above, is the later of (i) 90 days after the adoption or modification of the Rule 10b5-1 trading plan or (ii) two business days following the filing of the Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted or modified. In any event, as explained above, the required cooling-off period for Covered Persons must not exceed 120 days following the Rule 10b5-1 trading plan adoption or modification.

A Covered Person may enter into only one single-trade Rule 10b5-1 trading plan during any consecutive twelve-month period. A Rule 10b5-1 trading plan will not be treated as a single-trade plan if it gives the Covered Person’s agent discretion over whether to execute the plan as a single transaction, or provides that the agent’s future acts will depend on events or data not known at the time the plan is entered into and it is reasonably foreseeable at the time the plan is entered into that the plan might result in multiple trades. For the avoidance of doubt, sell-to-cover Rule 10b5-1 trading plans are exempt from the limitation on single-trade plans.

Although transactions effected under a Rule 10b5-1 trading plan will not require further pre-clearance at the time of the trade, any transaction (including the quantity and price) executed pursuant to a trading plan of a Section 16 reporting person must be reported to the Company promptly on the day of each trade to permit the Company's filing coordinator to assist in the preparation and filing of a required Form 4.

The Company reserves the right from time to time to suspend, discontinue or otherwise prohibit any transaction in LSI securities, even pursuant to a previously approved trading plan, if the Chief Executive Officer, Chief Financial Officer or the Board of Directors, in its discretion, determines that such suspension, discontinuation or other prohibition is in the best interests of the Company. Any trading plan submitted for approval hereunder should explicitly acknowledge the Company's right to suspend, discontinue or prohibit transactions in LSI securities.

Other Similar Transactions. Any other purchase of LSI securities from LSI or sales of LSI securities to LSI are not subject to this policy.

**PLEDGING AND HEDGING**

Covered Persons are prohibited from, directly or indirectly, pledging and/or hedging any LSI securities. “Pledging” includes the intentional creation of any form of pledge, security interest, deposit, lien or other hypothecation, including the holding or purchase of shares in a margin account or hypothecating shares as collateral for a loan, that entitles a third-party to foreclose against, or otherwise sell, any equity securities, whether with or without notice, consent, default or otherwise. For purposes of this policy, pledging does not include either the involuntary imposition of liens, such as tax liens or liens arising from legal proceedings, or customary purchase and sale agreements, such as Rule 10b5-1 plans. “Hedging” includes any instrument or transaction, including put options, monetization transactions, equity swaps, forward-sale contracts, collars, exchange funds, prepaid variable forwards and other forward-sale contracts, through which the Covered Person offsets or reduces exposure to the risk of price fluctuations in a corresponding equity security.

**CONSEQUENCES OF VIOLATING THIS POLICY**

Violation of this policy is not only a violation of LSI rules, but may also be a violation of federal law. As a result, a violation of these rules may:

(i) subject the violator and the Company to large civil liability (up to three times the profit gained, or loss avoided);

(ii) subject the violator to criminal prosecution with possible penalties of imprisonment of up to 20 years and additional fines of up to $5 million; and

(iii) subject the violator to termination of employment for cause, whether or not the violation results in a violation of law.

**NOTIFICATION**

The Executive Vice President--Human Resources and General Counsel is in charge of implementing and explaining these policies. Please contact the General Counsel, or in his absence the Chief Financial Officer, before you buy or sell LSI securities or other securities or if anything in this policy is unclear to you.

**EXHIBIT 31.1**

**Certification of Principal Executive Officer**
**Pursuant to Rule 13a-14(a)**

I, James A. Clark, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LSI Industries Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

/s/ James A. Clark
Principal Executive Officer

**EXHIBIT 31.2**

**Certification of Principal Financial Officer**
**Pursuant to Rule 13a-14(a)**

I, James E. Galeese, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LSI Industries Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

/s/ James E. Galeese
Principal Financial Officer

**EXHIBIT 32.1**

**CERTIFICATION OF JAMES A. CLARK**

**Pursuant to Section 1350 of Chapter 63 of the
United States Code and Rule 13a-14b**

In connection with the filing with the Securities and Exchange Commission of the Quarterly Report of LSI Industries Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2024 (the "Report"), I, James A. Clark, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James A. Clark
James A. Clark
Chief Executive Officer and
President

Date: May 6, 2024

A signed original of this written statement required by Section 906 has been provided to LSI Industries Inc. and will be retained by LSI Industries Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**EXHIBIT 32.2**

**CERTIFICATION OF JAMES E. GALEESE**

**Pursuant to Section 1350 of Chapter 63 of the United States Code and Rule 13a-14b**

In connection with the filing with the Securities and Exchange Commission of the Quarterly Report of LSI Industries Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2024 (the "Report"), I, James E. Galeese, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James E. Galeese
James E. Galeese
Executive Vice President and Chief
Financial Officer

Date: May 6, 2024

A signed original of this written statement required by Section 906 has been provided to LSI Industries Inc. and will be retained by LSI Industries Inc. and furnished to the Securities and Exchange Commission or its staff upon request.