

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended November 1, 2025

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 Number: 001-38747



Daktronics, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

46-0306862

(I.R.S. Employer Identification No.)

201 Daktronics Drive

Brookings, SD
(Address of Principal Executive Offices) (Zip Code)

57006

(605) 692-0200

(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, par value \$0.00001 per share	DAKT	Nasdaq Global Select Market

Indicate by check mark 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 check mark 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 check mark 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
Non-accelerated filer
Smaller reporting company
Emerging growth 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 check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's common stock outstanding as of December 1, 2025 was 48,747,817.

DAKTRONICS, INC. AND SUBSIDIARIES
FORM 10-Q
For the Quarter Ended November 1, 2025

Table of Contents

	Page
Part I.	1
Financial Information	1
Item 1.	1
Financial Statements (Unaudited)	1
Condensed Consolidated Balance Sheets as of November 1, 2025 and April 26, 2025	1
Condensed Consolidated Statements of Operations for the Three and Six Months Ended November 1, 2025 and October 26, 2024	3
Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended November 1, 2025 and October 26, 2024	4
Condensed Consolidated Statements of Stockholders' Equity for the Three and Six Months Ended November 1, 2025 and October 26, 2024	5
Condensed Consolidated Statements of Cash Flows for the Six Months Ended November 1, 2025 and October 26, 2024	7
Notes to the Condensed Consolidated Financial Statements	8
Item 2.	24
Item 3.	38
Item 4.	38
Part II.	39
Other Information	39
Item 1.	39
Item 1A.	39
Item 2.	39
Item 3.	40
Item 4.	40
Item 5.	40
Item 6.	40
Index to Exhibits	41
Signatures	42

PART I. FINANCIAL INFORMATION**Item 1. FINANCIAL STATEMENTS****DAKTRONICS, INC. AND SUBSIDIARIES**
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data) (unaudited)

	<u>November 1, 2025</u>	<u>April 26, 2025</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 149,604	\$ 127,507
Accounts receivable, net	129,355	92,762
Inventories	101,104	105,839
Contract assets	34,602	41,169
Current maturities of long-term receivables	3,462	2,437
Prepaid expenses and other current assets	11,686	8,520
Income tax receivables	417	3,217
Total current assets	<u>430,230</u>	<u>381,451</u>
Property and equipment, net	64,641	73,884
Long-term receivables, less current maturities	2,552	1,030
Goodwill	3,168	3,188
Intangibles, net	431	568
Debt issuance costs, net	669	1,289
Right of use, investment in affiliates, and other assets	14,370	9,378
Deferred income taxes	32,333	32,104
TOTAL ASSETS	<u>\$ 548,394</u>	<u>\$ 502,892</u>

DAKTRONICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (continued)
(in thousands, except per share data) (unaudited)

	November 1, 2025	April 26, 2025
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 1,500	\$ 1,500
Accounts payable	61,055	46,669
Contract liabilities	69,012	69,050
Accrued expenses	44,670	41,705
Warranty obligations	12,404	12,706
Income taxes payable	4,005	375
Total current liabilities	<u>192,646</u>	<u>172,005</u>
Long-term warranty obligations	24,651	23,124
Long-term contract liabilities	19,476	18,421
Other long-term obligations	4,287	6,839
Long-term debt, net	9,799	10,487
Deferred income taxes	84	85
Total long-term liabilities	<u>58,297</u>	<u>58,956</u>
STOCKHOLDERS' EQUITY:		
Preferred Shares, \$0.00001 par value, authorized 5,000 shares; no shares issued and outstanding	—	—
Common stock, \$0.00001 par value, authorized 115,000 shares; 53,400 and 53,030 shares issued as of November 1, 2025 and April 26, 2025, respectively	—	—
Additional paid-in capital	193,106	189,940
Retained earnings	161,861	127,910
Treasury stock, at cost, 4,724 and 3,979 shares as of November 1, 2025 and April 26, 2025, respectively	(51,975)	(39,759)
Accumulated other comprehensive loss	(5,541)	(6,160)
TOTAL STOCKHOLDERS' EQUITY	<u>297,451</u>	<u>271,931</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 548,394</u>	<u>\$ 502,892</u>

See notes to Condensed Consolidated Financial Statements.

DAKTRONICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Six Months Ended	
	November 1, 2025	October 26, 2024	November 1, 2025	October 26, 2024
Net sales	\$ 229,253	\$ 208,331	\$ 448,225	\$ 434,419
Cost of sales	167,428	152,468	321,328	318,858
Gross profit	61,825	55,863	126,897	115,561
Operating expenses:				
Selling	16,056	14,704	32,890	30,340
General and administrative	13,762	15,550	28,057	27,273
Product design and development	10,444	9,839	21,115	19,462
	<u>40,262</u>	<u>40,093</u>	<u>82,062</u>	<u>77,075</u>
Operating income	21,563	15,770	44,835	38,486
Nonoperating income (expense):				
Interest income (expense), net	558	273	1,451	202
Change in fair value of convertible note	—	10,304	—	(11,286)
Other expense, net	(259)	(1,164)	(2,201)	(1,999)
	<u>21,862</u>	<u>25,183</u>	<u>44,085</u>	<u>25,403</u>
Income before income taxes	21,862	25,183	44,085	25,403
Income tax expense	4,381	3,777	10,134	8,943
Net income	\$ 17,481	\$ 21,406	\$ 33,951	\$ 16,460
Weighted average shares outstanding:				
Basic	48,565	46,796	48,767	46,576
Diluted	49,391	51,715	49,608	47,507
Earnings per share:				
Basic	\$ 0.36	\$ 0.46	\$ 0.70	\$ 0.35
Diluted	\$ 0.35	\$ 0.22	\$ 0.68	\$ 0.35

See notes to Condensed Consolidated Financial Statements.

DAKTRONICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>November 1, 2025</u>	<u>October 26, 2024</u>	<u>November 1, 2025</u>	<u>October 26, 2024</u>
Net income	\$ 17,481	\$ 21,406	\$ 33,951	\$ 16,460
Other comprehensive income:				
Cumulative translation adjustments	330	314	609	442
Unrealized gain on available-for-sale securities, net of tax	10	20	10	20
Total other comprehensive income, net of tax	340	334	619	462
Comprehensive income	<u>\$ 17,821</u>	<u>\$ 21,740</u>	<u>\$ 34,570</u>	<u>\$ 16,922</u>

See notes to Condensed Consolidated Financial Statements.

DAKTRONICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total
	Number	Amount			Number	Amount		
Balance as of April 26, 2025	53,030	\$ —	\$ 189,940	\$ 127,910	(3,979)	\$ (39,759)	\$ (6,160)	\$ 271,931
Net income	—	—	—	16,470	—	—	—	16,470
Cumulative translation adjustments	—	—	—	—	—	—	279	279
Share-based compensation	—	—	947	—	—	—	—	947
Exercise of stock options	18	—	128	—	—	—	—	128
Employee savings plan activity	60	—	648	—	—	—	—	648
Treasury stock purchased	—	\$ —	\$ —	\$ —	(648)	(10,652)	\$ —	(10,652)
Balance as of August 2, 2025	53,108	\$ —	\$ 191,663	\$ 144,380	(4,627)	\$ (50,411)	\$ (5,881)	\$ 279,751
Net income	—	—	—	17,481	—	—	—	17,481
Cumulative translation adjustments	—	—	—	—	—	—	330	330
Unrealized gain on available-for-sale securities, net of tax	—	—	—	—	—	—	10	10
Share-based compensation	—	—	1,011	—	—	—	—	1,011
Common stock issued upon vesting of Restricted Stock Units	168	—	—	—	—	—	—	—
Exercise of stock options	160	—	1,039	—	—	—	—	1,039
Shares withheld for taxes on Restricted Stock Unit issuances	(36)	—	(607)	—	—	—	—	(607)
Treasury stock purchase	—	—	—	—	(97)	(1,564)	—	(1,564)
Balance as of November 1, 2025	53,400	\$ —	\$ 193,106	\$ 161,861	(4,724)	\$ (51,975)	\$ (5,541)	\$ 297,451

See notes to Condensed Consolidated Financial Statements.

DAKTRONICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
 (continued)
 (in thousands)
 (unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total
	Number	Amount			Number	Amount		
Balance as of April 27, 2024	48,121	\$ 65,525	\$ 52,046	\$ 138,031	(1,907)	\$ (10,285)	\$ (6,525)	\$ 238,792
Net loss	—	—	—	(4,946)	—	—	—	(4,946)
Cumulative translation adjustments	—	—	—	—	—	—	128	128
Share-based compensation	—	—	520	—	—	—	—	520
Exercise of stock options	331	3,148	—	—	—	—	—	3,148
Employee savings plan activity	71	569	—	—	—	—	—	569
Balance as of July 27, 2024	48,523	\$ 69,242	\$ 52,566	\$ 133,085	(1,907)	\$ (10,285)	\$ (6,397)	\$ 238,211
Net income	—	—	—	21,406	—	—	—	21,406
Cumulative translation adjustments	—	—	—	—	—	—	314	314
Unrealized gain on available-for-sale securities, net of tax	—	—	—	—	—	—	20	20
Share-based compensation	—	—	530	—	—	—	—	530
Exercise of stock options	183	1,040	—	—	—	—	—	1,040
Shares withheld for taxes on Restricted Stock Unit issuances	(37)	—	(591)	—	—	—	—	(591)
Common stock issued upon vesting of Restricted Stock Units	141	—	—	—	—	—	—	—
Balance as of October 26, 2024	48,810	\$ 70,282	\$ 52,505	\$ 154,491	(1,907)	\$ (10,285)	\$ (6,063)	\$ 260,930

See notes to Condensed Consolidated Financial Statements.

DAKTRONICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six Months Ended	
	November 1, 2025	October 26, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 33,951	\$ 16,460
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,588	9,794
Gain on sale of property, equipment and other assets	(84)	(40)
Share-based compensation	1,958	1,050
Equity in loss of affiliates	1,241	1,832
Allowance for credit losses on affiliate loan	873	—
Provision for (recoveries of) doubtful accounts, net	542	(152)
Deferred income taxes, net	(218)	13
Change in fair value of convertible note	—	11,286
Change in operating assets and liabilities	(5,247)	22,577
Net cash provided by operating activities	42,604	62,820
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(6,761)	(10,466)
Proceeds from sales of property, equipment and other assets	299	124
Loans to equity investees	(2,997)	(2,041)
Net cash used in investing activities	(9,459)	(12,383)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on notes payable	1,398	—
Payments on notes payable	(875)	(1,358)
Principal payments on long-term obligations	(104)	(206)
Payments for common shares repurchased	(12,215)	—
Proceeds from exercise of stock options	1,167	4,188
Tax payments related to RSU issuances	(607)	(591)
Net cash (used in) provided by financing activities	(11,236)	2,033
EFFECT OF EXCHANGE RATE CHANGES ON CASH	188	204
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	22,097	52,674
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	127,507	81,678
End of period	<u>\$ 149,604</u>	<u>\$ 134,352</u>
Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest	\$ 581	\$ 1,770
Income taxes, net of refunds	3,807	12,910
Supplemental schedule of non-cash investing and financing activities:		
Purchases of property and equipment included in accounts payable	871	2,343
Contributions of common stock under the employee stock purchase plan	648	569

See notes to Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(dollar and share amounts in thousands, except per share data)

(unaudited)

Note 1. Basis of Presentation

Daktronics, Inc. and its subsidiaries (the “Company”, “Daktronics”, “we”, “our”, or “us”) are recognized industry leaders in the design and manufacturing of electronic scoreboards, programmable display systems, and large-screen video displays serving sporting, commercial, and transportation markets.

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and the applicable rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial reporting. In the opinion of management, these financial statements reflect all adjustments necessary for a fair presentation of the Company’s financial position, results of operations, and cash flows for the periods presented. All such adjustments are of a normal recurring nature.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent liabilities. Significant estimates include, but are not limited to, revenue recognition, warranty obligations, the fair value of long-term debt and investments in affiliates, income tax provisions, and stock-based compensation. Actual results may differ materially from those estimates due to inherent uncertainties.

Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to SEC rules and regulations. The balance sheet as of April 26, 2025, has been derived from the audited financial statements as of that date but does not include all disclosures required for annual financial statements. These interim financial statements should be read in conjunction with the Company’s audited financial statements and notes thereto included in its Annual Report on Form 10-K for the fiscal year ended April 26, 2025 (the “Form 10-K”).

The Company operates on a 52- or 53-week fiscal year ending on the Saturday closest to April 30. When April 30 falls on a Wednesday, the fiscal year ends on the preceding Saturday. Each fiscal quarter consists of 13 weeks, except in a 53-week fiscal year, where the first quarter includes 14 weeks. The six months ended November 1, 2025, and October 26, 2024, included 27 and 26 weeks of operations, respectively.

There have been no material changes to the Company’s significant accounting policies and estimates as disclosed in the Form 10-K.

Cash and cash equivalents

Cash and cash equivalents are presented in the Condensed Consolidated Balance Sheets with the corresponding totals reported in the Condensed Consolidated Statements of Cash Flows. The Company had no restricted cash or restricted cash equivalents as of November 1, 2025 or October 26, 2024.

We maintain foreign currency cash accounts to support our global operations. These balances are subject to fluctuations in foreign exchange rates, which may impact our consolidated financial position and results of operations.

As of November 1, 2025, our total cash and cash equivalents were \$149,604, of which \$135,051 were denominated in U.S. dollars. Included in the U.S. dollar-denominated balances were \$6,333 held by our foreign subsidiaries. The remaining \$14,553 were denominated in foreign currencies, with \$11,460 maintained in accounts held by our foreign subsidiaries.

Recent Accounting Pronouncements

Accounting Standards Adopted

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). ASU 2023-07 requires enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and for interim periods within fiscal years beginning after December 15, 2024, with

early adoption permitted. ASU 2023-07 requires the retrospective adoption method. The Company adopted ASU 2023-07 for annual periods beginning in the fiscal year ended April 26, 2025, noting there were no changes to our reportable segments. The Company has adopted ASU 2023-07 for interim periods beginning in the fiscal year ending May 2, 2026.

Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 requires the disclosure of specified additional information in its income tax rate reconciliation and to provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the disaggregation of the disclosures of income taxes paid by federal, state, and foreign taxes, with further disaggregation required for significant individual jurisdictions. The Company is required to adopt this guidance for its annual reporting in fiscal year 2026 on a prospective basis. Early adoption and retroactive application are permitted. We are currently evaluating the impact of ASU 2023-09 on our income tax disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03"), requiring disclosure in the notes to the financial statements of specified information about certain costs and expenses. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and for interim periods beginning after December 15, 2027; however, early adoption is permitted and can be applied either prospectively or retrospectively. We are currently evaluating the impact of ASU 2024-03 on our expense disaggregation disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU 2025-05"). ASU 2025-05 provides a practical expedient that all entities can use when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*. Under this practical expedient, an entity is allowed to assume that the current conditions it has applied in determining credit loss allowances for current accounts receivable and current contract assets remain unchanged for the remaining life of those assets. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, and interim reporting periods in those years. Entities that elect the practical expedient and, if applicable, make the accounting policy election are required to apply the amendments prospectively. The Company is required to adopt this guidance in fiscal year 2027 on a prospective basis. We are currently evaluating the impact of ASU 2025-05 on our expense disaggregation disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)* ("ASU 2025-06"), which modernizes the accounting for internal-use software costs to reflect current development practices. The update eliminates the previous three-stage model (preliminary, application development, and post-implementation) and instead introduces a principles-based approach. Under the new guidance, capitalization begins when (1) management authorizes and commits to funding the project, and (2) it is probable the project will be completed and the software will be used for its intended purpose. ASU 2025-06 is effective for annual periods beginning after December 15, 2027, with early adoption permitted and transition options including prospective, retrospective, or modified retrospective application. We are currently evaluating the impact of ASU 2025-06 on our accounting policies and disclosures.

Note 2. Investments in Affiliates

We account for investments in other entities using the equity method when our ownership interest provides us with the ability to exercise significant influence over the operating and financial policies of the investee. Our assessment of significant influence considers factors such as ownership percentage, board representation, participation in policy-making decisions, commercial arrangements, and material intercompany transactions.

We evaluated our investments in affiliates of X Display Company Technology Limited ("XDC"), which is developing micro-LED mass transfer technologies, and Miortech Holding B.V. (dba Etulipa) ("Miortech"), which is focused on low-power outdoor electrowetting technology. As of November 1, 2025, our ownership interest in Miortech was 55.9 percent, and in XDC was 16.4 percent. Despite our majority ownership in Miortech, we determined that both entities are variable interest entities ("VIEs") and, based on management's analysis, Daktronics is not the primary beneficiary as the power criterion was not met. Accordingly, we do not consolidate these entities but account for our investments in such entities under the equity method.

As of November 1, 2025 and April 26, 2025, the carrying value of our equity method investments was zero. Our proportional share of the affiliates' losses is recorded in "Other expense, net" in our Condensed Consolidated Statements of

Operations. For the three and six months ended November 1, 2025, our share of affiliate losses were \$436 and \$1,241, respectively, compared to \$901 and \$1,832, respectively, for the three and six months ended October 26, 2024.

We also engage in related party transactions with our equity method investees, primarily for research and development services. For the six months ended November 1, 2025 and October 26, 2024, we recorded expenses of \$32 and \$497, respectively, in “Product design and development.” Unpaid amounts related to these services were \$124 and \$134 as of November 1, 2025 and October 26, 2024, respectively, and are included in “Accounts payable.”

Additionally, we have provided funding to certain of our affiliates through promissory notes, some of which are convertible (collectively, the “Affiliate Notes”). During the six months ended November 1, 2025, we advanced \$2,997 to such affiliates under the Affiliate Notes, as compared to \$4,565 during fiscal year 2025. Accrued interest on the Affiliate Notes was \$494 and \$838 as of November 1, 2025 and April 26, 2025, respectively. The total face value of the outstanding Affiliate Notes was \$23,404 and \$19,843 as of November 1, 2025 and April 26, 2025, respectively. These balances are included in “Right of use, investment in affiliates, and other assets” in our Condensed Consolidated Balance Sheets.

We periodically assess the Affiliate Notes for impairment and expected credit losses. During the fourth quarter of fiscal 2025, we recorded a provision of \$15,480 related to a note deemed uncollectible. During the three and six months ended November 1, 2025, an additional provision of \$78 and \$873, respectively, was recorded for another note expected to be uncollectible. These provisions are included in “Other expense, net.”

The balance of our Affiliate Notes totaled \$4,570 and \$3,123 as of November 1, 2025 and April 26, 2025, respectively.

Note 3. Earnings Per Share

We compute earnings per share (“EPS”) in accordance with the provisions of Accounting Standards Codification Topic 260, Earnings Per Share. Basic EPS is calculated by dividing net income attributable to holders of our common stock, par value \$0.00001 per share (“Common Stock”), by the weighted average number of common shares outstanding during the reporting period.

Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised, converted, or otherwise resulted in the issuance of common shares that participate in our earnings.

The following table presents a reconciliation of net income and the number of shares of Common Stock used in the calculation of basic and diluted EPS for the three and six months ended November 1, 2025, and October 26, 2024:

	Three Months Ended		Six Months Ended	
	November 1, 2025	October 26, 2024	November 1, 2025	October 26, 2024
Earnings per share - basic				
Net income	\$ 17,481	\$ 21,406	\$ 33,951	\$ 16,460
Weighted average shares outstanding	48,565	46,796	48,767	46,576
Basic earnings per share	\$ 0.36	\$ 0.46	\$ 0.70	\$ 0.35
Earnings per share - diluted				
Net income	\$ 17,481	\$ 21,406	\$ 33,951	\$ 16,460
Change in fair value of convertible note	—	(10,304)	—	—
Interest expense on convertible note, net of tax	—	418	—	—
Diluted net income	\$ 17,481	\$ 11,520	\$ 33,951	\$ 16,460
Weighted average common shares outstanding	48,565	46,796	48,767	46,576
Dilution associated with stock compensation plans	826	882	841	931
Dilution associated with convertible note	—	4,037	—	—
Weighted average common shares outstanding, assuming dilution	49,391	51,715	49,608	47,507
Diluted earnings per share	\$ 0.35	\$ 0.22	\$ 0.68	\$ 0.35

During the three months ended November 1, 2025, 47 shares of potential Common Stock related to stock-based compensation plans were excluded from the computation of diluted EPS because their inclusion would have been anti-dilutive.

During the six months ended November 1, 2025, 47 shares of potential Common Stock related to stock-based compensation plans were excluded from the computation of diluted EPS because their inclusion would have been anti-dilutive. These potential shares include options to purchase 24 shares of Common Stock with a weighted average exercise price of \$11.87.

For the three and six months ended October 26, 2024, options to purchase 51 and 114 shares of common stock, no par value, with a weighted average exercise price of \$10.44 and \$12.10, respectively, were excluded from the computation of diluted EPS due to their anti-dilutive effect.

During the three months ended October 26, 2024, 4,037 potential shares of common stock, no par value, issuable upon conversion of a senior secured convertible promissory note in the original principal amount of \$25,000 dated as of May 11, 2023, issued by the Company to Alta Fox Opportunities Fund, LP (the "Convertible Note") were included in the computation of diluted EPS. For the six months ended October 26, 2024, 4,037 potential common shares issuable upon conversion of the Convertible Note were not included in the computation of diluted EPS, as their inclusion would have been anti-dilutive.

Note 4. Revenue Recognition

Disaggregation of revenue

In accordance with ASC 606-10-50, Revenue from Contracts with Customers, we disaggregate revenue based on the nature of the performance obligations and the timing of revenue recognition. This approach is intended to meet the disclosure objective of depicting how the nature, amount, timing, and uncertainty of revenue and cash flows are influenced by economic factors. It also enables users of the financial statements to understand the relationship between revenue streams and each of our reportable segments.

The following table presents our disaggregated revenue by segment:

Three Months Ended November 1, 2025

	Commercial	Live Events	High School Park and Recreation	Transportation	International	Total
Type of performance obligation						
Unique configuration	\$ 5,968	\$ 62,495	\$ 4,631	\$ 8,139	\$ 9,719	\$ 90,952
Limited configuration	39,196	10,162	37,614	11,068	17,975	116,015
Service and other	5,588	8,824	3,722	2,067	2,085	22,286
	<u>\$ 50,752</u>	<u>\$ 81,481</u>	<u>\$ 45,967</u>	<u>\$ 21,274</u>	<u>\$ 29,779</u>	<u>\$ 229,253</u>
Timing of revenue recognition						
Goods/services transferred at a point in time	\$ 41,936	\$ 14,027	\$ 37,858	\$ 12,386	\$ 18,625	\$ 124,832
Goods/services transferred over time	8,816	67,454	8,109	8,888	11,154	104,421
	<u>\$ 50,752</u>	<u>\$ 81,481</u>	<u>\$ 45,967</u>	<u>\$ 21,274</u>	<u>\$ 29,779</u>	<u>\$ 229,253</u>

Six Months Ended November 1, 2025

	Commercial	Live Events	High School Park and Recreation	Transportation	International	Total
Type of performance obligation						
Unique configuration	\$ 14,882	\$ 125,758	\$ 19,528	\$ 17,637	\$ 16,327	\$ 194,132
Limited configuration	70,438	19,556	79,525	15,458	26,033	211,010
Service and other	11,599	15,967	6,261	4,754	4,502	43,083
	<u>\$ 96,919</u>	<u>\$ 161,281</u>	<u>\$ 105,314</u>	<u>\$ 37,849</u>	<u>\$ 46,862</u>	<u>\$ 448,225</u>
Timing of revenue recognition						
Goods/services transferred at a point in time	\$ 76,005	\$ 25,707	\$ 79,652	\$ 18,527	\$ 27,528	\$ 227,419
Goods/services transferred over time	20,914	135,574	25,662	19,322	19,334	220,806
	<u>\$ 96,919</u>	<u>\$ 161,281</u>	<u>\$ 105,314</u>	<u>\$ 37,849</u>	<u>\$ 46,862</u>	<u>\$ 448,225</u>

Three Months Ended October 26, 2024

	Commercial	Live Events	High School Park and Recreation	Transportation	International	Total
Type of performance obligation						
Unique configuration	\$ 9,506	\$ 57,289	\$ 8,284	\$ 13,046	\$ 4,392	\$ 92,517
Limited configuration	27,838	11,640	36,246	6,924	11,455	94,103
Service and other	6,095	8,278	3,541	1,508	2,289	21,711
	<u>\$ 43,439</u>	<u>\$ 77,207</u>	<u>\$ 48,071</u>	<u>\$ 21,478</u>	<u>\$ 18,136</u>	<u>\$ 208,331</u>
Timing of revenue recognition						
Goods/services transferred at a point in time	\$ 30,728	\$ 15,167	\$ 36,523	\$ 7,820	\$ 12,919	\$ 103,157
Goods/services transferred over time	12,711	62,040	11,548	13,658	5,217	105,174
	<u>\$ 43,439</u>	<u>\$ 77,207</u>	<u>\$ 48,071</u>	<u>\$ 21,478</u>	<u>\$ 18,136</u>	<u>\$ 208,331</u>

Six Months Ended October 26, 2024

	Commercial	Live Events	High School Park and Recreation	Transportation	International	Total
Type of performance obligation						
Unique configuration	\$ 11,768	\$ 151,607	\$ 18,918	\$ 27,582	\$ 7,006	\$ 216,881
Limited configuration	54,138	19,934	71,394	13,533	19,527	178,526
Service and other	11,732	14,274	5,765	2,853	4,388	39,012
	<u>\$ 77,638</u>	<u>\$ 185,815</u>	<u>\$ 96,077</u>	<u>\$ 43,968</u>	<u>\$ 30,921</u>	<u>\$ 434,419</u>
Timing of revenue recognition						
Goods/services transferred at a point in time	\$ 60,241	\$ 25,917	\$ 71,902	\$ 15,381	\$ 22,060	\$ 195,501
Goods/services transferred over time	17,397	159,898	24,175	28,587	8,861	238,918
	<u>\$ 77,638</u>	<u>\$ 185,815</u>	<u>\$ 96,077</u>	<u>\$ 43,968</u>	<u>\$ 30,921</u>	<u>\$ 434,419</u>

See "Note 5. Segment Reporting" for a disaggregation of revenue by geography.

Contract balances

Contract assets represent revenue recognized for performance obligations satisfied but not yet billed and include unbilled receivables. Unbilled receivables reflect an unconditional right to payment that is subject only to the passage of time and are reclassified to accounts receivable once billed in accordance with contractual terms.

Contract liabilities represent amounts billed to customers in excess of revenue recognized to date and are recognized as revenue when the related performance obligations are satisfied.

The following table summarizes the changes in our contract assets and contract liabilities for the periods presented:

	November 1, 2025	April 26, 2025	Dollar Change	Percent Change
Contract assets	\$ 34,602	\$ 41,169	\$ (6,567)	(16.0)%
Contract liabilities - current	69,012	69,050	(38)	(0.1)
Contract liabilities - noncurrent	19,476	18,421	1,055	5.7

The changes in our contract assets and contract liabilities from April 26, 2025 to November 1, 2025 were primarily driven by the timing of billing schedules and revenue recognition. These fluctuations are influenced by the contractual payment terms and the seasonal nature of the sports markets.

No significant impairments of contract assets were identified during the three months ended November 1, 2025.

For service-type warranty contracts, revenue is allocated to the related performance obligation and recognized over time, while associated costs are recognized as incurred. Earned and unearned revenues related to these contracts are reported within the "Contract assets" and "Contract liabilities" line items in our Condensed Consolidated Balance Sheets.

The following table summarizes the changes in unearned service-type warranty contracts, net, for the six months ended November 1, 2025:

	November 1, 2025
Balance as of April 26, 2025	\$ 35,129
New contracts sold	29,728
Less: reductions for revenue recognized	(26,361)
Foreign currency translation and other	303
Balance as of November 1, 2025	<u>\$ 38,799</u>

Contracts in progress identified as loss contracts as of November 1, 2025 and April 26, 2025 were immaterial. Provisions for such losses are recorded in the “Accrued expenses” line item in our Condensed Consolidated Balance Sheets.

During the six months ended November 1, 2025, we recognized \$55,466 of revenue that was previously recorded as contract liabilities as of April 26, 2025.

Remaining performance obligations

As of November 1, 2025, the aggregate amount of the transaction price allocated to the remaining performance obligations was \$387,750. This consists of \$320,618 related to product agreements and \$67,132 related to service agreements. We expect approximately \$327,845 of these obligations to be recognized as revenue within the next 12 months, with the remainder recognized thereafter.

While remaining performance obligations represent legally binding business commitments, they are subject to change due to cancellations, deferrals, or scope adjustments. Known changes—including project cancellations, scope revisions, foreign currency exchange fluctuations, and deferrals—are reflected or excluded from the reported balance, as appropriate.

Revenue recognized during the six months ended November 1, 2025 and October 26, 2024 related to performance obligations satisfied in prior periods was immaterial.

Note 5. Segment Reporting

The following table presents selected financial information for each of our five reportable segments for the periods indicated:

	Three Months Ended		Six Months Ended	
	November 1, 2025	October 26, 2024	November 1, 2025	October 26, 2024
Net sales:				
Commercial	\$ 50,752	\$ 43,439	\$ 96,919	\$ 77,638
Live Events	81,481	77,207	161,281	185,815
High School Park and Recreation	45,967	48,071	105,314	96,077
Transportation	21,274	21,478	37,849	43,968
International	29,779	18,136	46,862	30,921
Total consolidated net sales	229,253	208,331	448,225	434,419
Cost of Sales:				
Commercial	37,432	32,301	69,949	58,905
Live Events	61,717	62,237	121,331	144,817
High School Park and Recreation	31,880	30,267	69,286	60,957
Transportation	14,711	12,806	26,130	27,547
International	21,688	14,857	34,632	26,632
Gross profit:				
Commercial	13,320	11,138	26,970	18,733
Live Events	19,764	14,970	39,950	40,998
High School Park and Recreation	14,087	17,804	36,028	35,120
Transportation	6,563	8,672	11,719	16,421
International	8,091	3,279	12,230	4,289
Total consolidated gross profit	61,825	55,863	126,897	115,561
Less:				
Selling	16,056	14,704	32,890	30,340
General and administrative	13,762	15,550	28,057	27,273
Product design and development	10,444	9,839	21,115	19,462
Interest (income) expense, net	(558)	(273)	(1,451)	(202)
Change in fair value of convertible note	—	10,304	—	(11,286)
Other expense, net	259	1,164	2,201	1,999
Income before income taxes	\$ 21,862	\$ 25,183	\$ 44,085	\$ 25,403
Depreciation and amortization:				
Commercial	\$ 1,082	\$ 1,075	\$ 2,167	\$ 2,157
Live Events	1,241	1,412	2,488	2,841
High School Park and Recreation	669	533	1,330	1,066
Transportation	197	205	396	407
International	431	550	878	1,112
Total depreciation and amortization for reportable segments	3,620	3,775	7,259	7,583
Unallocated corporate depreciation and amortization	1,164	1,126	2,329	2,211
Total depreciation and amortization	\$ 4,784	\$ 4,901	\$ 9,588	\$ 9,794

No single geographic region, other than the United States, represents a material portion of our net sales or our property and equipment, net of accumulated depreciation.

The following table provides a summary of net sales and property and equipment, net of accumulated depreciation, for the United States and all other geographic areas:

	Three Months Ended		Six Months Ended	
	November 1, 2025	October 26, 2024	November 1, 2025	October 26, 2024
Net sales:				
United States	\$ 193,906	\$ 184,438	\$ 390,494	\$ 391,657
Outside United States	35,347	23,893	57,731	42,762
	<u>\$ 229,253</u>	<u>\$ 208,331</u>	<u>\$ 448,225</u>	<u>\$ 434,419</u>
			November 1, 2025	April 26, 2025
Property and equipment, net of accumulated depreciation:				
United States			\$ 57,768	\$ 66,701
Outside United States			6,873	7,183
			<u>\$ 64,641</u>	<u>\$ 73,884</u>

We serve a diverse customer base across global markets for our products and services. No individual customer accounted for 10 percent or more of our net sales during the reporting period. Accordingly, we are not economically dependent on a limited number of customers for the sale of our products and services.

We also source raw materials and components from a broad network of suppliers. No single supplier represented 10 percent or more of our cost of sales. However, our global supply chain is complex and subject to geopolitical and transportation risks. Additionally, we rely on certain single-source suppliers, which may constrain availability or result in delays in obtaining critical materials and components required for manufacturing.

Note 6. Goodwill

The following table summarizes changes in the carrying amount of goodwill for each reportable segment with a goodwill balance for the six months ended November 1, 2025:

	Commercial	Transportation	Total
Balance as of April 26, 2025	\$ 3,159	\$ 29	\$ 3,188
Foreign currency translation	(16)	(4)	(20)
Balance as of November 1, 2025	<u>\$ 3,143</u>	<u>\$ 25</u>	<u>\$ 3,168</u>

We perform an analysis of goodwill on an annual basis, and it is tested for impairment more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. Our annual impairment assessment is performed during the third quarter of each fiscal year, based on the goodwill balance as of the first business day of that quarter. As of November 1, 2025, our most recent annual goodwill impairment test concluded that no impairment existed.

As of November 1, 2025 and April 26, 2025, the total accumulated goodwill impairments were \$4,576.

Note 7. Financing Agreements

The following table summarizes the components of our long-term debt as of the dates indicated:

	November 1, 2025	April 26, 2025
Mortgage	\$ 11,500	\$ 12,375
Long-term debt, gross	11,500	12,375
Debt issuance costs, net	(201)	(388)
Current portion	(1,500)	(1,500)
Long-term debt, net	\$ 9,799	\$ 10,487

Credit Agreements

On May 11, 2023, the Company entered into a \$75,000 senior credit facility (the “Credit Facility”) pursuant to a Credit Agreement dated as of May 11, 2023 (as amended, restated, modified, or supplemented from time to time, the “Credit Agreement”), between and among the Company, JPMorgan Chase Bank, N.A., as administrative agent (the “Administrative Agent”), the Lenders (as defined in the Credit Agreement), and the other Loan Parties (as defined in the Credit Agreement). The Credit Facility and the Credit Agreement were in effect throughout the periods covered by this Quarterly Report on Form 10-Q, including the quarter ended November 1, 2025, and were superseded and replaced by the New Credit Facility and the New Credit Agreement (as each such term is defined herein).

The Credit Facility made pursuant to the Credit Agreement was comprised of:

- a \$60,000 asset-based revolving credit facility (the “ABL”), maturing on May 11, 2026, secured by a first-priority lien on the Company’s assets pursuant to a Pledge and Security Agreement dated May 11, 2023, between and among the Company, Daktronics Installation, Inc. (“Daktronics Installation”), and the Administrative Agent (the “Pledge and Security Agreement”); and
- a \$15,000 delayed draw term loan (the “Delayed Draw Loan”), also secured by the first-priority lien on the Company’s assets pursuant to the Pledge and Security Agreement and a first-priority mortgage on the Company’s real estate located in Brookings, South Dakota.

Under the ABL, borrowing capacity was subject to certain conditions and may fluctuate based on various factors. As of November 1, 2025, the Company’s borrowing capacity under the ABL was \$41,745, with no borrowings outstanding and \$3,210 utilized for outstanding letters of credit. No borrowings were made under the ABL during the period ended November 1, 2025.

The interest rate on the ABL was determined on a sliding scale based on the Company’s trailing 12-month fixed charge coverage ratio and ranges from 2.5 to 3.5 percent over the Secured Overnight Financing Rate (“SOFR”).

The \$15,000 Delayed Draw Loan was funded on July 7, 2023. It was amortized over a 10-year period with monthly principal payments of \$125 and scheduled to mature on May 11, 2026. The interest rate on the Delayed Draw Loan was determined on a sliding scale based on the trailing 12-month fixed charge coverage ratio and ranged from 1.0 and 2.0 percent over the Commercial Bank Floating Rate (“CBFR”). As of November 1, 2025, the interest rate applicable to the Delayed Draw Loan was 8.5 percent.

The Credit Agreement also permitted the Company to secure Letters of Credit (as defined in the Credit Agreement) with terms that expire after the Credit Agreement’s scheduled maturity date of May 11, 2026 under certain conditions (the “Specified Letters of Credit”). Pursuant to the Credit Agreement, no later than 91 days before the Maturity Date (as defined below), the Company was required to deposit an amount of cash equal to 105% of the LC Exposure (as defined in the Credit Agreement) into one or more accounts (collectively, the “Specified LC Collateral Account”) controlled exclusively by the Administrative Agent. The Company was required to grant a security interest in the Specified LC Collateral Account to the Administrative Agent, and the funds in the Specified LC Collateral Account were to be used to cover any unreimbursed amounts owed to the issuing Lender, subject to certain exceptions. The Credit Agreement required the funds in the Specified LC Collateral Account to be returned to the Company and the other Borrowers (as defined in the Credit Agreement) in the event that the scheduled Maturity Date was further extended.

The Credit Agreement also required the Borrowers to fully pay any and all outstanding amounts owed under the Delayed Draw Loan on or before the earlier of: (i) May 11, 2026; and (ii) any earlier date on which the Commitments (as defined in the Credit Agreement) are reduced to zero or otherwise terminated pursuant to the terms of the Credit Agreement (the “Termination Date”). The Borrowers’ repayment obligations under the Credit Agreement were scheduled to mature on the

earliest of: (A) November 30, 2026; (B) unless otherwise agreed in writing by the Administrative Agent (with the consent of all Lenders), the date that is six (6) months prior to the scheduled maturity date of the Term Loan Debt (as defined in the Credit Agreement); and (C) the Termination Date (such earliest date, the “Maturity Date”).

The Credit Agreement contained covenants that, among other things, restricted our ability to repurchase shares of Common Stock, pay dividends, incur additional indebtedness, and make certain investments. Those restrictions placed limits on our ability to return capital to stockholders through share repurchases or dividends, but did not have a material impact on our ability to make stock repurchases during the quarter ended November 1, 2025. For more information on the Company’s ability to repurchase shares under the Credit Agreement, please refer to “Item 2. Unregistered Sales of Equity Securities and Use of Proceeds” of Part II of this Quarterly Report on Form 10-Q.

On November 26, 2025, we entered into a new \$71,500 senior secured credit facility (the “New Credit Facility”) pursuant to a Credit Agreement (the “New Credit Agreement”), between and among the Company, the Administrative Agent, the Lenders (as defined in the New Credit Agreement), and the other Loan Parties (as defined in the New Credit Agreement). See “Note 13. Subsequent Events” of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for a description of the debt obligations under the New Credit Agreement.

Convertible Note

As of November 1, 2025 and April 26, 2025, there was no outstanding balance under the Convertible Note. During fiscal 2025, the Company fully settled the Convertible Note through a series of forced conversions in accordance with its terms. These conversions resulted in the issuance of shares of Common Stock to Alta Fox Opportunities and the extinguishment of the debt on the dates of settlement. Accordingly, there is no remaining principal or accrued interest associated with the Convertible Note, and no further obligations under its terms. Additional details regarding the Convertible Note activity during fiscal 2025 are included in “Note 17. Related Party Transactions” of the Form 10-K.

Debt Issuance Costs

Debt issuance costs incurred and capitalized are amortized on a straight-line basis over the term of the related debt agreement. In the event of early principal payments or conversions, a proportional amount of unamortized debt issuance costs is expensed. Amortization of debt issuance costs totaled \$807 for each of the six months ended November 1, 2025 and October 26, 2024. As of November 1, 2025, the remaining unamortized debt issuance costs of \$870 were being amortized over the remaining term of the Credit Facility.

Future Maturities

The following table presents the aggregate contractual maturities of our long-term debt by fiscal year:

Fiscal years ending	Amount
Remainder of 2026	\$ 625
2027	10,875
2028	—
2029	—
2030	—
Total debt	<u>\$ 11,500</u>

Note 8. Commitments and Contingencies

Litigation: We are involved in legal proceedings and claims that arise in the ordinary course of business. We continuously evaluate these matters, including regulatory reviews and inspections, and apply appropriate accounting guidance when determining accruals and disclosures. Contingency accruals are recorded when a loss is considered probable and the amount can be reasonably estimated. If a reasonably possible loss exceeds the amount accrued and disclosure is necessary to avoid misleading financial statements, we disclose the estimated range of loss. No accrual is recorded when a loss is probable but not reasonably estimable, or when a loss is considered reasonably possible or remote; however, material matters are disclosed as required under ASC 450-20, *Contingencies – Loss Contingencies*.

Our assessment of whether a loss is reasonably possible or probable is based on management's evaluation and consultation with legal counsel regarding the ultimate outcome of each matter, including the impact of any appeals.

For other unresolved legal proceedings or claims, we do not believe there is a reasonable probability that a material loss will be incurred. Accordingly, no material accruals or disclosures of potential loss ranges have been made. We do not expect the ultimate resolution of these matters to have a material impact on our financial position, liquidity, or capital resources.

Warranties: The following table summarizes changes in our warranty obligations for the six months ended November 1, 2025.

	November 1, 2025
Balance as of April 26, 2025	\$ 35,830
Warranties issued during the period	8,633
Settlements made during the period	(5,028)
Changes in accrued warranty obligations for pre-existing warranties during the period, including expirations	(2,380)
Balance as of November 1, 2025	<u>\$ 37,055</u>

Performance guarantees: We have entered into standby letters of credit, bank guarantees, and surety bonds with financial institutions to support our contractual obligations, primarily related to construction-type contracts. These instruments serve as guarantees of our future performance, including the operation and installation of equipment and the completion of contractual deliverables.

As of November 1, 2025, we had \$64,091 of bonded work outstanding and \$3,210 in letters of credit outstanding. These performance guarantees generally have terms of one year, although specific durations may vary by contract.

We enter into written agreements with customers that may include indemnification provisions requiring us to compensate the customer for financial losses resulting from certain acts or omissions. We seek to negotiate reasonable limitations and caps on such indemnification obligations. As of November 1, 2025, we were not aware of any material indemnification claims.

Note 9. Income Taxes

The provision for income taxes during interim reporting periods is calculated by applying an estimate of the annual effective tax rate to "ordinary" income or loss for the reporting period, adjusted for discrete items. Due to various factors, including our estimate of annual income, our effective tax rate is subject to fluctuation.

Our effective tax rates for the three and six months ended November 1, 2025 were 20.0 percent and 23.0 percent, respectively. The tax rates were primarily driven by permanent tax adjustments and the reversal of a valuation allowance in proportion to the increase in pre-tax income during the period. The effective tax rate for the three and six months ended October 26, 2024 of 15.0 percent and 35.2 percent, respectively, were driven by the impacts of the Convertible Note fair value adjustments.

We operate both domestically and internationally and, as of November 1, 2025, the undistributed earnings of our foreign subsidiaries were considered to be reinvested indefinitely. Additionally, as of November 1, 2025, we had \$558 of unrecognized tax benefits which would reduce our effective tax rate if recognized.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA includes significant tax related provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions. The OBBBA has multiple effective dates with the earliest provisions taking effect in fiscal 2026 and others beginning in fiscal 2027 and beyond. ASC 740, "Income Taxes", requires the effects of changes in tax rates and laws affecting current taxes to be reflected in the estimated annual effective tax rate going forward, and adjustments to existing deferred taxes to be recognized on deferred tax balances to be recognized in the period in which the legislation is enacted.

We note that as of November 1, 2025, there were no material impacts to the Company’s financial statements. We will continue to evaluate the future tax and other provisions of the OBBBA and the potential effects on our financial position, results of operations, and cash flows.

Note 10. Fair Value Measurement

The following table presents our financial assets and liabilities measured at fair value on a recurring basis as of November 1, 2025 and April 26, 2025, classified by level within the fair value hierarchy based on the valuation techniques utilized to determine fair value.

There were no transfers between levels of the fair value hierarchy during the periods presented.

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Balance as of November 1, 2025				
Cash and cash equivalents	\$ 149,604	\$ —	\$ —	\$ 149,604
	<u>\$ 149,604</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 149,604</u>
Balance as of April 26, 2025				
Cash and cash equivalents	\$ 127,507	\$ —	\$ —	\$ 127,507
	<u>\$ 127,507</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 127,507</u>

Note 11. Share Repurchase Program

On June 17, 2016, our Board of Directors (the “Board” or “Board of Directors”) authorized a share repurchase program (the “Repurchase Program”) under which the Company may repurchase up to \$40,000 of outstanding Common Stock. On March 4, 2025, the Board approved a \$10,000 increase in the limit under the Repurchase Program from \$40,000 to \$50,000. On June 23, 2025, the Board approved an additional \$10,000 increase from \$50,000 to \$60,000.

Repurchases under the Repurchase Program may be made from time to time in open market transactions or privately negotiated transactions, subject to business and market conditions, applicable legal requirements, and other relevant factors. The Repurchase Program does not obligate the Company to repurchase any specific number of shares, may be suspended or terminated at any time at the discretion of the Board and has no fixed expiration date.

During the six months ended November 1, 2025, the Company repurchased 746 shares of Common Stock at a total cost of \$12,215. As of November 1, 2025, \$7,665 of the \$60,000 authorized amount remained available for repurchase under the Repurchase Program.

For information on restrictions on the Company’s ability to repurchase shares under the Credit Agreement, please refer to “Note 7. Financing Agreement” of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q and “Item 2. Unregistered Sales of Equity Securities and Use of Proceeds” of Part II of this Quarterly Report on Form 10-Q. For additional information, see “Note 13. Subsequent Events” of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Note 12. Related Party Transactions

Daktronics Related Person Transaction Policy: The Board of Directors has adopted the Daktronics Related Person Transaction Policy, a written policy and procedures with respect to related party transactions (the “Policy”), which the Audit Committee of the Board (the "Audit Committee") oversees. Under the Policy, a “Related Person Transaction” is generally defined as a transaction, arrangement, or relationship (or any series of similar transactions, arrangements, or relationships) in which the Company was, is, or will be a participant; the amount involved exceeds \$120; and any “Related Person” had, has, or will have a direct or indirect material interest. The Policy generally defines a "Related Person" as: a director, director nominee, or executive officer of the Company at any time during the last fiscal year; a beneficial owner of more than five percent of any class of our voting securities; or any immediate family member of any of the foregoing persons. Our Chief Financial Officer is responsible for overseeing the monitoring and identification of Related Person Transactions and the appropriate reporting of any potential Related Person Transactions to the Audit Committee. The Audit

Committee reviews and, if appropriate, approves Related Person Transactions, including certain transactions which are deemed to be pre-approved under the Policy. On an annual basis, the Audit Committee reviews any previously approved Related Person Transactions that are ongoing.

Transactions with Alta Fox Opportunities: As reported in Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the section entitled “Liquidity and Capital Resources” of the Form 10-K, effective May 11, 2023, the Company entered into a Securities Purchase Agreement with Alta Fox Opportunities under which the Company sold and issued to Alta Fox Opportunities the Convertible Note in exchange for the payment by Alta Fox Opportunities to the Company of \$25,000 (the “Securities Purchase Agreement”). As of November 1, 2025, no principal or interest remained outstanding under the Convertible Note. For additional information on the Convertible Note, see “Note 7. Financing Agreements” of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Alta Fox Opportunities reported in Amendment No. 2 to the Schedule 13D filed with the SEC on May 15, 2023 (“Amendment No. 2”) that, as of May 11, 2023, Alta Fox Opportunities, together with the following affiliates and associates, beneficially owned 4,768 shares of Common Stock, representing 9.99 percent of Common Stock outstanding: Alta Fox GenPar, LP, as the general partner of Alta Fox Opportunities; Alta Fox Equity, LLC, as the general partner of Alta Fox GenPar, LP; Alta Fox Capital Management, LLC, as the investment manager of Alta Fox Opportunities; and P. Connor Haley, as the sole owner, member, and manager of each of Alta Fox Capital Management, LLC and Alta Fox Equity LLC (collectively with Alta Fox Opportunities, “Alta Fox”). Accordingly, based on Amendment No. 2 and other publicly available information provided by Alta Fox Opportunities in its reports filed with the SEC as of May 11, 2023, Alta Fox was a “Related Person” of the Company under the Policy and the applicable provisions of the Securities Act of 1933, as amended (the “Securities Act”), and the rules promulgated thereunder. According to Amendment No. 4 to the Schedule 13D filed by Alta Fox on October 24, 2025 with the SEC, Alta Fox reported that it beneficially owned 4,431 shares of Common Stock on October 24, 2025, representing 9.10 percent of the outstanding shares of Common Stock.

The Securities Purchase Agreement, the Convertible Note, the Pledge and Security Agreement dated as of May 11, 2023 by and between the Company and Alta Fox Opportunities and the Registration Rights Agreement by and between the Company and Alta Fox Opportunities dated as of May 11, 2023 were approved in advance of their execution by the Strategy and Financing Review Committee of the Board of Directors, the members of which were all members of the Audit Committee.

Transactions with Reece A. Kurtenbach: Effective April 10, 2025, our former President and CEO and current Board member, Reece A. Kurtenbach, was appointed as Interim Chief Executive Officer of XDC, an entity in which the Company holds a 16.4 percent ownership interest and accounts for under the equity method of accounting. As previously disclosed in reports filed by the Company with the SEC, Reece A. Kurtenbach also served as a director and executive officer during the fiscal year ended April 26, 2025 and is the brother of Matthew J. Kurtenbach and Carla S. Gatzke, both of whom are executive officers of the Company. As a result of his appointment as Interim Chief Executive Officer of XDC and the foregoing relationships with the Company and its executive officers, Reece A. Kurtenbach is considered a Related Person under the Policy and a related party under ASC 850 - Related Party Disclosures. The Company continues to monitor the foregoing relationships with respect to Reece A. Kurtenbach to ensure appropriate governance and disclosure in accordance with applicable accounting standards and SEC rules.

Transactions with Milwaukee Bucks Inc.: In fiscal 2025, the Company entered into a change order to an existing agreement with Milwaukee Bucks Inc. The total value of the change order was \$214. On April 29, 2025, the Company entered into a contract with Milwaukee Bucks Inc. The total value of the contract was \$683. The terms of both of the above-referenced arrangements between the Company and Milwaukee Bucks Inc. were arm’s-length transactions made in the ordinary course of the Company’s business. Peter Feigin, a member of the Board, is the President of Milwaukee Bucks Inc.

See “Note 2. Investments in Affiliates” for further details of related party transactions with our investments in the Affiliate Notes.

Note 13. Subsequent Events

New Credit Facility

On November 26, 2025, the Company entered into the New Credit Facility with the Administrative Agent, the Lenders (as defined in the New Credit Agreement), and the other Loan Parties (as defined in the New Credit Agreement) pursuant to the New Credit Agreement.

The New Credit Facility created pursuant to the New Credit Agreement is comprised of:

- a \$60,000 revolving credit facility (the "Revolver"), maturing on November 26, 2028 (the "Maturity Date"); and
- an \$11,500 term loan (the "New Term Loan"), amortizing in equal quarterly installments of \$288, with the remaining principal due on the Maturity Date.

Under the New Credit Agreement, both the Revolver and the New Term Loan are guaranteed by the Loan Parties and secured by perfected, first priority liens on personal property of the Company and the other Loan Parties pursuant to the Pledge and Security Agreement executed between and among the Company, Daktronics Installation (collectively with the Company and any additional entities that may become parties thereto, the "Grantors"), and the Administrative Agent for the benefit of the secured parties thereto under the New Credit Agreement (the "New Security Agreement") and other Collateral Documents (as defined in the New Credit Agreement). The New Security Agreement, which replaced the prior Pledge and Security Agreement, establishes a security interest in substantially all of the personal property and assets of the Grantors and secures the prompt and complete payment and performance of the Grantors' obligations under the New Credit Agreement and related loan documents. In connection with the execution of the New Security Agreement, the Grantors also executed other Collateral Documents customary for transactions of this type, including intellectual property security agreements in order to facilitate recordation and perfection of the underlying intellectual property assets.

Each borrowing under the New Credit Facility will accrue interest at one of the following rates to be selected by the Company, in its discretion: (i) the Adjusted Term SOFR Rate (as defined in the New Credit Agreement) plus a 0.10% margin; (ii) the Adjusted Daily Simple SOFR (as defined in the New Credit Agreement) plus a 0.10% margin; or (iii) the CB Floating Rate (as defined in the New Credit Agreement) with a 0.00% margin. Amounts repaid under the New Term Loan may not be reborrowed.

Undrawn commitments under the Revolver accrue a commitment fee of 0.20% per year. Letters of Credit (as defined in the New Credit Agreement) issued under the Revolver accrue customary fees and generally must expire no later than five business days prior to the Maturity Date. The financial covenants under the New Credit Agreement include a maximum quarterly Total Leverage Ratio (as defined in the New Credit Agreement) of 3.00 to 1.00 and a minimum Fixed Charge Coverage Ratio (as defined in the New Credit Agreement) of 1.25 to 1.00. There is a limited ability to exclude certain unfinanced capital expenditures from these calculations when specified liquidity thresholds are met. These covenants apply to borrowings under both the Revolver and the New Term Loan. Proceeds may be used for refinancing existing debt and for working capital and other general corporate purposes. The New Credit Agreement includes customary representations, covenants, and events of default, including limitations on incurring additional debt, liens, investments, asset sales, restricted payments, and affiliate transactions.

In connection with entering into the New Credit Agreement and the New Security Agreement, the Credit Agreement, the Pledge and Security Agreement, and other documents related to the Credit Facility were terminated, all outstanding payment obligations under the Credit Agreement were repaid in full, and all associated liens, including the mortgage recorded against the Company's Brookings, South Dakota real property, and other obligations of the Company under the Credit Facility were released, except for the following obligations, each of which will survive the termination of the Credit Agreement and related loan documents: (i) obligations specified in the Credit Agreement or related loan documents as surviving such agreement's termination, such as indemnification and confidentiality; (ii) any Existing Letter of Credit (as defined in the New Credit Agreement), each of which constitutes a Letter of Credit (as defined in the New Credit Agreement); (iii) any filings made by the Administrative Agent with the United States Patent and Trademark Office with respect to security interests in intellectual property of the Loan Parties; or (iv) any UCC-1 Financing Statements previously filed by the Administrative Agent, as secured party, and any Loan Party as the debtor, regardless of whether any such UCC-1 Financing Statement was filed in connection with the Credit Agreement or any related loan documents. There were no material early termination penalties incurred by the Company as a result of the termination of the Credit Agreement.

Appointment of new CEO

On December 2, 2025, the Board approved the Company's entry into a letter agreement with Ramesh Jayaraman (the "Letter Agreement") and approved Mr. Jayaraman's appointment as President and Chief Executive Officer of the Company, effective February 1, 2026 (the "Effective Date"), subject to Mr. Jayaraman's continued employment through such date. Pursuant to the Letter Agreement, Mr. Jayaraman commenced full-time employment with the Company on December 10, 2025 (the "Start Date"). In connection with the appointment, the Board also designated Mr. Jayaraman as an "executive officer" as defined in Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as an "officer" for purposes of Section 16 of the Exchange Act, effective as of the Start Date. As set forth in the Letter Agreement, Mr. Jayaraman is expected to be appointed to the Board no later than the Effective Date, following and subject to completion of the Company's customary onboarding procedures for Board members.

For further information about the Letter Agreement and Mr. Jayaraman's appointment as President and CEO of the Company, please refer to the Current Report on Form 8-K filed by the Company with the SEC on December 3, 2025.

Share Repurchases

On December 9, 2025, our Board of Directors approved the repurchase of an additional \$20,000 of the Company's outstanding shares of common stock under the stock repurchase program for a maximum authorized value of \$80,000. For additional information, see "Note 11. Share Repurchase Program" of the Notes to our Consolidated Financial Statements included in this Form 10-Q.

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

FORWARD-LOOKING STATEMENTS

This section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") is intended to provide a reader of our financial statements with a narrative from the perspective of management on our financial condition, results of operations, liquidity, and certain other factors that may affect our future results. The MD&A provides a narrative analysis explaining the reasons for material changes in the (i) financial condition of Daktronics, Inc. and its subsidiaries (the "Company", "Daktronics", "we", "our", or "us") during the period from the most recent fiscal year-end, April 26, 2025, to and including November 1, 2025; and (ii) results of operations of the Company during the current fiscal period(s) as compared to the corresponding period(s) of the preceding fiscal year.

This Quarterly Report on Form 10-Q, including the MD&A, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect our current views with respect to future events and financial performance. The words "may," "might," "would," "could," "should," "will," "expect," "estimate," "anticipate," "believe," "intend," "plan," "forecast," "project," and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any and all forecasts and projections in this document are "forward-looking statements" and are based on management's current expectations or beliefs. From time to time, we may also provide oral and written forward-looking statements in other materials we release to the public, such as press releases, presentations to securities analysts or investors, or other communications by us. Any or all forward-looking statements in this Quarterly Report on Form 10-Q and in any public statements we make could be materially different from actual results. Accordingly, we wish to caution investors that any forward-looking statements made by or on behalf of us are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. Important factors that may cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, changes in economic and market conditions, management of growth, timing and magnitude of future contracts, orders, and capital investment projects, fluctuations in margins, interest rate risk, the introduction of new products and technology, the impact of adverse weather conditions, increased regulation, the imposition of tariffs, trade wars, the availability and costs of raw materials, components, and shipping services, geopolitical and governmental actions, including the U.S. federal government shutdown, expansion into new geographical markets, the Company's recent leadership transition, transformation initiatives, future strategy, and the other risk factors described more fully in the Company's Annual Report on Form 10-K for the fiscal year ended April 26, 2025 (the "Form 10-K") filed with the Securities and Exchange Commission ("SEC"), as well as other publicly available information about the Company.

We also wish to caution investors that other factors might in the future prove to be important in affecting our results of operations. New factors emerge from time to time, and it is not possible for management to predict all such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or a combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

We undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

The MD&A should be read in conjunction with the Condensed Consolidated Financial Statements and related Notes included in Item 1 of Part 1 of this Quarterly Report on Form 10-Q, the Form 10-K (including the information presented therein under "Item 1A. Risk Factors" of Part I), and other publicly available information about the Company.

The quarter-over-quarter comparisons in this MD&A are as of and for the fiscal quarters ended November 1, 2025 and October 26, 2024 unless otherwise stated.

Non-GAAP Financial Measures

Contribution margin, which is a financial measure that is not defined under accounting principles generally accepted in the United States ("GAAP"), is utilized by management to evaluate segment profitability and guide resource allocation decisions. It is defined as gross profit less selling expenses. Selling expenses primarily include personnel-related costs, travel and entertainment, marketing expenditures (such as showroom operations, product demonstrations, depreciation and maintenance, conventions, and trade shows), costs associated with customer relationship management and marketing systems, bad debt expense, third-party commissions, and other related expenses.

In addition to gross profit, management considers contribution margin a meaningful metric for assessing the financial performance of individual segments. We believe this measure provides investors with a useful view of our segment-level performance consistent with the approach used by management. By presenting contribution margin, we aim to enhance transparency and allow investors to better understand how we evaluate and manage our business operations.

Overview

We are recognized industry leaders in the design and manufacture of electronic scoreboards, programmable display systems, and large-screen video displays serving sporting, commercial, and transportation markets. We serve our customers by delivering high-quality standard display products as well as custom-designed and integrated systems.

Our product portfolio ranges from small-scale scoreboards and electronic displays to large, multimillion-dollar video display systems. These offerings are complemented by related control, timing, and sound systems. We are widely acknowledged for our technical expertise and our ability to design, market, manufacture, install, and service comprehensive integrated solutions that display real-time data, graphics, animation, and video.

Our operations encompass a full spectrum of activities, including marketing and sales, engineering and product design and development, manufacturing, technical contracting, professional services, and customer service and support.

The Company operates on a 52- or 53-week fiscal year ending on the Saturday closest to April 30. When April 30 falls on a Wednesday, the fiscal year ends on the preceding Saturday. Each fiscal quarter consists of 13 weeks, except in a 53-week fiscal year, where the first quarter includes 14 weeks. The six months ended November 1, 2025, and October 26, 2024, included 27 and 26 weeks of operations, respectively.

Known Trends and Uncertainties

During fiscal 2025, we embarked on our business transformation program, which is focused on driving sustainable growth, margin improvement, and enhanced returns on invested capital. The Company's transformation roadmap, developed through rigorous analysis and planning, is designed to support ambitious sales and profitability targets. Strong order growth during the quarter reflects ongoing market adoption of digital display technologies and the strength of Daktronics' integrated product and service offerings.

The business environment remains dynamic, with several external factors influencing customer demand and operational costs. Recent U.S. government actions have raised costs by imposing tariffs on electronic components, aluminum, and steel starting June 4, 2025. A 50% tariff on copper implemented by the U.S. went into effect on August 1, 2025, and was followed by increased reciprocal tariffs from foreign countries ranging from 15% to 40% on August 7, 2025. The removal of the de minimis exemption on August 29, 2025, which previously allowed low-value shipments to enter the country without paying duties or taxes and with minimal paperwork, has further increased logistics expenses. These tariffs may impact gross margins and could influence customer purchasing behavior, particularly for projects dependent on federal funding. In response, Daktronics is actively monitoring its pricing strategies and sourcing plans to mitigate these effects. However, the ultimate impact on demand remains uncertain.

The global market for digital display systems continues to expand, driven by investments in manufacturing capacity and advancements in display and control technologies. The industry is seeing increased adoption of surface mount and chip-on-board technologies, particularly for narrow pixel pitch (NPP) and micro-LED applications. Innovations in software, artificial intelligence, and professional services are enhancing content creation, user interfaces, monitoring, and security.

We maintain a unique leadership position in our target markets, which are large, growing, and supported by resilient demand from customers seeking to enhance audience experiences in sports, commercial, and transportation environments. We are investing in capacity and resources to grow and deepen market penetration.

To capitalize on this position, we continue to focus on digital and business transformation, cost structure optimization, and market expansion. In fiscal 2025, we established a Business Transformation Office ("BTO") to conduct a comprehensive review of our business, strategy, and operations. The BTO is developing strategic initiatives, enabled in part by our digital transformation, to deliver improved customer outcomes, deeper market penetration, above-market growth, and more efficient delivery, fulfillment, and service. These initiatives are structured to support our ambitious business transformation plan: revenue growth outpacing our addressable market, operating margins of 10–12%, and returns on capital of 17–20%, consistently exceeding our cost of capital.

The Company continues to monitor and adjust its capacity and resource levels in response to market conditions. Daktronics is expanding the Company's global manufacturing network into Mexico, as part of its broader three-year strategic plan for improving profitable growth and increasing the overall agility of the company's production capacity. The new facility is expected to be in production by the end of fiscal 2026.

There may be periods where sales and expenses are not fully aligned, particularly as investments in transformation and corporate governance are made. These investments may affect near-term profitability but are intended to support long-term value creation.

Despite ongoing uncertainties related to tariffs, geopolitical developments, and federal funding priorities, Daktronics believes that the fundamental drivers of the audiovisual industry remain strong. Increased adoption of LED display systems across industries, combined with the Company's ongoing development of new technologies, services, and sales channels, are expected to support long-term growth.

RESULTS OF OPERATIONS

COMPARISON OF THE THREE MONTHS ENDED NOVEMBER 1, 2025 AND OCTOBER 26, 2024

Product Order Backlog

Backlog represents the dollar value of contractually binding customer purchase commitments for integrated electronic display systems and related products and services that are expected to be recognized as net sales in future periods. Orders are included in backlog when we have received an executed contract and any required deposits or security, and the revenue has not yet been recognized. Certain orders supported by binding letters of intent or contracts are excluded from backlog until all required contractual documentation and deposits are received.

Orders and backlog are non-GAAP operating measures, and our methodology for determining these metrics may differ from that used by other companies. Management believes that order and backlog levels provide meaningful insight into our business activity, including fluctuations due to seasonality and the timing of large-scale projects. New orders during the period are used to assess market share and competitive performance, while backlog informs capacity and resource planning. Given that orders and backlog are operational measures and that the Company's methodology for calculating them does not meet the definition of a non-GAAP financial measure, as that term is defined by the SEC, a quantitative reconciliation is not required or provided.

The timing of order fulfillment is subject to customer schedules, supply chain conditions, and our production capacity. We believe order information is useful to investors as an indicator of future revenue and market positioning.

As of November 1, 2025, our product order backlog was \$320.6 million, compared to \$236.0 million as of October 26, 2024, and \$341.6 million as of April 26, 2025. The increase in backlog year over year reflects a higher volume of order bookings, driven by continued market adoption and demand for digital display technologies.

We expect to fulfill the backlog as of November 1, 2025, within the next 24 months. However, fulfillment timing may be impacted by project delays due to customer site conditions, which are outside of our control.

Consolidated Performance Summary

The following is an analysis of changes in key items included in the statements of operations for the three months ended November 1, 2025 and October 26, 2024:

	November 1, 2025	% of Net sales ⁽¹⁾	October 26, 2024	% of Net sales ⁽¹⁾	Dollar Change ⁽¹⁾	Percent Change ⁽¹⁾
Net sales	\$ 229,253	100.0 %	\$ 208,331	100.0 %	\$ 20,922	10.0 %
Cost of sales	167,428	73.0	152,468	73.2	14,960	9.8
Gross profit	61,825	27.0	55,863	26.8	5,962	10.7
Operating expenses:						
Selling	16,056	7.0	14,704	7.1	1,352	9.2
General and administrative	13,762	6.0	15,550	7.5	(1,788)	(11.5)
Product design and development	10,444	4.6	9,839	4.7	605	6.1
Total operating expenses	40,262	17.6	40,093	19.2	169	0.4
Operating income	21,563	9.4	15,770	7.6	5,793	36.7
Nonoperating income (expense):						
Interest income (expense), net	558	0.2	273	0.1	285	104.4
Change in fair value of convertible note	—	—	10,304	4.9	(10,304)	(100.0)
Other expense, net	(259)	(0.1)	(1,164)	(0.6)	905	(77.7)
Income before income taxes	21,862	9.5	25,183	12.1	(3,321)	(13.2)
Income tax expense	4,381	1.9	3,777	1.8	604	16.0
Net income	\$ 17,481	7.6 %	\$ 21,406	10.3 %	\$ (3,925)	(18.3)%
Diluted earnings per share	\$ 0.35		\$ 0.22		\$ 0.13	59.1 %
Diluted weighted average shares outstanding	49,391		51,715		\$ (2,324)	(4.5)%
Orders	\$ 199,135		\$ 177,590		\$ 21,545	12.1 %

(1) Amounts are calculated based on unrounded numbers and therefore may not recalculate using the rounded numbers provided. In addition, percentages may not add in total due to rounding.

Net Sales: The sales increase in the second quarter of fiscal 2026 compared to the same period in fiscal 2025 was the result of higher volumes in the Commercial, Live Events, and International business units, partially offset by decreased sales in the High School Park and Recreation business unit. Sales in our Transportation business unit were relatively flat. The amount of recognized revenue associated with performance obligations satisfied in prior years during the three months ended November 1, 2025 and October 26, 2024 was immaterial.

Order volume increased in the second quarter of fiscal 2026 compared to the same period in fiscal 2025 primarily due to order growth in the Live Events, Transportation, and International business units, partially offset by lower order volume in the Spectaculars niche of the Commercial business unit. Live Events had large order bookings related to three Major League Baseball stadiums and three Major League Soccer arena. Transportation has seen order growth in airports and Intelligent Transportation Systems (“ITS”). International continued to grow primarily due to orders in the Middle East and

Europe. Order bookings in the High School Park and Recreation business unit remained relatively flat. Large project bookings can cause comparability differences to the seasonally lower quarters.

Gross profit as a percentage of net sales increased slightly to 27.0 percent for the second quarter of fiscal 2026 as compared to 26.8 percent for the same period a year ago. The increase was driven by a combination of strategic pricing and operational efficiencies. Total warranty expense as a percentage of sales decreased slightly to 1.6 percent for the second quarter of fiscal 2026 as compared to 1.7 percent for the same period a year ago.

Selling expenses increased in the second quarter of fiscal 2026 compared to the same period in fiscal 2025 primarily due to the increases in personnel related wages and benefits.

General and administrative expenses decreased in the second quarter of fiscal 2026 compared to the same period in fiscal 2025 primarily due to one-time professional fees expenses in fiscal 2025. The current period expenses are mostly in line with normal operating levels. During the second quarter of fiscal 2025, the Company incurred \$3.3 million of consultant related expenses associated with the strategic and digital transformation initiatives.

Product design and development expenses increased in the second quarter of fiscal 2026 compared to the same period in fiscal 2025 primarily due to higher staffing costs and investments in advanced technologies and engineering services.

Interest income (expense), net in the second quarter of fiscal 2026 increased compared to the same period one year ago primarily due to higher cash levels invested in interest-bearing accounts. During the second quarter of fiscal 2025, the interest expense included interest on the convertible note, which was settled during fiscal 2025.

Change in fair value of Convertible Note results from accounting for the senior secured convertible note dated May 11, 2023 we issued to Alta Fox Opportunities Fund, LP during fiscal 2024 (the "Convertible Note") under the fair value option. The fair value change was primarily caused by the forced conversion of the entire Convertible Note in the third and fourth quarters of fiscal 2025. All amounts due under the Convertible Note were settled in fiscal 2025.

Other expense, net decreased in the second quarter of fiscal 2026 compared to the same period in fiscal 2025 primarily due to losses recorded for equity method affiliates and foreign currency volatility.

Income tax expense: For the three months ended November 1, 2025, our effective tax rate was 20.0 percent compared to 15.0 percent for the three months ended October 26, 2024. The lower tax rate in the second quarter of fiscal 2025 is due to the reduction of the Convertible Note fair value adjustment to expense in proportion to the period's increase in pre-tax income, whereas there are no fair value adjustments applicable in the second quarter of fiscal 2026.

Net income: For the three months ended November 1, 2025, our earnings per diluted share was \$0.35 compared to \$0.22 in the same period last year.

Reportable Segment Performance Summary

The following table presents financial performance information for our reportable segments for the three months ended November 1, 2025 and October 26, 2024, including a reconciliation of contribution margin, a non-GAAP measure, to GAAP operating income, which is the most directly comparable GAAP measure to contribution margin:

Table of Contents

Three Months Ended November 1, 2025

	Commercial	Percent of net sales ⁽¹⁾	Live Events	Percent of net sales ⁽¹⁾	High School Park and Recreation	Percent of net sales ⁽¹⁾	Transportation	Percent of net sales ⁽¹⁾	International	Percent of net sales ⁽¹⁾	Total	Percent of net sales ⁽¹⁾
Net sales	\$ 50,752		\$ 81,481		\$ 45,967		\$ 21,274		\$ 29,779		\$ 229,253	
Cost of sales	37,432	73.8 %	61,717	75.7 %	31,880	69.4 %	14,711	69.2 %	21,688	72.8 %	167,428	73.0 %
Gross profit	13,320	26.2	19,764	24.3	14,087	30.6	6,563	30.8	8,091	27.2	61,825	27.0
Selling	4,450	8.8	2,837	3.5	4,049	8.8	1,602	7.5	3,118	10.5	16,056	7.0
Contribution margin	8,870	17.5	16,927	20.8	10,038	21.8	4,961	23.3	4,973	16.7	45,769	20.0
General and administrative	—	—	—	—	—	—	—	—	—	—	13,762	6.0
Product design and development	—	—	—	—	—	—	—	—	—	—	10,444	4.6
Operating income	\$ 8,870	17.5 %	\$ 16,927	20.8 %	\$ 10,038	21.8 %	\$ 4,961	23.3 %	\$ 4,973	16.7 %	\$ 21,563	9.4 %
Orders	\$ 42,281		\$ 89,228		\$ 35,678		\$ 14,076		\$ 17,872		\$ 199,135	

Three Months Ended October 26, 2024

	Commercial	Percent of net sales ⁽¹⁾	Live Events	Percent of net sales ⁽¹⁾	High School Park and Recreation	Percent of net sales ⁽¹⁾	Transportation	Percent of net sales ⁽¹⁾	International	Percent of net sales ⁽¹⁾	Total	Percent of net sales ⁽¹⁾
Net sales	\$ 43,439		\$ 77,207		\$ 48,071		\$ 21,478		\$ 18,136		\$ 208,331	
Cost of sales	32,301	74.4 %	62,237	80.6 %	30,267	63.0 %	12,806	59.6 %	14,857	81.9 %	152,468	73.2 %
Gross profit	11,138	25.6	14,970	19.4	17,804	37.0	8,672	40.4	3,279	18.1	55,863	26.8
Selling	4,554	10.5	2,293	3.0	4,001	8.3	1,402	6.5	2,454	13.5	14,704	7.1
Contribution margin	6,584	15.2	12,677	16.4	13,803	28.7	7,270	33.8	825	4.5	41,159	19.8
General and administrative	—	—	—	—	—	—	—	—	—	—	15,550	7.5
Product design and development	—	—	—	—	—	—	—	—	—	—	9,839	4.7
Operating income	\$ 6,584	15.2 %	\$ 12,677	16.4 %	\$ 13,803	28.7 %	\$ 7,270	33.8 %	\$ 825	4.5 %	\$ 15,770	7.6 %
Orders	\$ 44,548		\$ 70,524		\$ 35,838		\$ 12,222		\$ 14,458		\$ 177,590	

Net Dollar and % Change

	Commercial	Percent Change ⁽¹⁾	Live Events	Percent Change ⁽¹⁾	High School Park and Recreation	Percent Change ⁽¹⁾	Transportation	Percent Change ⁽¹⁾	International	Percent Change ⁽¹⁾	Total	Percent Change ⁽¹⁾
Net sales	\$ 7,313	16.8 %	\$ 4,274	5.5 %	\$ (2,104)	(4.4)%	\$ (204)	(0.9)%	\$ 11,643	64.2 %	\$ 20,922	10.0 %
Cost of sales	5,131	15.9	(520)	(0.8)	1,613	5.3	1,905	14.9	6,831	46.0	14,960	9.8
Gross profit	2,182	19.6	4,794	32.0	(3,717)	(20.9)	(2,109)	(24.3)	4,812	146.8	5,962	10.7
Selling	(104)	(2.3)	544	23.7	48	1.2	200	14.3	664	27.1	1,352	9.2
Contribution	2,286	34.7	4,250	33.5	(3,765)	(27.3)	(2,309)	(31.8)	4,148	502.8	4,610	11.2
General and administrative	—	—	—	—	—	—	—	—	—	—	(1,788)	(11.5)
Product design and development	—	—	—	—	—	—	—	—	—	—	605	6.1
Operating income	\$ 2,286	34.7 %	\$ 4,250	33.5 %	\$ (3,765)	(27.3)%	\$ (2,309)	(31.8)%	\$ 4,148	502.8 %	\$ 5,793	36.7 %
Orders	\$ (2,267)	(5.1) %	\$ 18,704	26.5 %	\$ (160)	(0.4)%	\$ 1,854	15.2 %	\$ 3,414	23.6 %	\$ 21,545	12.1 %

(1) Amounts are calculated on unrounded numbers and therefore may not recalculate using the rounded numbers provided. In addition, percentages may not add in total due to rounding.

During the second quarter of fiscal 2026, total net sales and gross profit as a percentage of net sales increased, reflecting the cumulative impact of the following factors:

Commercial: The increase in net sales in the second quarter of fiscal 2026 compared to the same period one year ago was primarily driven by fulfilling orders in our On-Premise digital signage and Out-of-Home digital billboards niche, partially offset by a decrease in Spectacular LED video display projects. Gross profit as a percentage of sales increased due to a shift in mix to products with higher margins and higher sales volume over a relatively fixed cost structure. Selling expense remained relatively flat. The decrease in order bookings was primarily driven by delayed commitments from Spectaculars customers due to a competitive market.

Live Events: The increase in net sales in the second quarter of fiscal 2026 was due to the fulfillment of large project orders. The increase in gross profit as a percentage of sales in the quarter is attributable to higher sales volume over a relatively fixed cost structure. Selling expense increased slightly due to personnel related wages and benefit costs for investments in staffing to support future growth. Order bookings vary because of large project booking impacts and seasonal sports impacts. During the second quarter of fiscal 2026, orders increased due to a mix of large project wins, including professional sports stadiums, and mid-sized project upgrades.

High School Park and Recreation: Sales decreased during the second quarter of fiscal 2026 compared to the same period one year ago due to timing for when customers take delivery of video projects, which are larger in dollar amount. Gross profit as a percentage of sales was also impacted by the lower mix of video projects shipping as they are higher margin business, and margins decreased due to a lower sales volume over steady fixed costs. Selling expenses remained relatively flat. Order bookings remained relatively flat.

Transportation: Sales remained relatively flat during the second quarter of fiscal 2026 compared to the same period one year ago. Gross profit as a percentage of sales decreased due to a shift in project mix toward smaller projects, added tariff expenses, and competitive pricing pressure, which resulted in higher cost of goods sold as a percentage of sales. Selling expenses increased slightly due to personnel related wages and benefit costs for investments in staffing to support future growth. Order bookings increased compared to the prior year, reflecting growth in airports and ITS.

International: The increase in net sales in the second quarter of fiscal 2026 was primarily driven by higher backlog and higher orders. Gross profit as a percentage of sales increased as a result of a higher sales volume. Selling expense increased in the second quarter of fiscal 2026 compared to the same period in the prior year, primarily driven by personnel related wages and benefit costs for investments in staffing to support future growth. The increase in order bookings is primarily driven by successful bookings in the Middle East due to a large stadium project and the continued execution of global expansion strategies.

RESULTS OF OPERATIONS

COMPARISON OF THE SIX MONTHS ENDED NOVEMBER 1, 2025 AND OCTOBER 26, 2024

Consolidated Performance Summary

The following is an analysis of changes in key items included in the statements of operations for the six months ended November 1, 2025 and October 26, 2024:

	November 1, 2025	% of Net sales ⁽¹⁾	October 26, 2024	% of Net sales ⁽¹⁾	Dollar Change ⁽¹⁾	Percent Change ⁽¹⁾
Net sales	\$ 448,225	100.0 %	\$ 434,419	100.0 %	\$ 13,806	3.2 %
Cost of sales	321,328	71.7	318,858	73.4	2,470	0.8
Gross profit	126,897	28.3	115,561	26.6	11,336	9.8
Operating expenses:						
Selling	32,890	7.3	30,340	7.0	2,550	8.4
General and administrative	28,057	6.3	27,273	6.3	784	2.9
Product design and development	21,115	4.7	19,462	4.5	1,653	8.5
Total operating expenses	82,062	18.3	77,075	17.7	4,987	6.5
Operating income	44,835	10.0	38,486	8.9	6,349	16.5
Nonoperating income (expense):						
Interest income (expense), net	1,451	0.3	202	—	1,249	618.3
Change in fair value of convertible note	—	—	(11,286)	(2.6)	11,286	(100.0)
Other expense, net	(2,201)	(0.5)	(1,999)	(0.5)	(202)	10.1
Income before income taxes	44,085	9.8	25,403	5.8	18,682	73.5
Income tax expense	10,134	2.3	8,943	2.1	1,191	13.3
Net income	\$ 33,951	7.6 %	\$ 16,460	3.8 %	\$ 17,491	106.3 %
Diluted earnings per share	\$ 0.68		\$ 0.35		\$ 0.33	94.3 %
Diluted weighted average shares outstanding	49,608		47,507		\$ 2,101	4.4 %
Orders	\$ 437,678		\$ 353,760		\$ 83,918	23.7 %

(1) Amounts are calculated based on unrounded numbers and therefore may not recalculate using the rounded numbers provided. In addition, percentages may not add in total due to rounding.

Sales, orders, gross profit, and operating expenses were impacted as a result of the first six months of fiscal 2026 including 27 weeks compared to the more common 26 weeks. The first quarter of fiscal 2026 contained 14 weeks.

Net Sales: The sales increase in the first six months of fiscal 2026 compared to the same period in fiscal 2025 was the result primarily of higher volumes in the Commercial, High School Park and Recreation, and International business units, partially offset by decreased sales in the Live Events and Transportation business units. The amount of recognized revenue associated with performance obligations satisfied in prior years during the six months ended November 1, 2025 and October 26, 2024 was immaterial.

Order volume increased in the first six months of fiscal 2026 compared to the same period in fiscal 2025 primarily due to order growth in the Live Events, High School Park and Recreation, and International business units, partially offset by lower order volume in the Commercial business unit. Live Events had large order bookings related to multiple Major League Baseball stadiums, one National Hockey League arena, three Major League Soccer stadiums, and various professional sports stadium upgrades. High School Park and Recreation has seen continued adoption of video in schools. International continued to grow primarily due to orders in the Middle East, Australia, and Europe. Order bookings in the Transportation business unit remained relatively flat.

Gross profit as a percentage of net sales increased to 28.3 percent for the first six months of fiscal 2026 as compared to 26.6 percent for the same period a year ago. The increase was driven by a combination of strategic pricing, operational efficiencies, and favorable project mix across business units. Total warranty expense as a percentage of sales decreased to 1.4 percent for the first six months of fiscal 2026 as compared to 1.9 percent for the same period from a year ago primarily driven by lower significant and unusual warranty costs.

Selling expenses increased in the first six months of fiscal 2026 compared to the same period in fiscal 2025 primarily due to the increases in personnel related wages and benefits and increased staffing levels to support future growth.

General and administrative expenses increased in the first six months of fiscal 2026 compared to the same period in fiscal 2025 primarily due to personnel related wages and benefits, and increased expenses for technology resources for our digital transformation strategies. During the first six months of fiscal 2025, the Company incurred \$4.3 million of consultant related expenses associated with the strategic and digital transformation initiatives.

Product design and development expenses increased in the first six months of fiscal 2026 compared to the same period in fiscal 2025 primarily due to higher staffing costs and investments in advanced technologies and engineering services.

Interest income (expense), net in the first six months of fiscal 2026 increased compared to the same period one year ago primarily due to higher cash levels invested in interest-bearing accounts. During the first six months of fiscal 2025, the interest expense included interest on the Convertible Note, which was settled during fiscal 2025.

Change in fair value of Convertible Note results from accounting for the Convertible Note. The fair value change was primarily caused by the forced conversion of the entire Convertible Note in the third and fourth quarters of fiscal 2025. All amounts due under the Convertible Note were settled in fiscal 2025.

Other expense, net remained relatively flat in the first six months of fiscal 2026 compared to the same period in fiscal 2025.

Income tax expense: For the six months ended November 1, 2025, our effective tax rate was 23.0 percent compared to an effective tax rate of 35.2 percent for the six months ended October 26, 2024. The higher tax rate in the first six months of fiscal 2025 was primarily due to the impact of the fair value adjustment to the Convertible Note in proportion to the pre-tax income, whereas the tax rate for the first six months of fiscal 2026 is lower due to having no further impacts of fair value adjustments on Convertible Note.

Net income: For the six months ended November 1, 2025, our earnings per diluted share was \$0.68 compared to \$0.35 in the same period last year.

Reportable Segment Performance Summary

The following table presents financial performance information for our reportable segments, including a reconciliation of contribution margin, a non-GAAP measure, to GAAP operating income for the six months ended November 1, 2025 and October 26, 2024:

Six Months Ended November 1, 2025												
	Commercial	Percent of net sales (1)	Live Events	Percent of net sales (1)	High School Park and Recreation	Percent of net sales (1)	Transportation	Percent of net sales (1)	International	Percent of net sales (1)	Total	Percent of net sales (1)
Net sales	\$ 96,919		\$ 161,281		\$ 105,314		\$ 37,849		\$ 46,862		\$ 448,225	
Cost of sales	69,949	72.2 %	121,331	75.2 %	69,286	65.8 %	26,130	69.0 %	34,632	73.9 %	321,328	71.7 %
Gross profit	26,970	27.8	39,950	24.8	36,028	34.2	11,719	31.0	12,230	26.1	126,897	28.3
Selling	9,188	9.5	6,045	3.7	8,678	8.2	3,195	8.4	5,784	12.3	32,890	7.3
Contribution margin	17,782	18.3	33,905	21.0	27,350	26.0	8,524	22.5	6,446	13.8	94,007	21.0
General and administrative	—	—	—	—	—	—	—	—	—	—	28,057	6.3
Product design and development	—	—	—	—	—	—	—	—	—	—	21,115	4.7
Operating income	\$ 17,782	18.3 %	\$ 33,905	21.0 %	\$ 27,350	26.0 %	\$ 8,524	22.5 %	\$ 6,446	13.8 %	\$ 44,835	10.0 %
Orders	\$ 86,504		\$ 181,447		\$ 98,932		\$ 35,985		\$ 34,810		\$ 437,678	

Six Months Ended October 26, 2024												
	Commercial	Percent of net sales (1)	Live Events	Percent of net sales (1)	High School Park and Recreation	Percent of net sales (1)	Transportation	Percent of net sales (1)	International	Percent of net sales (1)	Total	Percent of net sales (1)
Net sales	\$ 77,638		\$ 185,815		\$ 96,077		\$ 43,968		\$ 30,921		\$ 434,419	
Cost of sales	58,905	75.9 %	144,817	77.9 %	60,957	63.4 %	27,547	62.7 %	26,632	86.1 %	318,858	73.4 %
Gross profit	18,733	24.1	40,998	22.1	35,120	36.6	16,421	37.3	4,289	13.9	115,561	26.6
Selling	8,938	11.5	5,181	2.8	8,087	8.4	2,801	6.4	5,333	17.2	30,340	7.0
Contribution margin	9,795	12.6	35,817	19.3	27,033	28.1	13,620	31.0	(1,044)	(3.4)	85,221	19.6
General and administrative	—	—	—	—	—	—	—	—	—	—	27,273	6.3
Product design and development	—	—	—	—	—	—	—	—	—	—	19,462	4.5
Operating income (loss)	\$ 9,795	12.6 %	\$ 35,817	19.3 %	\$ 27,033	28.1 %	\$ 13,620	31.0 %	\$ (1,044)	(3.4)%	\$ 38,486	8.9 %
Orders	\$ 86,670		\$ 121,423		\$ 82,285		\$ 34,981		\$ 28,401		\$ 353,760	

Net Dollar and % Change												
	Commercial	Percent Change (1)	Live Events	Percent Change (1)	High School Park and Recreation	Percent Change (1)	Transportation	Percent Change (1)	International	Percent Change (1)	Total	Percent Change (1)
Net sales	\$ 19,281	24.8 %	\$ (24,534)	(13.2)%	\$ 9,237	9.6 %	\$ (6,119)	(13.9)%	\$ 15,941	51.6 %	\$ 13,806	3.2 %
Cost of sales	11,044	18.7	(23,486)	(16.2)	8,329	13.7	(1,417)	(5.1)	8,000	30.0	2,470	0.8
Gross profit	8,237	44.0	(1,048)	(2.6)	908	2.6	(4,702)	(28.6)	7,941	185.1	11,336	9.8
Selling	250	2.8	864	16.7	591	7.3	394	14.1	451	8.5	2,550	8.4
Contribution margin	7,987	81.5	(1,912)	(5.3)	317	1.2	(5,096)	(37.4)	7,490	(717.4)	8,786	10.3
General and administrative	—	—	—	—	—	—	—	—	—	—	784	2.9
Product design and development	—	—	—	—	—	—	—	—	—	—	1,653	8.5
Operating income (loss)	\$ 7,987	81.5 %	\$ (1,912)	(5.3)%	\$ 317	1.2 %	\$ (5,096)	(37.4)%	\$ 7,490	(717.4)%	\$ 6,349	16.5 %
Orders	\$ (166)	(0.2) %	\$ 60,024	49.4 %	\$ 16,647	20.2 %	\$ 1,004	2.9 %	\$ 6,409	22.6 %	\$ 83,918	23.7 %

(1) Amounts are calculated on unrounded numbers and therefore may not recalculate using the rounded numbers provided. In addition, percentages may not add in total due to rounding.

During the first six months of fiscal 2026, total net sales and gross profit as a percentage of net sales increased, reflecting the cumulative impact of the following factors:

Commercial: The increase in net sales in the first six months of fiscal 2026 compared to the same period one year ago was primarily driven by fulfilling orders in all niches, including On-Premise digital signage, Out-of-Home digital billboards, and Spectacular LED video display projects. Gross profit as a percentage of sales increased due to a shift in mix to products with higher margins and higher sales volume over a relatively fixed cost structure. Selling expense remained relatively flat. The decrease in order bookings was primarily driven by delayed commitments from Spectaculars customers due to a competitive market.

Live Events: The decrease in net sales in the first six months of fiscal 2026 was primarily due to the absence of the fulfillment of a large project seen in the first quarter of fiscal 2026, which we had in the first quarter of fiscal 2025. Additionally, the decrease is driven by order volume declines and the differences in expected timing to fulfill current backlog compared to last year's scheduling. Selling expense increased slightly due to personnel related wages and benefit costs for investments in staffing to support future growth. Order bookings vary because of large project booking impacts and seasonal sports impacts. During the first quarter of fiscal 2026, orders increased due to a mix of large project wins, including professional sports stadiums and arenas, and mid-sized project upgrades.

High School Park and Recreation: Sales increased during the first six months of fiscal 2026 compared to the same period one year ago, primarily driven by stronger demand for video display systems and continued momentum in school and community markets. Gross profit as a percentage of sales increased due to more cost-effective video offerings and efficient use of manufacturing expenses. Selling expenses increased slightly due to personnel related wages and benefit costs for investments in staffing to support future growth. Order bookings increased due to stronger demand for video display systems across school and community markets, supported by simplified offerings, expanded sales channels, and growing interest in interactive content solutions.

Transportation: Sales decreased during the first six months of fiscal 2026 compared to the same period one year ago, primarily due to lower order bookings which reduced the level of backlog available to build. Gross profit as a percentage of sales decreased due to a shift in project mix to smaller projects with tighter margins and added tariff expense, which resulted in higher cost of goods sold as a percentage of sales. Selling expenses increased due to personnel related wages and benefits costs for investments in staffing to support future growth. Order bookings remained relatively flat during the first six months of fiscal 2026 compared to the same period one year ago.

International: The increase in net sales in the first six months of fiscal 2026 was primarily driven by higher backlog and higher orders. Gross profit as a percentage of sales increased as a result of a higher sales volume. Selling expenses remained relatively flat. The increase in order bookings is primarily driven by successful bookings in the Middle East due to a large stadium project and the continued execution of global expansion strategies.

LIQUIDITY AND CAPITAL RESOURCES

<i>(in thousands)</i>	Six Months Ended		
	November 1, 2025	October 26, 2024	Dollar Change
Net cash provided by (used in):			
Operating activities	\$ 42,604	\$ 62,820	\$ (20,216)
Investing activities	(9,459)	(12,383)	2,924
Financing activities	(11,236)	2,033	(13,269)
Effect of exchange rate changes on cash	188	204	(16)
Net increase in cash, cash equivalents and restricted cash	\$ 22,097	\$ 52,674	\$ (30,577)

Net cash provided by operating activities: The \$42.6 million of cash provided by operating activities during the first six months of fiscal 2026 decreased from the \$62.8 million in the same period of fiscal 2025. This decrease was primarily driven by a large increase in accounts receivable, which used \$37.0 million of cash in fiscal 2026 compared to a \$6.1

million source of cash in fiscal 2025. Inventory reductions and improved contract asset positions partially offset this impact, while non-cash adjustments such as depreciation, amortization, and stock-based compensation remained relatively consistent year-over-year. Changes in operating assets and liabilities used \$5.2 million of cash in fiscal 2026, compared to a \$22.6 million source of cash in fiscal 2025, mainly due to the shift in accounts receivable and lower inventory reductions.

The changes in net operating assets and liabilities for the six months ended November 1, 2025 and October 26, 2024 consisted of the following:

	Six Months Ended	
	November 1, 2025	October 26, 2024
(Increase) decrease:		
Accounts receivable	\$ (37,043)	\$ 6,123
Long-term receivables	(2,488)	(2,909)
Inventories	5,031	16,617
Contract assets	6,617	10,901
Prepaid expenses and other current assets	(3,142)	(632)
Income tax receivables	2,806	306
Investment in affiliates and other assets	(4,585)	(876)
Increase (decrease):		
Accounts payable	21,487	(3,853)
Contract liabilities	984	(1,106)
Accrued expenses	1,920	1,659
Warranty obligations	(302)	(1,207)
Long-term warranty obligations	1,527	1,666
Income taxes payable	3,740	(4,285)
Long-term marketing obligations and other payables	(1,799)	173
	<u>\$ (5,247)</u>	<u>\$ 22,577</u>

Net cash used in investing activities: During the first six months of fiscal 2026, net cash used in investing activities totaled \$9.5 million, primarily driven by \$6.8 million in purchases of property and equipment and \$3.0 million in net loans to affiliates. In comparison, the same period in fiscal 2025 saw \$10.5 million in property and equipment purchases and \$2.0 million in affiliate investments. Proceeds from the sale of property and equipment were \$0.3 million in fiscal 2026 compared to \$0.1 million in fiscal 2025.

Net cash (used in) provided by financing activities: In the first six months of fiscal 2026, financing activities resulted in a net cash outflow of \$11.2 million, which included \$12.2 million for repurchased shares, \$0.9 million in payments on notes payable, and \$0.6 million in tax payments related to RSU issuances. These were partially offset by \$1.2 million in proceeds from stock option exercises and \$1.4 million in borrowings on notes payable. In comparison, the first quarter of fiscal 2025 reflected a net inflow of \$2.0 million, primarily driven by \$4.2 million in proceeds from the exercise of stock options. These inflows were partially offset by \$1.4 million in payments on notes payable and principal payments on long-term obligations.

Debt and Cash

On May 11, 2023, the Company entered into a \$75.0 million senior credit facility (the "Credit Facility") pursuant to a Credit Agreement dated as of May 11, 2023 (as amended, restated, modified, or supplemented from time to time, the "Credit Agreement"), between and among the Company, JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"), the Lenders (as defined in the Credit Agreement), and the other Loan Parties (as defined in the Credit Agreement). The Credit Facility consisted of a \$60.0 million asset-based revolving credit facility, maturing on May 11, 2026 (the "ABL"), and the \$15.0 million delayed draw term loan (the "Delayed Draw Loan"), which are secured by a first-priority mortgage (the "Mortgage") on the Company's real estate located in Brookings, South Dakota and a first-priority lien on the Company's assets pursuant to a Pledge and Security Agreement dated as of May 11, 2023 (the "Pledge and Security agreement") between and among the Company, Daktronics Installation, Inc., and the Administrative Agent.

The ABL and the Delayed Draw Loan were subject to the Credit Agreement. The Credit Agreement also permitted the Company to secure Letters of Credit (as defined in the Credit Agreement) with terms that expire after the Credit Agreement's scheduled maturity day of May 11, 2026 under certain conditions. The Credit Agreement, the Mortgage, and the Pledge and Security Agreement contained customary covenants and conditions, including covenants to maintain a fixed charge coverage ratio, which restricted our ability to pay dividends and make stock repurchases. These restrictions did not have a material impact on our ability to make stock repurchases during the quarter ended November 1, 2025. The Credit Facility and the Credit Agreement were in effect throughout the periods covered by this Quarterly Report on Form 10-Q, including the quarter ended November 1, 2025, and were superseded and replaced by the New Credit Facility and the New Credit Agreement (as each such term is defined herein).

As of November 1, 2025, we had no borrowings against the ABL and \$41.7 million of borrowing capacity on the ABL after \$3.2 million used to secure Letters of Credit outstanding. No borrowings were made under the ABL during the period ended November 1, 2025. As of November 1, 2025, we had an outstanding principal balance of \$11.5 million on the Delayed Draw Loan.

As of November 1, 2025, we had \$149.6 million in cash and cash equivalents. We believe that our cash flow from operating activities, together with existing cash and cash equivalents and availability under the Credit Facility, will be sufficient to fund our working capital, capital expenditures, debt service, stock repurchases, and other financial requirements for at least the next 12 months.

Our cash equivalent balances consist of high-quality, short-term money market instruments.

Our primary sources of cash and sources of funds for our operations are cash flows from operations, current cash and cash equivalents, investments in our affiliates, and borrowings under the Credit Facility. We were in compliance with all debt covenants under the Credit Agreement as of November 1, 2025.

On November 26, 2025, we entered into a new \$71.5 million senior credit facility (the "New Credit Facility") pursuant to a Credit Agreement (the "New Credit Agreement"), between and among the Company, the Administrative Agent, the Lenders (as defined in the New Credit Agreement), and the other Loan Parties (as defined in the New Credit Agreement). The New Credit Facility consists of a cash flow-backed revolving line of credit and a term loan that is not collateralized by real estate. We believe that the New Credit Agreement will enhance financial flexibility in managing its operations and capital structure. We were in compliance with all debt covenants under the New Credit Agreement as of the date of filing this Quarterly Report on Form 10-Q, and we expect to remain in compliance with those covenants for at least the next 12 months. See "Note 13. Subsequent Events" of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for a description of the debt obligations under the New Credit Agreement. For additional information on financing agreements, see "Note 7. Financing Agreements" of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Working Capital

Working capital was \$237.6 million as of November 1, 2025, and \$209.4 million as of April 26, 2025, reflecting a \$28.1 million increase over the quarter. This change was primarily impacted by fluctuations in key components such as an increase in cash and cash equivalents by \$22.1 million, accounts receivable by \$36.6 million, and accounts payable by \$14.4 million. Inventory decreased by \$4.7 million and contract assets decreased by \$6.6 million.

These shifts are influenced by the seasonality of the sports market and construction cycles, which affect the timing of cash flows. Specifically, payments for inventory and subcontractors often precede customer receipts, especially on large-scale, customized orders. These projects can span over 12 months, depending on complexity and delivery schedules. To manage cash flow, the Company typically uses upfront cash for materials and services and offsets this with down payments or progress payments from customers.

As of November 1, 2025, the Company had \$5.7 million in retainage on long-term contracts included in receivables and contract assets, which is expected to be collected within one year.

Other Liquidity and Capital Uses

Our long-term capital allocation strategy prioritizes funding operations and growth investments, maintaining prudent liquidity and leverage ratios that reflect the cyclical nature of our business, reducing debt, and returning excess cash to stockholders through dividends and share repurchases. During the first six months of fiscal 2026 and fiscal 2025, we

repurchased shares of the Company's common stock, par value \$0.00001 per share ("Common Stock"), but did not issue dividends.

Our strategies for business growth and profitability improvement rely on capital expenditures and strategic investments. We project total capital expenditures of approximately \$17.9 million for fiscal 2026. These expenditures will support the acquisition of manufacturing equipment for new or enhanced product lines, expanded production capacity, and increased process automation. Additional investments will target quality and reliability testing equipment, demonstration and showroom assets, and continued upgrades to our information infrastructure.

Beyond capital expenditures, we plan to invest in general and administrative functions to support our digital transformation initiatives. These include modernizing field service automation systems, enhancing enterprise performance planning, and streamlining quoting and sales processes. We also evaluate strategic investments in new technologies, affiliates, or potential acquisitions aligned with our business strategy. For fiscal 2026, future investments in our current affiliates are being reviewed on a quarterly basis by our Board of Directors (the "Board").

We are sometimes required to obtain performance bonds for display installations, and we have a \$190.0 million bonding line available through surety companies. If we were unable to complete the installation work, and our customer would call upon the bond for payment, the surety company would subrogate its loss to Daktronics. As of November 1, 2025, we had \$64.1 million of bonded work outstanding.

Contractual Obligations and Commercial Commitments

During the first six months of fiscal 2026, there were no material changes in our contractual obligations. See the Form 10-K for additional information regarding our contractual obligations and commercial commitments.

Significant Accounting Policies and Estimates

We describe our significant accounting policies in "Note 1. Nature of Business and Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements included in the Form 10-K. We discuss our critical accounting estimates in "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Form 10-K. There have been no material changes to the significant accounting policies and critical accounting estimates identified in the Form 10-K during the first six months of fiscal 2026.

New Accounting Pronouncements

For a summary of recently issued accounting pronouncements and the effects of those pronouncements on our financial results, refer to "Note 1. Basis of Presentation" of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain interest rate, foreign currency, and commodity risks as disclosed in the Form 10-K.

There have been no material changes in our exposure to the market risks identified in the Form 10-K during the first six months of fiscal 2026.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management of our Company is responsible for establishing and maintaining effective disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We performed an evaluation under the supervision and with the participation of management, including our Interim Chief Executive Officer and Acting Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of November 1, 2025. Based upon that evaluation, our Interim Chief Executive Officer and Acting Chief Financial Officer concluded that as of November 1, 2025, our disclosure controls and procedures were effective at the reasonable assurance level to ensure information required to be disclosed in the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q was recorded, processed, summarized, and reported

within the time period required by the SEC's rules and forms and accumulated and communicated to management, including the Interim Chief Executive Officer and Acting Chief Financial Officer, to allow timely decisions regarding required disclosure.

Our Interim Chief Executive Officer and Acting Chief Financial Officer believe the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q fairly represent, in all material respects, our financial condition, results of operations and cash flows for the periods presented in conformity with GAAP.

Changes in Internal Control Over Financial Reporting

We carried out an evaluation, under the supervision and with the participation of our management, including our Interim Chief Executive Officer and Acting Chief Financial Officer, of changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended November 1, 2025. As a result of such evaluation, management of the Company concluded that, during the quarter ended November 1, 2025, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

We are involved in a variety of legal actions relating to various matters during the normal course of business. Although we are unable to predict the ultimate outcome of these legal actions, it is the opinion of management that the disposition of these matters, taken as a whole, will not have a material adverse effect on our financial condition or results of operations. See "Note 8. Commitments and Contingencies" included in this Quarterly Report on Form 10-Q and "Note. 16. Commitments and Contingencies" included in the Form 10-K for further information on any legal proceedings and claims.

Item 1A. RISK FACTORS

The discussion of our business and operations included in this Quarterly Report on Form 10-Q should be read together with the risk factors described in Item 1A. of Part I of the Form 10-K. They describe various risks and uncertainties to which we are or may become subject. These risks and uncertainties, together with other factors described elsewhere in this Quarterly Report on Form 10-Q, have the potential to affect our business, financial condition, results of operations, cash flows, strategies, or prospects in a material and adverse manner. New risks may emerge at any time, and we cannot predict those risks or estimate the extent to which they may affect our financial condition or financial results. We review and, where applicable, update our risk factors each quarter. There have been no material changes from the risk factors disclosed in Item 1A. of Part I of the Form 10-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Share Repurchases

On June 17, 2016, the Board authorized a share repurchase program (the "Repurchase Program") under which the Company may repurchase up to \$40.0 million of its outstanding Common Stock. On March 4, 2025, the Board approved a \$10.0 million increase in the limit under the Repurchase Program from \$40.0 million to \$50.0 million. On June 23, 2025, the Board approved an additional \$10.0 million increase from \$50.0 million to \$60.0 million.

Repurchases under the Repurchase Program may be made from time to time in open market transactions or privately negotiated transactions, subject to business and market conditions, applicable legal requirements, and other relevant factors. The Repurchase Program does not obligate the Company to repurchase any specific number of shares, may be suspended or terminated at any time at the discretion of the Board, and has no fixed expiration date.

During the six months ended November 1, 2025, the Company repurchased 0.7 million shares of Common Stock at a total cost of \$12.2 million. As of November 1, 2025, \$7.7 million of the \$60.0 million authorized amount remained available for repurchase under the Repurchase Program.

The following table summarizes the Company's repurchases of Common Stock during the second quarter of fiscal 2026.

Period	Total number of shares purchased	Average price paid per share (including fees)	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (1)
August 3, 2025 - August 30, 2025	94,402	\$ 15.98	94,402	\$ 7,720,809
August 31, 2025 - September 27, 2025	—	—	—	\$ 7,720,809
September 28, 2025 - November 1, 2025	3,000	\$ 18.53	3,000	\$ 7,665,219
Total	<u>97,402</u>		<u>97,402</u>	

(1) The share repurchases described in the above table were made pursuant to the Repurchase Program authorized by the Board on June 17, 2016, as amended by the Board on March 4, 2025 and June 23, 2025.

Shares withheld to satisfy statutory tax withholding requirements related to the vesting of share-based awards are not issued or considered repurchases of our Common Stock under our Repurchase Program and, therefore, are excluded from the table above.

See "Note 7. Financing Agreements" and "Note 13. Subsequent Events" of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information about the Repurchase program, including, but not limited to, restrictions on our ability to repurchase shares of Common Stock under the Credit Facility and the New Credit Facility.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

10b5-1 Trading Arrangements

During the three months ended November 1, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as such terms are defined in paragraphs (a) and (c), respectively, of Item 408 of Regulation S-K promulgated under the Securities Act.

Item 6. EXHIBITS

A list of exhibits filed as part of this Quarterly Report on Form 10-Q is set forth in the following Index to Exhibits.

Index to Exhibits

Certain of the following exhibits are incorporated by reference from prior filings. The form with which each exhibit was filed and the date of filing are as indicated below; the reports described below are filed as Commission File No. 001-38747 unless otherwise indicated.

3.1	Certificate of Incorporation of Daktronics, Inc., dated as of April 17, 2025 (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed with the SEC on April 18, 2025).
3.2	Bylaws of Daktronics, Inc., a Delaware Business Corporation Incorporated Under Delaware Law, dated as of April 17, 2025 (incorporated by reference to Exhibit 3.3 to our Current Report on Form 8-K filed with the SEC on April 18, 2025).
10.1	Consent and Amendment No. 5 to Credit Agreement effective as of December 1, 2024 by and among Daktronics, Inc., the Lenders party to the Credit Agreement, and JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 10, 2025).
10.2	Daktronics Inc. 2025 Stock Incentive Plan (incorporated by reference to Exhibit A to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on August 14, 2025).⁽²⁾
10.3	Form of Restricted Stock Award Agreement under the 2025 Plan.⁽¹⁾⁽³⁾
10.4	Form of Non-Qualified Stock Option Agreement Terms and Conditions under the 2025 Plan.⁽¹⁾⁽³⁾
10.5	Form of Incentive Stock Option Terms and Conditions under the 2025 Plan.⁽¹⁾⁽³⁾
10.6	Form of Restricted Stock Unit Notice and Agreement under the 2025 Plan.⁽¹⁾⁽³⁾
10.7	Form of Performance Stock Unit Notice and Agreement under the 2025 Plan.⁽¹⁾⁽³⁾
10.8	First Amendment to Cooperation Agreement, dated as of October 24, 2025, by and between Daktronics, Inc. and Alta Fox Capital Management, LLC, Alta Fox Opportunities Fund, LP, Alta Fox GenPar, LP, Alta Fox Equity, LLC and P. Connor Haley (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 30, 2025).
10.9	First Amendment to Consulting Agreement, dated as of October 30, 2025, by and between Reece A. Kurtenbach and Daktronics, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on October 30, 2025).⁽³⁾
31.1	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.⁽¹⁾
31.2	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.⁽¹⁾
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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 and contained in Exhibit 101)

(1) Filed herewith electronically.
(2) Furnished herewith electronically.
(3) Management contract or compensatory plan or arrangement.

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.

Daktronics, Inc.
/s/ Howard I. Atkins
Howard I. Atkins
Acting Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Date: December 10, 2025

DAKTRONICS, INC.
2025 STOCK INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT

THIS RESTRICTED STOCK AWARD AGREEMENT (the “*Agreement*”), dated as of %AWARD_DATE, 'DD-Month-YYYY'-% (the “*Date of Grant*”), is made by and between Daktronics, Inc., a Delaware corporation (the “*Company*”), and %FIRST_NAME%- %MIDDLE_NAME%- %LAST_NAME%- (the “*Recipient*”).

WHEREAS, the Company has adopted the Daktronics, Inc. 2025 Stock Incentive Plan (the “*Plan*”), pursuant to which the Company may grant “*Restricted Stock*,” as defined in the Plan; and

WHEREAS, the Company desires to grant to the Recipient the number of shares of Restricted Stock provided for herein.

NOW, THEREFORE, in consideration of the recitals and the mutual agreements herein contained, the parties hereto agree as follows:

Section 1. Grant of Restricted Stock Award

(a) *Grant of Restricted Stock Award.* The Company hereby grants to the Recipient %TOTAL_SHARES_GRANTED, '999,999,999'-% shares of Restricted Stock (the “*Award*”) on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan.

(b) *Acceptance.* Unless you explicitly decline the Award within five (5) days of receipt of this Agreement, your acceptance of the Restricted Stock granted pursuant to this Agreement will be presumed, and you shall be deemed to have accepted the Agreement and agreed to be bound by all the terms and conditions set forth in the Plan and this Agreement. You acknowledge that you have reviewed the Agreement and the Plan in their entirety and fully understand all provisions of the Agreement and Plan. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations that arise under this Agreement or the Plan.

(c) *Incorporation of Plan.* The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan. Any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations thereunder, and its decision shall be binding and conclusive upon all persons, including the Company and the Recipient, in respect of any questions arising under the Plan or this Agreement. To the extent any provision in this Agreement is inconsistent with any provision of the Plan, the Plan shall govern.

Section 2. Terms and Conditions of Award

(a) *Restrictions.* The shares of Restricted Stock granted hereunder and any interest therein may not be sold, assigned, transferred, pledged or otherwise encumbered, except by will or the laws of descent and distribution, during the period from the Date of Grant until the outstanding restrictions on such shares lapse as set forth in Sections 2(d) and (f) (the “*Restricted Period*”). Any attempt to dispose of any Restricted Stock in contravention of the above restriction shall be null and void and without effect.

(b) *Certificate; Restrictive Legend.* Any certificate issued for Restricted Stock prior to the lapse of any outstanding restrictions relating thereto shall be inscribed with the following legend:

The transferability of this certificate and the shares of Stock represented hereby are subject to the terms and conditions (including forfeiture) of the Daktronics, Inc. 2025 Stock Incentive Plan and an Agreement governing the grant of Restricted Stock. Copies of such Plan and Agreement are on file in the offices of

Daktronics, Inc. Certificate(s) evidencing the Restricted Stock granted hereunder shall be held in the Company's custody until all restrictions thereon have lapsed. As a condition of this Award, the Recipient shall have delivered a stock power, endorsed in blank, relating to the Stock covered by this Award.

(c) *Ownership of Shares.* Subject to the restrictions set forth in the Plan and this Agreement, during the Restricted Period, the Recipient shall have, with respect to the shares of Restricted Stock granted hereunder, all of the rights of a shareholder of the Company, including the right to vote such shares and the right to receive any cash dividends.

(d) *Lapse of Restrictions.* Except as may otherwise be provided herein, the restrictions on transfer set forth in Section 2(a) shall lapse as to all shares of Restricted Stock subject to the Award on the first anniversary of the Date of Grant; provided that the Recipient has continuously provided service as a Director to the Company beginning on the Date of Grant and ending on the first anniversary of the Date of Grant.

The Committee may, in its discretion, waive, in whole or in part, any or all restrictions with respect to the Restricted Stock if it finds such waiver would be in the Company's best interest.

Upon the lapse of restrictions relating to Restricted Stock, the Company shall promptly deliver to the Recipient or his/her personal representative a stock certificate representing a number of shares of Stock, free of the restrictive legend described in Section 2(b), equal to the number of shares of Restricted Stock with respect to which such restrictions have lapsed.

(e) *Termination of Employment or Service.* If the Recipient's service with the Company terminates for any reason other than a Change in Control Termination prior to the lapsing of restrictions with respect to any portion of the Restricted Stock granted hereunder, such portion of the Restricted Stock held by the Recipient shall be automatically forfeited by the Recipient as of the date of termination, without payment therefor.

(f) *Change in Control Termination.* Upon the occurrence of a Change in Control Termination, all restrictions on any portion of the Award shall immediately lapse.

(g) *Tax Withholding.* No later than the date on which any part of the Award first becomes includable as income to the Recipient for income tax purposes (or in connection with this grant, if the Recipient makes an election under Section 83(b) of the Code), the Recipient shall pay to the Company, or make arrangements satisfactory to the Committee to pay, any federal, state or local taxes that the law requires the Company to withhold with respect to the Award. The Company's obligations under the Plan are conditional on such payment or arrangements and, to the extent permitted by law, the Company, any Parent Corporation and any Subsidiary may deduct such taxes from any payment of any kind otherwise due to the Recipient. Subject to applicable law and such requirements as the Committee imposes, the Recipient may elect, by written notice to the Company, to satisfy part or all of the Company's withholding obligations by (i) authorizing the Company to retain Stock to which the Recipient is otherwise entitled under the Plan or (ii) delivering Stock that the Recipient already owns; provided, however, that such Stock may be used to satisfy not more than the Company's minimum statutory withholding obligation (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes).

(h) *Investment Intent.* Prior to the issuance and delivery to the Recipient of shares of Stock subject to the Award, the Recipient shall, if required by the Committee, demonstrate an intent to hold the shares of Stock acquired subject to the Award for investment and not with a view to resell or distribute such shares to the public, by delivering to the Company an investment certificate or letter in such form as the Committee may require.

(i) *Stop Transfer Order.* All certificates for Stock delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock may then be listed, and any applicable federal or state securities law, and the Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.

Section 3. Miscellaneous

(a) *Notices.* Unless otherwise determined by the Committee, any and all notices, designations, consents, offers, acceptances and any other communications provided for herein shall be given in writing and shall be delivered either personally or by registered or certified mail, postage prepaid, which shall be addressed, in the case of the Company to the Chief Financial Officer at the principal office of the Company and, in the case of the Recipient, to Recipient's address appearing on the books of the Company or to Recipient's residence or to such other address as may be designated in writing by the Recipient.

(b) *Compliance with Laws.* No shares of Stock will be issued under the Plan unless the issuance complies with all applicable provisions of law, including, without limitation, those relating to securities laws and stock exchange listing requirements.

(c) *No Right to Continued Service.* Nothing in the Plan or in this Agreement shall confer upon the Recipient any right to continued service or contract with the Company, any Parent Corporation or any Subsidiary or shall interfere with or restrict in any way the right of the Company, any Parent Corporation or any Subsidiary, which are hereby expressly reserved, to remove, terminate or discharge the Recipient at any time for any reason whatsoever, with or without Cause.

(d) *Bound by Plan.* By accepting this Agreement, the Recipient acknowledges that he/she has received a copy of the Plan, has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(e) *Successors.* The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and of the Recipient and the beneficiaries, executors, administrators, heirs and successors of the Recipient.

(f) *Validity/Invalidity.* The invalidity or unenforceability of any particular provision hereof shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

(g) *Modifications.* No change, modification or waiver of any provision of this Agreement shall be valid unless the same is in writing and signed by the parties hereto.

(h) *Entire Agreement.* This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and therein and supersede all prior communications, representations and negotiations in respect thereto.

(i) *Governing Law.* This Agreement and the rights of the Recipient hereunder shall be construed and determined in accordance with the laws of the State of Delaware, without regard to the conflicts of law provisions thereof.

(j) *Headings.* The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

The Company has caused this Agreement to be executed by an officer thereunto duly authorized effective for all purposes as provided above.

DAKTRONICS, INC.

By: /

Its: _

DAKTRONICS, INC.
2025 STOCK INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION TERMS AND CONDITIONS

1. *Grant of Option.* The Options evidenced by the Daktronics Inc. Grant Agreement (the "Agreement") in which these Terms and Conditions are referenced and thereby incorporated are granted by Daktronics, Inc. (the "Company") to the Recipient under the Daktronics, Inc. 2025 Stock Incentive Plan (the "Plan") (a copy of which has been provided to you), these Terms and Conditions, and the Agreement. Unless you explicitly decline the Agreement within five (5) days of receipt of such Agreement, your acceptance of the Options granted pursuant to the Agreement will be presumed, and you shall be deemed to have accepted the Agreement and agreed to be bound by all the terms and conditions set forth in the Plan, the Agreement, and these Terms and Conditions. You acknowledge that you have reviewed the Agreement, the Plan and these Terms and Conditions in their entirety and fully understand all provisions of the Agreement, the Plan and these Terms and Conditions. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations that arise under the Agreement, the Plan or these Terms and Conditions.
2. *Incorporation of Plan.* The provisions of the Plan are hereby incorporated herein by reference and is in all respects controlling except where expressly supplemented in these Terms and Conditions or the Agreement. Except as otherwise expressly set forth herein, these Terms and Conditions and the Agreement shall be construed in accordance with the provisions of the Plan. Any capitalized terms not otherwise defined in these Terms and Conditions and the Agreement shall have the definitions set forth in the Plan. The Committee shall have final authority to interpret and construe the Plan, the Agreement and these Terms and Conditions and to make any and all determinations thereunder, and its decision shall be binding and conclusive upon all persons, including the Company and the Recipient, in respect of any questions arising under the Plan, the Agreement, or these Terms and Conditions. To the extent any provision in the Agreement or these Terms and Conditions is inconsistent with any provision of the Plan, the Plan shall govern.
3. *Method of Exercise.* The Option may be exercised in whole or in part by giving notice to the Company in such form as the Company may adopt from time to time. Such notice shall specify the number of shares of Stock subject to the Option being purchased and shall be accompanied by payment in full therefor. The total exercise price of the Option shall be paid to the Company by (i) cash, (ii) certified or bank check, (iii) to the extent permitted by law, promissory note, (iv) to the extent permitted by law, by delivering irrevocable instructions to a broker acceptable to the Company to promptly deliver to the Company sale or loan proceeds to pay the exercise price, or (v) by tendering to the Company (by actual delivery of Stock or attestation) shares of Stock that have been held by the Recipient for a minimum holding period determined by the Company, the Fair Market Value of which is equal to the total Exercise Price.
4. *Exercise Following Termination of Employment or Service.* If the Recipient's employment or service with the Company, any Parent Corporation or any Subsidiary terminates:

 - (a) if the termination of employment or service is due to the Recipient's death or Disability, the Option shall thereafter be exercised, to the extent it was exercisable at the time of the Recipient's death or Disability, by the Recipient, the legal representative of the Recipient's estate, or the legatee under the Recipient's will, but it may not be exercised after one year from the date of such death or Disability or the expiration of the stated term of the Option, whichever period is shorter, and the portions of all Options that are not vested at the time of such death or Disability shall automatically terminate at such time; and
 - (b) if the termination of employment or service is for any reason other than death, Disability or a Change in Control Termination, the vested portions of the Option shall be exercisable for three months from the date of such termination or the expiration of the stated term of the Option, whichever period is shorter, and the unvested portions of the Option shall terminate upon such termination of employment or service.

Notwithstanding the foregoing, no provision in this Section 4 shall extend the exercise period of the Option beyond its termination date.

5. *Change in Control Termination*. Upon the occurrence of a Change in Control Termination, any portion of the Option that is then outstanding and not exercisable shall immediately become exercisable.

6. *Nontransferability*. The Recipient may not transfer this Option except by will or the laws of descent and distribution.

7. *Rights as a Shareholder*. The Recipient and his/her legal representative or legatee shall not be deemed for any purpose to be the owner of any shares of Stock subject to the Option and shall not have dividend, voting or other rights of a shareholder with respect to such shares unless, until and to the extent that (i) the Company shall have issued and delivered to the Recipient the shares of Stock for which the Option shall have been exercised, (ii) the Recipient's name shall have been entered as a shareholder of record on the books of the Company with respect to such shares of Stock, and (iii) if the shares of Stock are in certificate form, the certificates representing the shares have been endorsed, transferred and delivered.

8. *Investment Intent*. Prior to the issuance and delivery to the Recipient of shares of Stock pursuant to the exercise of the Option, the Recipient shall, if required by the Committee, demonstrate an intent to hold the shares of Stock acquired by exercise of the Option for investment and not with a view to resell or distribute such shares to the public by delivering to the Company an investment certificate or letter in such form as the Committee may require.

9. *Stop Transfer Orders*. All certificates for Stock delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock may then be listed, and any applicable federal or state securities law, and the Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.

10. *Notices*. Unless otherwise determined by the Committee, any and all notices, designations, consents, offers, acceptances and any other communications provided for herein shall be given in writing and shall be delivered either personally or by registered or certified mail, postage prepaid, which shall be addressed, in the case of the Company, to the Corporate Secretary at the principal office of the Company and, in the case of the Recipient, to the Recipient's address appearing on the books of the Company or to the Recipient's residence or to such other address as may be designated in writing by the Recipient.

11. *Compliance with Laws*. No shares of Stock will be issued under the Plan unless the issuance complies with all applicable provisions of law, including, without limitation, those relating to securities laws and stock exchange listing requirements.

12. *Successors*. These Terms and Conditions shall be binding upon and inure to the benefit of the Company, its successors and assigns, and of the Recipient and the beneficiaries, executors, administrators, heirs and successors of the Recipient.

13. *Validity/Invalidity*. The invalidity or unenforceability of any particular provision hereof shall not affect the other provisions hereof, and these Terms and Conditions shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

14. *Modifications*. The Committee may amend, alter or discontinue the Plan, but no amendment, alteration, or discontinuation shall be made which would impair the rights of a Recipient under an Award, including this Option, theretofore granted without the Recipient's consent.

15. *Entire Agreement.* The Agreement, these Terms and Conditions, and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and therein and supersede all prior communications, representations and negotiations in respect thereto.

INCENTIVE STOCK OPTION TERMS AND CONDITIONS

The Options evidenced by the Daktronics Inc. Grant Agreement (the "Agreement") in which these Terms and Conditions are referenced and thereby incorporated are granted by Daktronics, Inc. (the "Company") to the Recipient under the Daktronics, Inc. 2025 Stock Incentive Plan (the "Plan") (a copy of which has been provided to you), these Terms and Conditions, and the Agreement. Unless you explicitly decline the Agreement within five (5) days of receipt of such Agreement, your acceptance of the Options granted pursuant to the Agreement will be presumed, and you shall be deemed to have accepted the Agreement and agreed to be bound by all the terms and conditions set forth in the Plan, the Agreement, and these Terms and Conditions. You acknowledge that you have reviewed the Agreement, the Plan and these Terms and Conditions in their entirety and fully understand all provisions of the Agreement, the Plan and these Terms and Conditions. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations that arise under the Agreement, the Plan or these Terms and Conditions.

The Plan is in all respects controlling except where expressly supplemented in these Terms and Conditions or the Agreement.

In the event of a conflict between the Agreement or these Terms and Conditions and the Plan, the Plan shall control. All capitalized terms used in these Terms and Conditions and the Agreement and not otherwise defined have the meanings assigned to them in the Plan. The Options are intended to be Incentive Stock Options.

1. Option Price. The Option exercise price and dates first exercisable are stated in the Agreement.
 - 1.1. Exercise of the Option During Employment. You may exercise Options to purchase the number of shares of Stock indicated in Column One of the Agreement if you are employed by the Company, any Parent Corporation or any Subsidiary on the date of exercise, and if the date of exercise is between or includes the dates in Column Two and Column Three of the Agreement.
 - 1.2. Exercise of the Options After Employment Termination. If your employment terminates for any reason other than your death or Disability or a Change in Control Termination, the Option may thereafter be exercised by you to the extent it was exercisable at the time of such termination for three months from the date of such termination or the expiration of the stated term of the Option, whichever period is shorter, and the portions of all Options that are not vested at the time of termination shall automatically terminate at such time.
 - 1.3. Exercise of Your Option Upon Death or Disability. If your employment terminates by reason of your death or Disability, the Option may thereafter be exercised to the extent it was exercisable at the time of your death or Disability by you or the legal representative of your estate or by your legatee under your will, but it may not be exercised after one year from the date of such death or Disability or the expiration of the stated term of the Option, whichever period is shorter.
 - 1.4. No Options shall continue to vest after your termination of employment, death or Disability. All Options or portions thereof that are not vested at the time of termination of your employment, whether by death or Disability or otherwise, shall automatically terminate at such time.
2. Method of Exercise. The Option may be exercised in whole or in part by giving notice to the Company in such form as the Company may adopt from time to time. The exercise price of the Option may be paid by methods such as cash, check, cashless exercise or stock swap as described in the Plan. See the Plan for details.
3. Non-transferability of Option. The Option may not be transferred in any manner otherwise than by will or the laws of descent or distribution and may be exercised during your lifetime only by you.
4. Change in Control Termination. Upon the occurrence of a Change in Control Termination, all outstanding Options granted to the Recipient that have not theretofore vested shall immediately vest, any restrictions on such Options shall immediately lapse, and each Option granted to the Recipient that is outstanding at such time shall become fully and immediately exercisable.
5. No Employment Contract. In no event shall these Terms and Conditions or the Agreement confer upon the Recipient any right to be employed by the Company, any Parent Corporation or any Subsidiary, nor shall they interfere with the right of the Company, any Parent Corporation or any Subsidiary to terminate the employment of the Recipient at any time.

6. Amendments. The Committee may amend, alter or discontinue the Plan, but no amendment, alteration, or discontinuation shall be made which would impair the rights of a Recipient under an Award, including this Option, theretofore granted without the Recipient's consent.
7. No Obligation to Exercise. The Recipient (or the Recipient's estate) has no obligation to exercise the Options described in these Terms and Conditions and the Agreement. If the Options are not exercised prior to the Expiration Date, the Options will expire and will no longer be eligible for exercise.
8. Notice of Disqualifying Distribution. The Recipient hereby agrees to notify the Company administrative department, and to disclose the details of any sale or transfer of shares of Stock acquired upon exercise of any Incentive Stock Option either within two years from the date of grant of the Option or one year from the date of exercise of the Option. Such disclosure and notice is to be provided within one week of such sale or transfer.
9. Compliance with Laws. No shares of Stock will be issued under the Plan unless the issuance complies with all applicable provisions of law, including, without limitation, those relating to securities laws and stock exchange listing requirements.
10. Governing Law. The laws of the State of Delaware shall govern the Agreement and these Terms and Conditions.

DAKTRONICS, INC.
2025 STOCK INCENTIVE PLAN

RESTRICTED STOCK UNIT GRANT NOTICE

Pursuant to the terms and conditions of the Daktronics, Inc. 2025 Stock Incentive Plan, as amended from time to time (the “*Plan*”), Daktronics, Inc. (the “*Company*”) hereby grants to the individual listed below (“*you*” or the “*Recipient*”) the number of Restricted Stock Units (the “*RSUs*”) set forth below. This award of RSUs (this “*Award*”) is subject to the terms and conditions set forth herein and in the Restricted Stock Unit Agreement attached hereto as Exhibit A (the “*Agreement*”) and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan or the Agreement, as applicable.

Recipient:

Date of Grant: (the “*Date of Grant*”)

Total Number of RSUs:

Vesting Schedule:

Subject to the terms of the Plan and the Agreement, the RSUs shall vest according to the following schedule: one-fourth of the RSUs will vest on [August 23, 2026], one-fourth of the RSUs will vest on [August 23, 2027], one-fourth of the RSUs will vest on [August 23, 2028] and the remaining RSUs will vest on [August 23, 2029], so long as you remain continuously employed by the Company or a Subsidiary from the Date of Grant through each such vesting date.

Unless you explicitly decline the Award within five (5) days of receipt of this Restricted Stock Unit Grant Notice (this “*Grant Notice*”), your acceptance of the Award will be presumed, and you shall be deemed to have accepted the Award and agreed to be bound by all the terms and conditions set forth in the Plan, the Agreement, and this Grant Notice. You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations that arise under the Agreement, the Plan or this Grant Notice.

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized effective for all purposes as provided above.

DAKTRONICS, INC.

By: _____
Name:
Title:

EXHIBIT A

RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (this “*Agreement*”) is made as of the Date of Grant by and between Daktronics, Inc., a Delaware corporation (the “*Company*”), and **Recipient** identified in the Grant Notice. Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. **Award.** In consideration of the Recipient’s past and/or continued employment with the Company or a Subsidiary and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant, the Company hereby grants to the Recipient the number of RSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, each RSU represents the right to receive one share of Stock. Vesting and settlement of the RSUs shall occur at the times and subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan. Unless and until the RSUs have become vested in the manner set forth in the Grant Notice, the Recipient will have no right to receive any Stock or other payments in respect of the RSUs. Prior to settlement of this Award, the RSUs and this Award represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. **Vesting and Forfeiture of RSUs.**

(a) Except as otherwise set forth in this Section 2 or the Plan, the RSUs shall vest in accordance with the vesting schedule set forth in the Grant Notice. Unless and until the RSUs have vested in accordance with such vesting schedule, the Recipient will have no right to receive any dividends or other distribution with respect to the RSUs. In the event of the termination of the Recipient’s employment with the Company prior to the vesting of all of the RSUs (but after giving effect to any accelerated vesting pursuant to this Section 2 and the Plan), any unvested RSUs (and all rights arising from such RSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

(b) Notwithstanding anything in the Grant Notice, this Agreement, Protection or Severance Agreements, or the Plan to the contrary, subject to Section 9, the RSUs shall immediately become fully vested upon a Change in Control Termination.

3. **Settlement of RSUs.** If the RSUs vest pursuant to Section 2, then as soon as administratively practicable following the vesting of the RSUs pursuant to Section 2, but in no event later than 60 days after each such vesting date, the Company shall deliver to the Recipient (or the Recipient’s permitted transferee, if applicable) the number of shares of Stock subject to the RSUs that vested and are being settled. Any fractional RSU that becomes vested hereunder shall be rounded down at the time shares of Stock are issued in settlement of such RSU. No fractional shares of Stock, nor the cash value of any fractional shares of Stock, will be issuable or payable to the Recipient pursuant to this Agreement. All shares of Stock issued hereunder, if any, shall be delivered either by delivering one or more certificates for such shares to the Recipient or by entering such shares in book-entry form, as determined by the Committee in its sole discretion. The value of shares of Stock shall not bear any interest owing to the passage of time. Neither this Section 3 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

4. **Tax Withholding.** To the extent that the receipt, vesting or settlement of this Award results in compensation income or wages to the Recipient for federal, state, local or foreign tax purposes, the Recipient shall make arrangements satisfactory to the Company for the satisfaction of obligations for the payment of withholding taxes and other tax obligations relating to this Award, which arrangements may include, at the Company's election, the delivery of cash or cash equivalents, Stock (including previously owned Stock, net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of cash or shares of Stock otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If such tax obligations are satisfied through the withholding of shares of Stock that are otherwise issuable to the Recipient pursuant to this Award (or through the surrender of previously owned shares of Stock by the Recipient to the Company), the maximum number of shares of Stock that may be so withheld (or surrendered) shall be the number of shares of Stock that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities, determined based on the greatest withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. For the avoidance of doubt, to the extent any cash payments are made to the Recipient under this Agreement, taxes related thereto will be withheld from such payments. The Recipient acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying shares of Stock and the Recipient has been advised, and hereby is advised, to consult a tax advisor. The Recipient acknowledges and agrees that none of the Board, the Committee, the Company or any Subsidiary have made any representation or warranty as to the tax consequences to the Recipient as a result of the receipt of the RSUs, the vesting of the RSUs or the forfeiture of any of the RSUs. The Recipient represents that the Recipient is in no manner relying on the Board, the Committee, the Company or a Subsidiary or any of their respective managers, directors, officers, employees or authorized representatives (including, without limitation, attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

5. **Non-Transferability.** During the lifetime of the Recipient, the RSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the shares of Stock underlying the RSUs have been issued, and all restrictions applicable to such shares have lapsed. Neither the RSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of the Recipient or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

6. **Compliance with Securities Law.** Notwithstanding any provision of this Agreement to the contrary, the issuance of shares of Stock hereunder, if any, will be subject to compliance with all applicable requirements of applicable law with respect to such securities and with the requirements of any stock exchange or market system upon which the Stock may then be listed. No shares of Stock will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, shares of Stock will not be issued hereunder unless (a) a registration statement under the Securities Act of 1933, as amended (the "**Securities Act**") is in effect at the time of such issuance with respect to the shares to be issued or (b) in the opinion of legal counsel to the Company, the shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory

body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any shares of Stock hereunder will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance of Stock hereunder, the Company may require the Recipient to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

7. **Legends.** If a stock certificate is issued with respect to any shares of Stock delivered hereunder, such certificate shall bear such legend or legends as the Committee deems appropriate in order to reflect the restrictions set forth in this Agreement and to ensure compliance with the terms and provisions of this Agreement, the rules, regulations and other requirements of the Securities and Exchange Commission (the "**SEC**"), any applicable laws or the requirements of any stock exchange on which the Stock is then listed. If the shares of Stock issued hereunder are held in book-entry form, then such entry will reflect that the shares are subject to the restrictions set forth in this Agreement.

8. **Rights as a Stockholder.** Neither the Recipient nor any person claiming under or through the Recipient shall have rights as a stockholder of the Company with respect to any shares of Stock that may become deliverable hereunder unless and until the Recipient has become the holder of record of such shares of Stock, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such shares of Stock, except as otherwise specifically provided for in the Plan or this Agreement.

9. **Execution of Receipts and Releases.** Any payments of cash or any issuance or transfer of shares of Stock or other property to the Recipient or the Recipient's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such person hereunder. As a condition precedent to such payment or issuance, the Company may require the Recipient or the Recipient's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; provided, however, that any review period under such release will not modify the date of settlement with respect to vested RSUs.

10. **No Right to Continued Employment or Awards.**

(a) For purposes of this Agreement, the Recipient shall be considered to be employed by the Company as long as the Recipient remains an employee of the Company or a Subsidiary, or an employee of a corporation or other entity (or a parent or subsidiary of such corporation or other entity) assuming or substituting a new award for this Award. Nothing in the adoption of the Plan, nor the award of the RSUs thereunder pursuant to the Grant Notice and this Agreement, shall confer upon the Recipient the right to continued employment by the Company or any Subsidiary, or any other entity, or affect in any way the right of the Company or any such Subsidiary, or any other entity to terminate such employment at any time. Unless otherwise provided in a written employment agreement or by applicable law, the Recipient's employment by the Company, or any such Subsidiary, or any other entity, shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Recipient or the Company, or any such Subsidiary or any other entity for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and such determination shall be final, conclusive and binding for all purposes.

(b) The grant of the RSUs is a one-time benefit and does not create any contractual or other right to receive a grant of Awards or benefits in lieu of Awards in the future. Any future Awards will be granted at the sole discretion of the Company.

11. **Legal and Equitable Remedies.** The Recipient acknowledges that a violation or attempted breach of any of the Recipient's covenants and agreements in this Agreement will cause such damage as will be irreparable, the exact amount of which would be difficult to ascertain and for which there will be no adequate remedy at law, and accordingly, the parties hereto agree that the Company and its Subsidiaries shall be entitled as a matter of right to an injunction issued by any court of competent jurisdiction, restraining the Recipient or the affiliates, partners or agents of the Recipient from such breach or attempted violation of such covenants and agreements, as well as to recover from the Recipient any and all costs and expenses sustained or incurred by the Company or any Subsidiary in obtaining such an injunction, including, without limitation, reasonable attorneys' fees. The parties to this Agreement agree that no bond or other security shall be required in connection with such injunction. Any exercise by either of the parties to this Agreement of its rights pursuant to this Section 11 shall be cumulative and in addition to any other remedies to which such party may be entitled.

12. **Notices.** All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company, unless otherwise designated by the Company in a written notice to the Recipient (or other holder):

Daktronics, Inc.
Attn: Vice President, Human Resources
201 Daktronics Drive
Brookings, SD 57006

If to the Recipient, at the Recipient's last known address on filed with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to the Recipient when it is mailed by the Company or, if such notice is not mailed to the Recipient, upon receipt by the Recipient. Any notice that is addressed and mailed in the manner herein provided shall be conclusively presumed to have been given to the party to whom it is addressed at the close of business, local time of such party, on the fourth day after the day it is so placed in the mail.

13. **Consent to Electronic Delivery; Electronic Signature.** In lieu of receiving documents in paper format, the Recipient agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Recipient has access. The Recipient hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to

deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

14. **Agreement to Furnish Information.** The Recipient agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

15. **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the RSUs granted hereby; provided, however, that the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment agreement between the Recipient and the Company (or a Subsidiary or other entity) or a severance plan in which the Recipient participates, in each case, in effect as of the date a determination is to be made under this Agreement. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; provided, however, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially reduces the rights of the Recipient shall be effective only if it is in writing and signed by both the Recipient and an authorized officer of the Company.

16. **Severability and Waiver.** If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

17. **Clawback.** Notwithstanding any provision in the Grant Notice, this Agreement or the Plan to the contrary, to the extent required by (a) applicable law, including, without limitation, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, any SEC rule or any applicable securities exchange listing standards and/or (b) any policy that may be adopted or amended by the Board from time to time, all cash or shares of Stock issued hereunder shall be subject to forfeiture, repurchase, recoupment and/or cancellation to the extent necessary to comply with such law(s) and/or policy.

18. **Governing Law.** THIS AGREEMENT AND THE RIGHTS OF THE RECIPIENT HEREUNDER SHALL BE CONSTRUED AND DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE CONFLICTS OF LAW PROVISIONS THEREOF.

19. **Successors and Assigns.** The Company may assign any of its rights under this Agreement without the Recipient's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Recipient and the Recipient's beneficiaries, executors, administrators and the person(s) to whom the RSUs may be transferred by will or the laws of descent or distribution.

20. **Headings.** Headings are for convenience only and are not deemed to be part of this Agreement.

21. **Delivery.** The Grant Notice may be executed by way of any electronic or digital signature, subject to applicable law. Delivery of an executed copy of the Grant Notice by facsimile or portable document format (.pdf) attachment to electronic mail shall be effective as delivery of a manually executed copy of the Grant Notice.

22. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the RSUs granted pursuant to this Agreement are intended to be exempt from the applicable requirements of Section 409A of the Code and the guidance and regulations promulgated thereunder ("**Section 409A**"), and shall be limited, construed and interpreted in accordance with such intent. Nevertheless, to the extent that the Committee determines that the RSUs may not be exempt from Section 409A, then, if the Recipient is deemed to be a "specified employee" within the meaning of Section 409A, as determined by the Committee, at a time when the Recipient becomes eligible for settlement of the RSUs upon his "separation from service" within the meaning of Section 409A, then to the extent necessary to prevent any accelerated or additional tax under Section 409A, such settlement will be delayed until the earlier of: (a) the date that is six months following the Recipient's separation from service and (b) the Recipient's death. Notwithstanding the foregoing, the Company and its Subsidiaries make no representations that the RSUs provided under this Agreement are exempt from or compliant with Section 409A and in no event shall the Company or any Subsidiary be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Recipient on account of non-compliance with Section 409A.

DAKTRONICS, INC.
2025 STOCK INCENTIVE PLAN

PERFORMANCE STOCK UNIT GRANT NOTICE

Pursuant to the terms and conditions of the Daktronics, Inc. 2025 Stock Incentive Plan, as amended from time to time (the "**Plan**"), Daktronics, Inc. (the "**Company**") hereby grants to the individual listed below ("**you**" or the "**Recipient**") the target number of performance stock units (the "**PSUs**") set forth below. This award of PSUs (this "**Award**") is subject to the terms and conditions set forth herein and in the Performance Stock Unit Agreement attached hereto as Exhibit A (the "**Agreement**") and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan or the Agreement, as applicable.

Recipient: _____

Date of Grant: (the "**Date of Grant**")

Award Type and Description: This Award is granted pursuant to Section 6 of the Plan. This award represents the right to receive shares of Stock in an amount ranging from 0% to 150% of the Target PSUs (as defined below), subject to the terms and conditions set forth herein and in the Agreement.

Your right to receive settlement of this Award in an amount ranging from 0% to 150% of the Target PSUs shall vest and become earned and nonforfeitable upon (i) your satisfaction of the continued employment or service requirements described below under "Service Requirement" and (ii) the Committee's certification of the level of achievement of the Performance Goals (defined below). The portion of the Target PSUs actually earned upon satisfaction of the foregoing requirements is referred to herein as the "**Earned PSUs**."

Target Number of PSUs: (the "**Target PSUs**")

Performance Period: Subject to the terms of the Plan and the Agreement, the PSUs will become Earned PSUs based on performance with respect to the performance goals described in Exhibit B attached hereto (the

“Performance Goals”) during the three-year period consisting of the Company’s fiscal years [*insert Performance Period* FY20XX; FY20YY, FY20ZZ] (the **“Performance Period”**).

Service Requirement: Except as expressly provided in Section 2 of the Agreement, you must remain continuously employed by the Company or a Subsidiary from the Date of Grant through the last day of the Performance Period to be eligible to receive the payment of the Award, which is based on the level of achievement with respect to the Performance Goals.

By your signature below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Performance Stock Unit Grant Notice (this **“Grant Notice”**). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations that arise under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including portable document format (pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, and the Recipient has executed this Grant Notice, effective for all purposes as provided above.

DAKTRONICS, INC.

By: _____
Name: Carla Gatzke
Title: VP HR

RECIPIENT

Name:

EXHIBIT A

PERFORMANCE STOCK UNIT AGREEMENT

This Performance Stock Unit Agreement (this “*Agreement*”) is made as of the Date of Grant by and between Daktronics, Inc., a Delaware corporation (the “*Company*”), and _____ (the “*Recipient*”). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice as applicable.

1. **Award.** In consideration of the Recipient’s past and/or continued employment with the Company or a Subsidiary and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant, the Company hereby grants to the Recipient the Award set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, each PSU represents the right to receive one share of Stock, as applicable; provided, however, that, depending on the level of performance determined to be attained with respect to the Performance Goals, an amount ranging from 0% to 150% of the Target PSUs may be earned hereunder in respect of this Award. Vesting and settlement of the PSUs shall occur at the times and subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan. Unless and until this Award has become vested in the manner set forth in the Grant Notice, the Recipient will have no right to receive any Stock or other payments in respect of the PSUs. Prior to settlement of this Award, the PSUs and this Award represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. **Vesting and Forfeiture of PSUs.**

(a) Except as otherwise set forth in this Section 2 or the Plan, the PSUs shall vest and become earned in accordance with the Recipient’s satisfaction of the vesting schedule set forth in the Grant Notice (the “*Service Requirement*”) and based on the extent to which the Company has satisfied the Performance Goals described in Exhibit B, which shall be determined by the Committee in its sole discretion following the end of the Performance Period (any PSUs that do not become Earned PSUs during the Performance Period shall be automatically forfeited without further notice and at no cost to the Company). Unless and until the PSUs have vested in accordance with such vesting schedule, the Recipient will have no right to receive any dividends or other distribution with respect to the PSUs. In the event of the termination of the Recipient’s employment with the Company prior to the vesting of the PSUs (but after giving effect to any accelerated vesting pursuant to this Section 2 and the Plan), any unvested PSUs (and all rights arising from such PSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

(b) Notwithstanding anything in the Grant Notice, this Agreement or the Plan to the contrary, subject to Section 9, the PSUs shall immediately become fully vested upon a Change in Control Termination at the target level of performance.

3. **Settlement of PSUs.** As soon as administratively practicable following the Committee's certification of the level of attainment of the Performance Goals with respect to the Performance Period or the date of the accelerated vesting of any portion of this Award pursuant to Section 2, but in no event later than 60 days after each such vesting date, the Company shall deliver to the Recipient (or the Recipient's permitted transferee, if applicable) the number of shares of Stock equal to the number of Earned PSUs that vested and are being settled. Any fractional PSU that becomes vested hereunder shall be rounded down at the time shares of Stock are issued in settlement of such PSU. No fractional shares of Stock, nor the cash value of any fractional shares of Stock, will be issuable or payable to the Recipient pursuant to this Agreement. All shares of Stock issued hereunder, if any, shall be delivered either by delivering one or more certificates for such shares to the Recipient or by entering such shares in book-entry form, as determined by the Committee in its sole discretion. The value of shares of Stock shall not bear any interest owing to the passage of time. Neither this Section 3 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

4. **Tax Withholding.** To the extent that the receipt, vesting or settlement of this Award results in compensation income or wages to the Recipient for federal, state, local or foreign tax purposes, the Recipient shall make arrangements satisfactory to the Company for the satisfaction of obligations for the payment of withholding taxes and other tax obligations relating to this Award, which arrangements may include, at the Company's election, the delivery of cash or cash equivalents, Stock (including previously owned Stock, net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of cash or shares of Stock otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If such tax obligations are satisfied through the withholding of shares of Stock that are otherwise issuable to the Recipient pursuant to this Award (or through the surrender of previously owned shares of Stock by the Recipient to the Company), the maximum number of shares of Stock that may be so withheld (or surrendered) shall be the number of shares of Stock that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities, determined based on the greatest withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. For the avoidance of doubt, to the extent any cash payments are made to the Recipient under this Agreement, taxes related thereto will be withheld from such payments. The Recipient acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying shares of Stock and the Recipient has been advised, and hereby is advised, to consult a tax advisor. The Recipient acknowledges and agrees that none of the Board, the Committee, the Company or any Subsidiary have made any representation or warranty as to the tax consequences to the Recipient as a result of the receipt of the PSUs, the vesting of the PSUs or the forfeiture of any of the PSUs. The Recipient represents that the Recipient is in no manner relying on the Board, the Committee, the Company or a Subsidiary or any of their respective managers, directors, officers, employees, or authorized representatives (including, without limitation, attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

5. **Non-Transferability.** During the lifetime of the Recipient, this Award may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the shares of Stock underlying the PSUs have been issued, and all restrictions applicable to such shares have lapsed. Neither the PSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of the Recipient or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

6. **Compliance with Securities Law.** Notwithstanding any provision of this Agreement to the contrary, the issuance of shares of Stock hereunder, if any, will be subject to compliance with all applicable requirements of applicable law with respect to such securities and with the requirements of any stock exchange or market system upon which the Stock may then be listed. No shares of Stock will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, shares of Stock will not be issued hereunder unless (a) a registration statement under the Securities Act of 1933, as amended (the "***Securities Act***") is in effect at the time of such issuance with respect to the shares to be issued or (b) in the opinion of legal counsel to the Company, the shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any shares of Stock hereunder will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance of Stock hereunder, the Company may require the Recipient to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

7. **Legends.** If a stock certificate is issued with respect to any shares of Stock delivered hereunder, such certificate shall bear such legend or legends as the Committee deems appropriate in order to reflect the restrictions set forth in this Agreement and to ensure compliance with the terms and provisions of this Agreement, the rules, regulations and other requirements of the Securities and Exchange Commission (the "***SEC***"), any applicable laws or the requirements of any stock exchange on which the Stock is then listed. If the shares of Stock issued hereunder are held in book-entry form, then such entry will reflect that the shares are subject to the restrictions set forth in this Agreement.

8. **Rights as a Stockholder.** Neither the Recipient nor any person claiming under or through the Recipient shall have rights as a stockholder of the Company with respect to any shares of Stock that may become deliverable hereunder unless and until the Recipient has become the holder of record of such shares of Stock, and no adjustments shall be made for

dividends in cash or other property, distributions or other rights in respect of any such shares of Stock, except as otherwise specifically provided for in the Plan or this Agreement.

9. **Execution of Receipts and Releases.** Any payments of cash or any issuance or transfer of shares of Stock or other property to the Recipient or the Recipient's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such person hereunder. As a condition precedent to such payment or issuance, the Company may require the Recipient or the Recipient's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; provided, however, that any review period under such release will not modify the date of settlement with respect to any Earned PSUs.

10. **No Right to Continued Employment or Awards.**

(a) For purposes of this Agreement, the Recipient shall be considered to be employed by the Company as long as the Recipient remains an employee of the Company or a Subsidiary, or an employee of a corporation or other entity (or a parent or subsidiary of such corporation or other entity) assuming or substituting a new award for this Award. Nothing in the adoption of the Plan, nor the Award pursuant to the Grant Notice and this Agreement, shall confer upon the Recipient the right to continued employment by the Company or any Subsidiary, or any other entity, or affect in any way the right of the Company or any such Subsidiary, or any other entity to terminate such employment at any time. Unless otherwise provided in a written employment agreement or by applicable law, the Recipient's employment by the Company, or any such Subsidiary, or any other entity, shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Recipient or the Company, or any such Subsidiary or any other entity for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and such determination shall be final, conclusive, and binding for all purposes.

(b) This Award is a one-time benefit and does not create any contractual or other right to receive a grant of Awards or benefits in lieu of Awards in the future. Any future Awards will be granted at the sole discretion of the Company.

11. **Legal and Equitable Remedies.** The Recipient acknowledges that a violation or attempted breach of any of the Recipient's covenants and agreements in this Agreement will cause such damage as will be irreparable, the exact amount of which would be difficult to ascertain and for which there will be no adequate remedy at law, and accordingly, the parties hereto agree that the Company and its Subsidiaries shall be entitled as a matter of right to an injunction issued by any court of competent jurisdiction, restraining the Recipient or the affiliates, partners or agents of the Recipient from such breach or attempted violation of such covenants and agreements, as well as to recover from the Recipient any and all costs and expenses sustained or incurred by the Company or any Subsidiary in obtaining such an injunction, including, without limitation, reasonable attorneys' fees. The parties to this Agreement agree that no bond or other security shall be required in connection with such

injunction. Any exercise by either of the parties to this Agreement of its rights pursuant to this Section 11 shall be cumulative and in addition to any other remedies to which such party may be entitled.

12. **Notices.** All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company, unless otherwise designated by the Company in a written notice to the Recipient (or other holder):

Daktronics, Inc.
Attn: Vice President, Human Resources
201 Daktronics Drive
Brookings, SD 57006

If to the Recipient, at the Recipient's last known address on filed with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to the Recipient when it is mailed by the Company or, if such notice is not mailed to the Recipient, upon receipt by the Recipient. Any notice that is addressed and mailed in the manner herein provided shall be conclusively presumed to have been given to the party to whom it is addressed at the close of business, local time of such party, on the fourth day after the day it is so placed in the mail.

13. **Consent to Electronic Delivery; Electronic Signature.** In lieu of receiving documents in paper format, the Recipient agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Recipient has access. The Recipient hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

14. **Agreement to Furnish Information.** The Recipient agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

15. **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the PSUs granted hereby; provided, however, that the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment agreement between the Recipient

and the Company (or a Subsidiary or other entity) or a severance plan in which the Recipient participates, in each case, in effect as of the date a determination is to be made under this Agreement. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; provided, however, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially reduces the rights of the Recipient shall be effective only if it is in writing and signed by both the Recipient and an authorized officer of the Company.

16. **Severability and Waiver.** If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

17. **Clawback.** Notwithstanding any provision in the Grant Notice, this Agreement or the Plan to the contrary, to the extent required by (a) applicable law, including, without limitation, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, any SEC rule or any applicable securities exchange listing standards and/or (b) any policy that may be adopted or amended by the Board from time to time, all cash or shares of Stock issued hereunder shall be subject to forfeiture, repurchase, recoupment and/or cancellation to the extent necessary to comply with such law(s) and/or policy.

18. **Governing Law.** THIS AGREEMENT AND THE RIGHTS OF THE RECIPIENT HEREUNDER SHALL BE CONSTRUED AND DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE CONFLICTS OF LAW PROVISIONS THEREOF.

19. **Successors and Assigns.** The Company may assign any of its rights under this Agreement without the Recipient's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Recipient and the Recipient's beneficiaries, executors, administrators and the person(s) to whom the PSUs may be transferred by will or the laws of descent or distribution.

20. **Headings.** Headings are for convenience only and are not deemed to be part of this Agreement.

21. **Counterparts.** The Grant Notice may be executed in one or more counterparts, including by way of any electronic or digital signature, subject to applicable law, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of the Grant Notice by facsimile or portable document format (.pdf)

attachment to electronic mail shall be effective as delivery of a manually executed counterpart of the Grant Notice.

22. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the PSUs granted pursuant to this Agreement are intended to be exempt from the applicable requirements of Section 409A of the Code and the guidance and regulations promulgated thereunder ("**Section 409A**"), and shall be limited, construed and interpreted in accordance with such intent. Nevertheless, to the extent that the Committee determines that the PSUs may not be exempt from Section 409A, then, if the Recipient is deemed to be a "specified employee" within the meaning of Section 409A, as determined by the Committee, at a time when the Recipient becomes eligible for settlement of the PSUs upon his "separation from service" within the meaning of Section 409A, then to the extent necessary to prevent any accelerated or additional tax under Section 409A, such settlement will be delayed until the earlier of: (a) the date that is six months following the Recipient's separation from service and (b) the Recipient's death. Notwithstanding the foregoing, the Company and its Subsidiaries make no representations that the PSUs provided under this Agreement are exempt from or compliant with Section 409A and in no event shall the Company or any Subsidiary be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Recipient on account of non-compliance with Section 409A.

EXHIBIT B

PERFORMANCE GOALS FOR PERFORMANCE STOCK UNITS

The number of PSUs, if any, that become vested during the Performance Period will be determined based on two separate Performance Goals measured over the Performance Period: (i) 60% of the Target PSUs (as modified based on performance set forth in the table below) will vest and become Earned PSUs based on the Company's Profit Growth (as defined below), and (ii) 40% of the Target PSUs (as modified based on performance set forth in the table below) will vest and become Earned PSUs based on the Company's Revenue Growth (as defined below).

For purposes of this Agreement,

"Profit Growth" means the operating income for the end of the Performance Period in the approved [3-year FY2026-FY2028] Financial Plan.

"Revenue Growth" means the sales total for the end of the Performance Period in the approved 3-year [FY2026-FY2028] Financial Plan.

"Target Level of Performance" means the achievement of 100% of the Profit Growth and Revenue Growth respectively;

"Threshold Level of Performance" means the achievement of at least 80% of the Profit Growth and Revenue Growth respectively;

"Maximum Level of Performance" means the achievement of at least 118% of the Profit Growth and 120% of the Revenue Growth respectively;

The Earned PSUs will be determined in accordance with the following schedule:

Level of Performance	Profit Growth (60%)	Revenue Growth (40%)	Earned PSU Percentage*
Threshold	80%	80%	25%
Target	100%	100%	100%
Maximum	118%	120%	150%

*The Earned PSUs represent a percentage of Target PSUs earned for performance between the Performance Levels calculated using linear interpolation.

DAKTRONICS, INC.
CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER REQUIRED BY RULE 13a-14(e)
OR RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bradley T. Wiemann, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended November 1, 2025 of Daktronics, 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 (the registrant's fourth quarter in the case of an annual report) 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 (or persons performing the equivalent functions):
 - 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.

/s/ Bradley T. Wiemann
Bradley T. Wiemann
Interim Chief Executive Officer
Date:

December 10, 2025

DAKTRONICS, INC.
CERTIFICATION OF THE CHIEF FINANCIAL OFFICER REQUIRED BY RULE 13a-14(e)
OR RULE 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Howard I. Atkins, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended November 1, 2025 of Daktronics, 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 (the registrant's fourth quarter in the case of an annual report) 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 (or persons performing the equivalent functions):
 - 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.

/s/ Howard I. Atkins
Howard I. Atkins
Acting Chief Financial Officer
Date:

December 10, 2025

DAKTRONICS, INC.
CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Daktronics, Inc. (the "Company") for the quarterly period ended November 1, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bradley T. Wiemann, Interim Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to 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.

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

/s/ Bradley T. Wiemann
Bradley T. Wiemann
Interim Chief Executive Officer
Date:

December 10, 2025

DAKTRONICS, INC.
CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Daktronics, Inc. (the "Company") for the quarterly period ended November 1, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Howard I. Atkins, Acting Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to 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.

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

/s/ Howard I. Atkins
Howard I. Atkins
Acting Chief Financial Officer
Date:

December 10, 2025

