



TECHNICAL & PROFESSIONAL SERVICES

DYNAMIC MESSAGE SIGNS

VIDEO BOARDS & MESSAGE CENTERS

INDOOR HIGH RESOLUTION

CONTROL SYSTEMS

DIGITAL BILLBOARDS



DAKTRONICS

March 2025  
NASDAQ: DAKT

# SAFE HARBOR STATEMENT

## Forward-Looking Statements:

In addition to statements of historical fact, this presentation contains forward-looking statements within the meaning of the federal securities laws and is intended to receive the protections of such laws.

All statements, other than historical facts, included or incorporated in this presentation could be deemed forward-looking statements, particularly statements that reflect the expectations or beliefs of Daktronics, Inc. (the "Company," "Daktronics," "we," or "us") concerning future events or our future financial performance. You are cautioned not to place undue reliance on forward-looking statements, which are often characterized by discussions of strategy, plans, or intentions or by the use of words such as "may," "would," "could," "should," "will," "expect," "estimate," "anticipate," "believe," "intend," "plan," "forecast," "project," "predict," "potential," "continue," or "intend," the negative or other variants of such terms, or other comparable terminology. The Company cautions that these forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from our expectations as a result of various factors, including, but not limited to, changes in economic and market conditions, management of growth, timing and magnitude of future contracts and orders, fluctuations in margins, the introduction of new products and technology, the impact of adverse weather conditions, increased regulation, the imposition of tariffs, trade wars, the availability and costs of raw materials, components, and shipping services, geopolitical and governmental actions, and other risks described in the Company's Annual Report on Form 10-K for its 2024 fiscal year (the "Form 10-K") and in other reports filed with or furnished to the U.S. Securities and Exchange Commission (the "SEC") by the Company. You should carefully consider the trends, risks, and uncertainties described in this presentation, the Form 10-K, and other reports filed with or furnished to the SEC by the Company before making any investment decision with respect to our securities. If any of these trends, risks, or uncertainties continues or occurs, our business, financial condition, or operating results could be materially and adversely affected, the trading prices of our securities could decline, and you could lose part or all of your investment.

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This presentation contains certain measures that are not defined terms under U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures should not be considered in isolation or as a substitute for, or superior to, measures of liquidity or performance prepared in accordance with GAAP and may not be comparable to calculations of similarly titled measures by other companies. See the Appendix for a description of these financial measures and a reconciliation of all such non-GAAP financial measures to the most directly comparable GAAP financial measures.



# COMPANY HIGHLIGHTS



Compelling TTM TKPIs<sup>(1)</sup>

Daktronics provides best-in-class audio-video displays, message displays and scoreboards to inform, entertain, and persuade audiences

**~\$815 Million**

*Sales<sup>(1)</sup>*

**#1**

*North American LED video display provider<sup>(2)</sup>*

**Largest**

*Growing American brand by revenue for past 3-years<sup>(2)</sup>*

**120+**

*Countries featuring Daktronics products*

**12K+**

*Total customers<sup>(3)</sup>*

**3<sup>rd</sup>**

*Largest CY 2022 Market Share worldwide<sup>(2)</sup>*

1) 3rd Quarter FY 2025 Trailing 12 month.

2) Futuresource Consulting Report "Global LED Display Market Report (2024)".

3) From Company data.

# INVESTMENT HIGHLIGHTS

- ❑ Global industry leader in best-in-class video communication displays and control systems
- ❑ Only US manufacturer of scale with a global footprint and servicing by geographic market
- ❑ Technology leadership with high-quality products, high-touch service
- ❑ Large, growing domestic and international markets
- ❑ Transformation commitment toward revenue growth faster than addressable market, 10-12% operating margin and 17-20% returns on capital by FY 2028
- ❑ Balance sheet further strengthened through note conversion



Inform – Entertain – Persuade

# INTERCONNECTED SYSTEMS TO INFORM AUDIENCES, ENTERTAIN AND ENGAGE FANS



## Live Events

Video displays for large sports & live entertainment venues



## Commercial

Billboards & video displays for advertising and self-promotion



## Transportation

Navigation and information displays for ITS systems on mass transit, roads & highways



## International

Video displays for large sports/entertainment venues, advertising, and transportation



## High School Park and Recreation

Video and scoring systems for education and local community use



## Control Capabilities

Intuitive software to create, manage, and schedule content for engagement with fans and audiences

# DIVERSIFIED REVENUE

## Live Events

- Complex, audience, fan-driven sale
- Large projects, timing lumpy

## Commercial

- On-premise and out-of-home advertising reach
- Distribute through Sign Co's and AV Integrators

## Transportation

- Brand reputation and prequalified, in all 50 states
- Best in class, proven, reliable/predictable supplier – preferred choice for technical buyers and Roadway Contractors

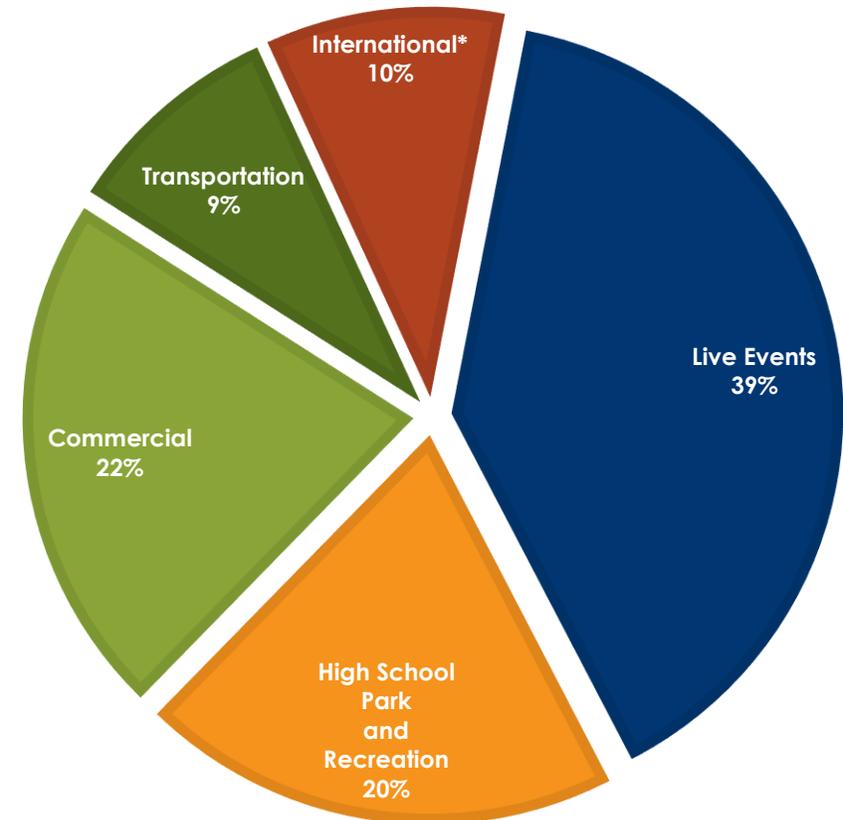
## International\*

- Orders flow through A/V integrators and partners
- Mimic our US/Canada model for worldwide success

## High School Parks and Recreation

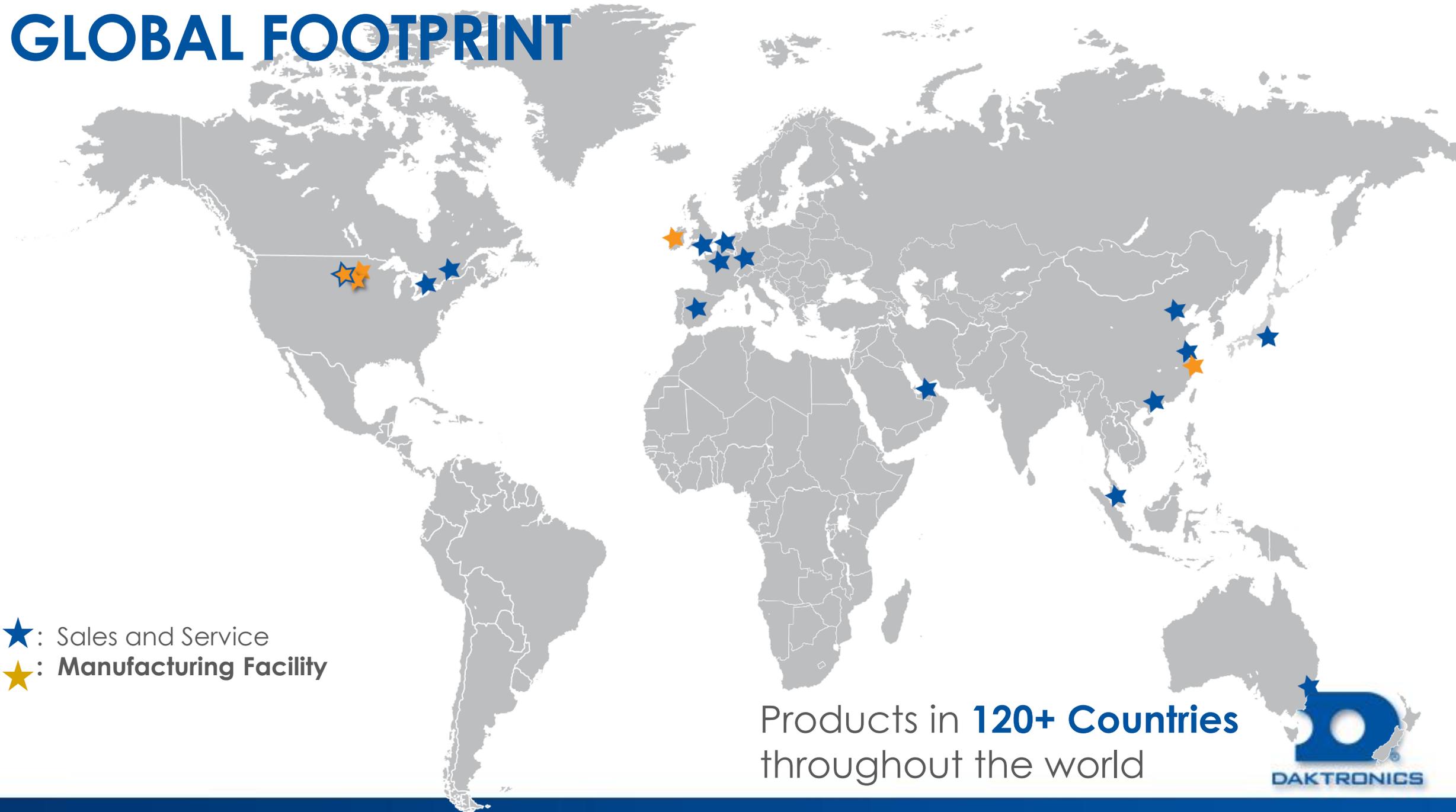
- Emulating features of larger sports venues
- Sports marketing solutions for funding source

## Q3 2025 TTM NET SALES



\* Geographies outside of US, Canada – primarily solutions for large sports venues, commercial spectaculars, third-party advertising, and transportation solutions

# GLOBAL FOOTPRINT

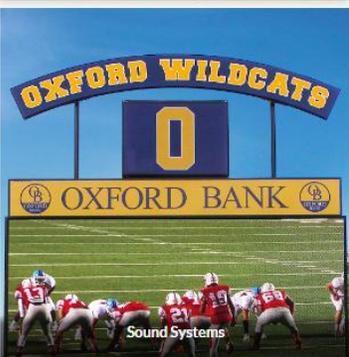
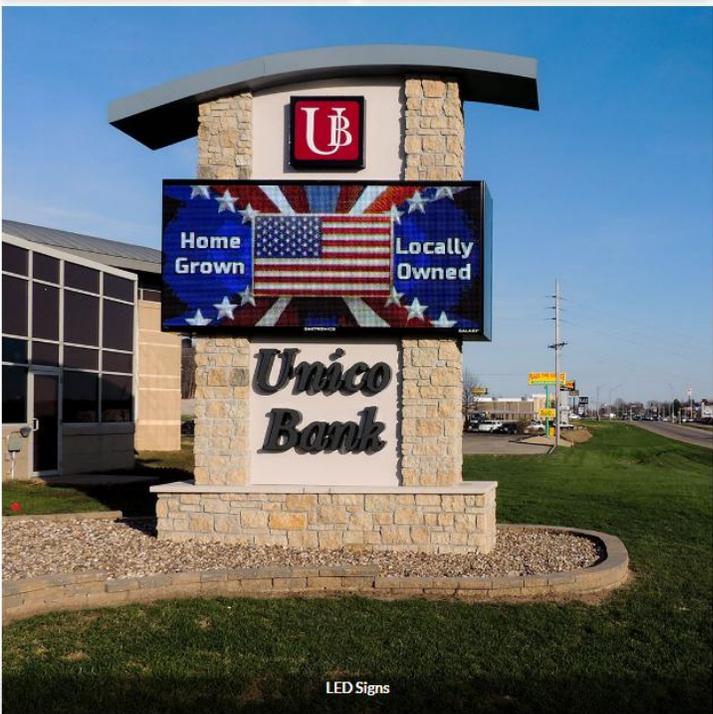
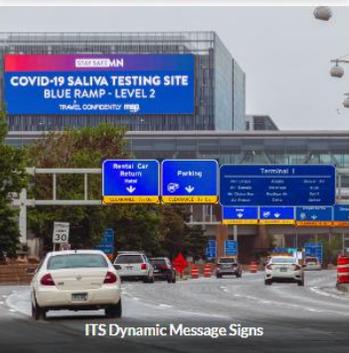
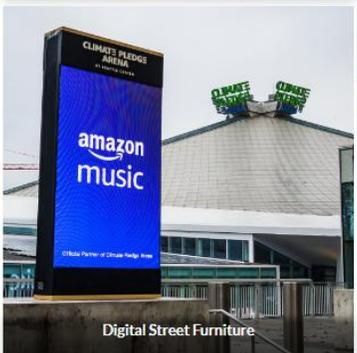
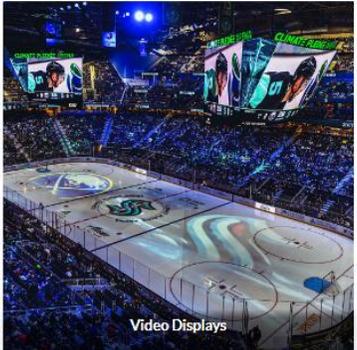


★: Sales and Service  
★: Manufacturing Facility

Products in **120+ Countries** throughout the world



# INDUSTRY LEADER



# FULL-SERVICE – DESIGN, MANUFACTURE, INSTALL – LIFETIME SUPPORT



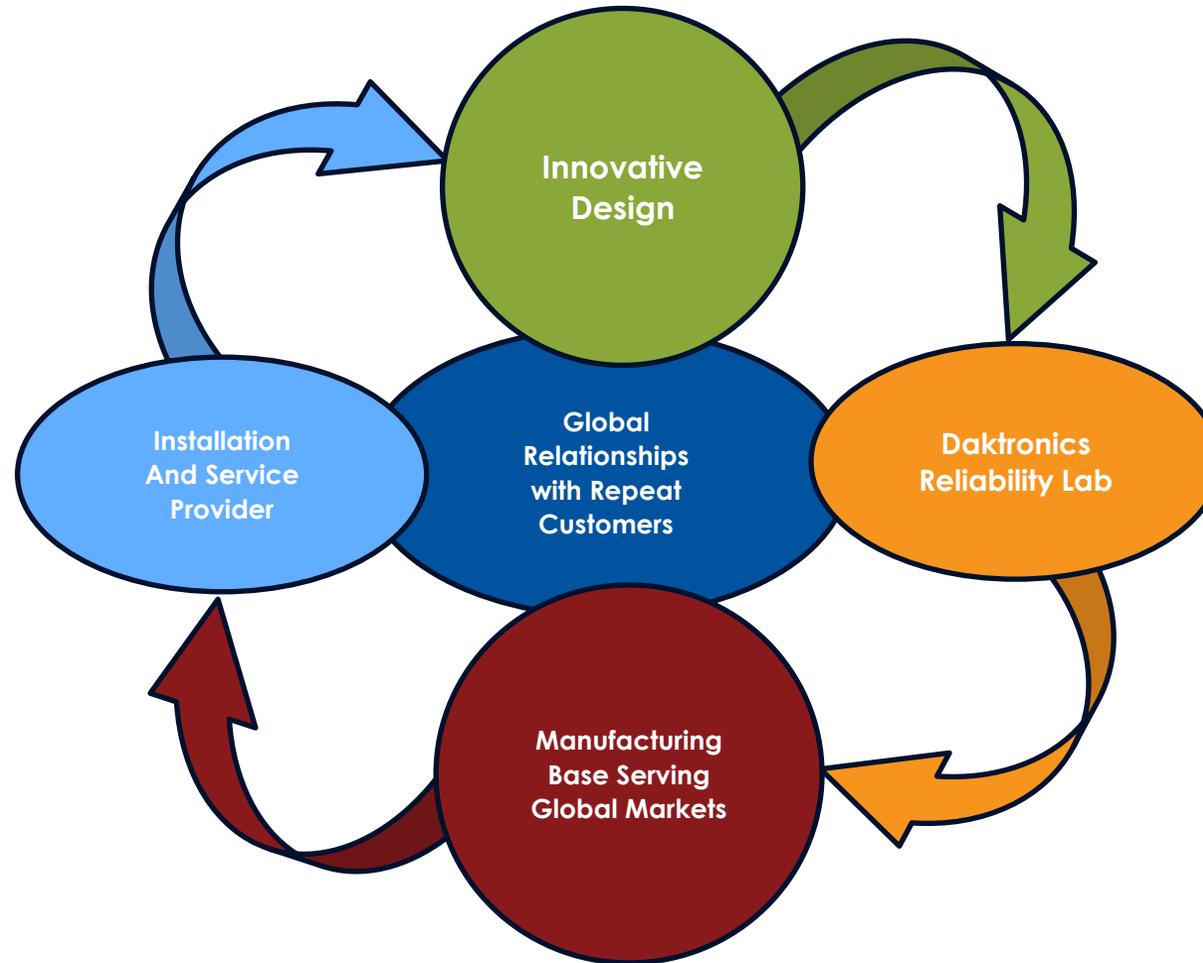
## Installation and Service

- Continuous service
- Lifetime support
- Content development



## Global Manufacturing

- Strategic facility placement
- Strict quality control
- Experience in large, complex projects



## Innovative Design

- Flexibility, integrated systems
- Quality and reliability
- Ease of content management
- Constant innovation



## Reliability Lab

- Components tested rigorously – exceeds industry standard
- Long display lifetime, high-contrast, true-to-life images

# GLOBAL RELATIONSHIPS WITH REPEAT CUSTOMERS

- **Demonstrated success cultivates long-term relationships** for replacement cycles and additional sales opportunities
- **Grow profitably** in core and adjacent customer types and geographies **through strategic offering expansion tailored to customer needs**
- **Demand prioritization** for focus on growth and profitable market verticals
- **Unified Sales and Project coordinator support and ongoing Service** – real time quotes, booking, project delivery success paired with ongoing service support to keep systems operating and looking their best
- **Diversified product specialization** with expertise collaboration across complex projects ensures satisfaction & delivery – High quality regardless of complexity



# Developing and Applying Future Technologies

## Today:

- Narrow Pixel Pitch (NPP)
- High Resolution Outdoor
- Event Control - Live 3D rendering
- Cloud based Control Platform



## Future potential technologies:

- MicroLED – Narrow Pixel Pitch
- Reflective – low power displays
- Intelligent Power Management
- SAAS Control Solutions



## Future potential markets:

- Transportation - International
- Street Level Advertising
- AV integrator distribution

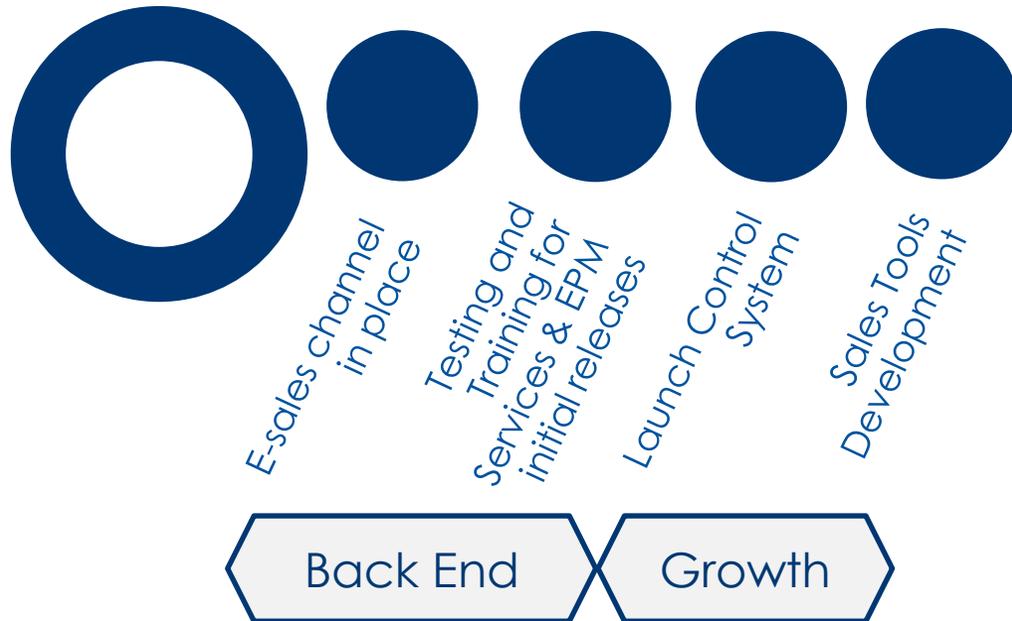


# Digital Transformation Update

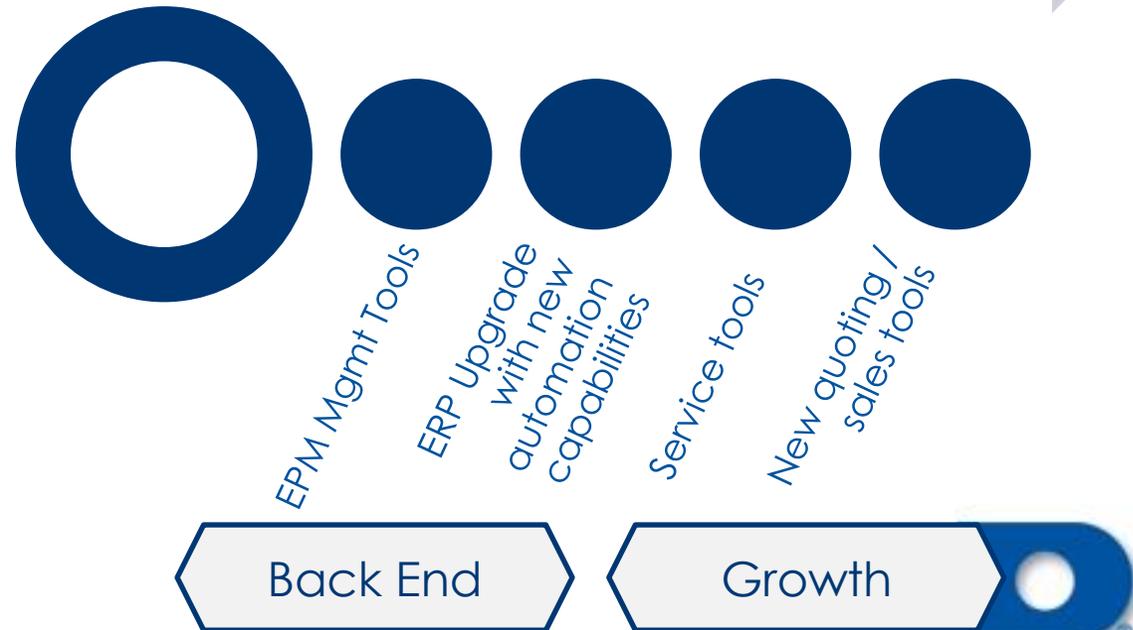
## Significant progress along our digital roadmap

- Supporting aggressive growth, data-driving planning, and operational efficiencies
- Lower maintenance IT system spend and upgrade key tools
- Enterprise performant management tool platform releases
- Redesign front-end quoting, sales processes

F2025



F2026



# Business Transformation

## Higher Operating Margin: 10-12%

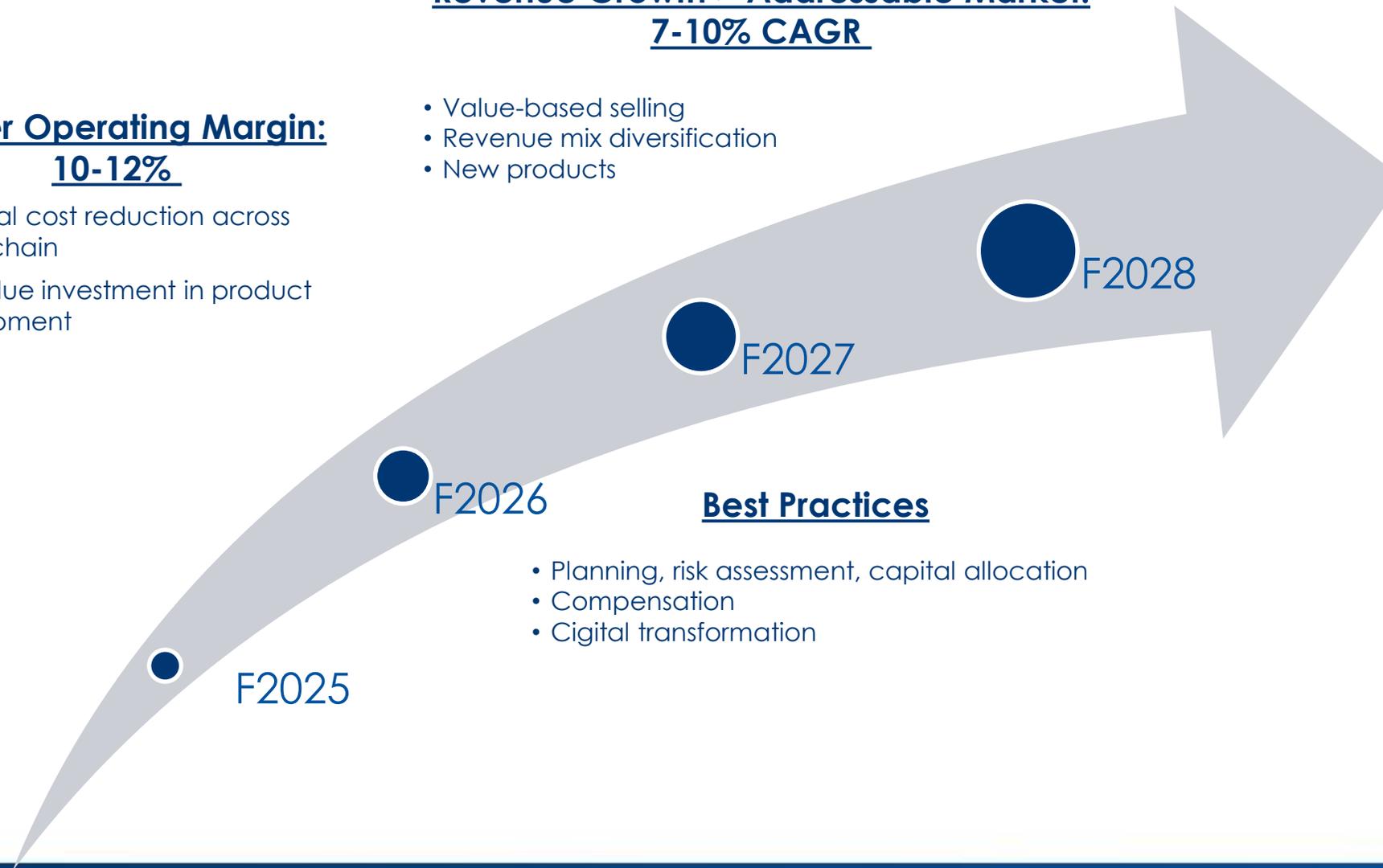
- Structural cost reduction across supply chain
- High value investment in product development

## Revenue Growth > Addressable Market: 7-10% CAGR

- Value-based selling
- Revenue mix diversification
- New products

## Best Practices

- Planning, risk assessment, capital allocation
- Compensation
- Digital transformation



**Top quartile ROIC =  
17-20% Operating  
Margin + Growth +  
Capital Allocation**

**Timing:  
Preponderance of  
benefits expected  
in 2HFY2026 and  
FY2027**

# Summary

- Global industry leader in best-in-class video communication displays and control systems
- Only US manufacturer of scale with a global footprint and servicing by geographic market
- Extending technology leadership, high-quality solutions, world class service
- Transformation commitment toward revenue growth faster than addressable market, 10-12% operating margin and 17-20% returns on capital by FY 2028



Intuit Dome – Los Angeles



WEC Energy Group

# QUESTIONS?



University of Connecticut,  
East Hartford, CT

# APPENDIX

# FISCAL THIRD QUARTER 2025 HIGHLIGHTS



## **Drove sequential order growth in the third quarter**

- Commercial orders continue to increase strongly
- Secured order for a major NFL stadium in Live Events unit
- International orders rebounded
- FQ3 Orders -2.7% YoY, +5.2% QoQ, +1.2% YTD

## **Mitigated seasonal dynamics and reduced cost to maintain gross margin**

- Sales -12.2% - third quarter is historically lowest-volume quarter
- Employed cost reduction strategies on lower volumes and favorable mix – gross margin 24.6% vs 24.5% last year

**Margin preservation and working capital management drove 26.8% increase in cash flow generation of \$12.0 million in FQ3, 39.1% increase to \$74.8 million YTD**

**Teams continue to advance digital transformation projects / Business Transformation Office finalized rigorously planned program and launched initiatives during FQ3**

- Expect program to yield revenues faster than the addressable markets growth of 7-10% and 10-12% operating margins by fiscal 2028, supporting generation of returns on capital in the 17-20%

**Product Backlog \$273 million – Order Growth expected in Commercial and International in F2025**

# MARKET VERTICAL – FQ3 REVIEW



## Live Events

- Won major project with SE NFL team
- Soft MLB near-term demand
- Orders -18% YoY / +11% QoQ
- Akron Rubberducks minor league baseball



## Commercial

- Orders +19% YoY / -8% QoQ
- Continued strong OOH and Spectacular growth
- Independent channel investments continue to pay off
- NPP use in Recreation & Wellbeing center



## Transportation

- Won South Dakota DOT project
- Orders -27% YoY / +13% QoQ
- Variability in orders due to project size and timing of signing
- Intuit Dome parking garage – highlighting add on sales surrounding sports spaces



## International

- Orders 142% YoY / +34% QoQ
- Strength in order wins from OOH customers
- Bids converting to purchases at higher rates
- Order pipeline remains active

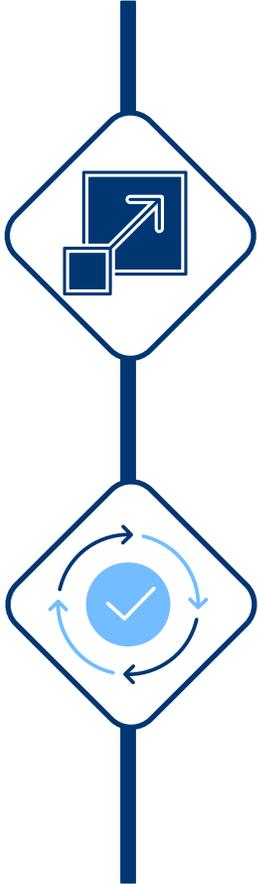
## High School Park and Recreation

- Orders -2% YoY / -4% QoQ
- Seasonal softness
- Higher-margin products orders success
- Conversion to LED video durable market trend

## Control Capabilities

- Multi-Year Platform strategy advancement progressing – new control capabilities / 3D visualization / real-time rendering launching for fall '25 sports seasons
- Testing and marketing planning

# Transformation Update – Momentum from Launched Initiatives, Next 6 Months' Focus



## Driving profitable growth

- Value-based pricing changes – service parts and certain products
- Launch of SaaS product trials to target customers
- Prioritizing high-growth international geographies and segments

## Driving down costs

- Operational efficiency reviews & implementation of changes across all manufacturing sites (kicked off with HSPR cost-reduction initiatives)
- Align operations with anticipated evolution in underlying technologies, leveraging outsourcing
- Simplifying product complexity to ensure reliability and cost-advantage
- Aggressively renegotiating key supply contracts

# LIVE EVENTS BUSINESS UNIT



Minnesota Twins



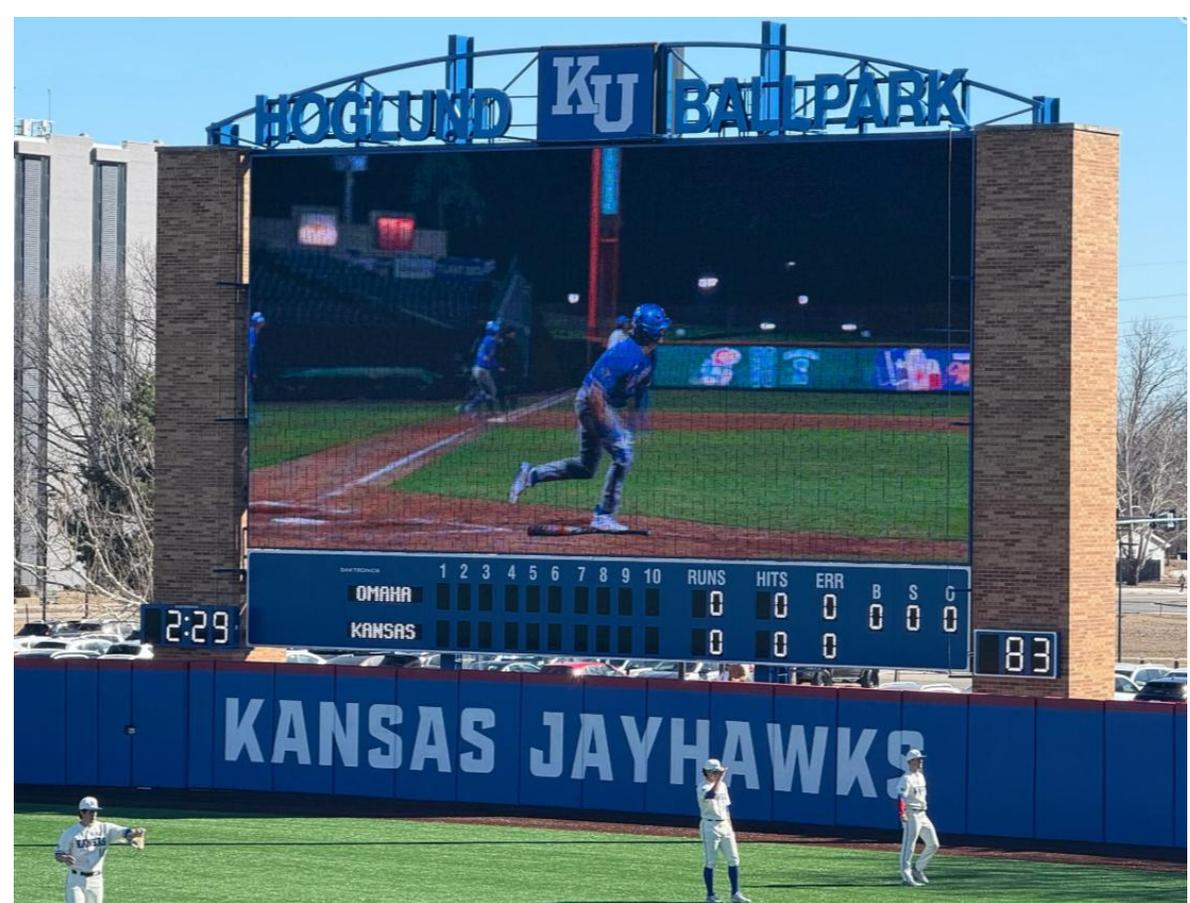
# LIVE EVENTS

» Video display solutions for large sports venues and live entertainment facilities

- Professional sports
- College and university
- Arenas

» Competition

- Samsung, SNA Displays, Leyard, ANC, Yaham, Mitsubishi, and others
- Asian competition through U.S. integrators



University of Kansas

# LIVE EVENTS

## Demand Drivers

- » Facility increased spend to:
  - Enhance attendee event experience
  - Revenue source from advertising
  - Competitive nature to outperform other facilities
  - Attract athletes
- » Lower product costs and technological advances, driving expansion of marketplace
- » High definition product offering (HD)
- » Replacement cycle (systems can last from 8-12 years)
- » Post-installation services provide recurring revenue streams



# HIGH SCHOOL PARK AND RECREATION (HSPR) BUSINESS UNIT



Jackson Academy, MS



# HSPR

- » Video and scoring systems and message centers to
  - Elementary and high schools, junior colleges
  - Park and recreation departments
- » Primary funding is through local sponsors and advertisers



Ellsworth High School, WI



Carroll High School, IN

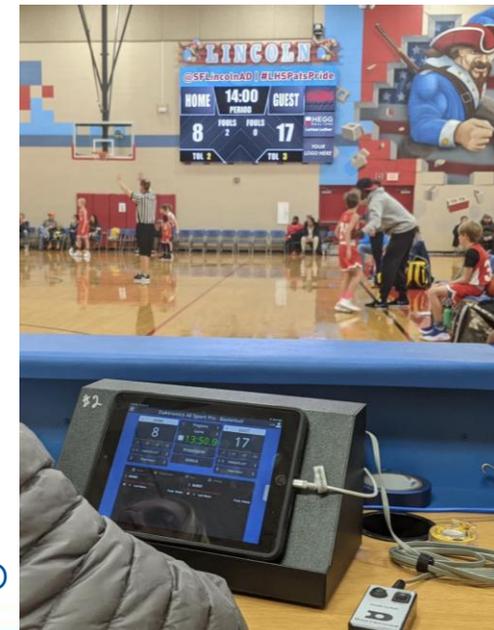
# HSPR

## » Growth Drivers

- Larger more sophisticated displays in sports venues
- Revenue generation
- Communication medium
- New construction/replacement cycles
- Offerings for academic curriculum usage and mobile scoring solutions

## » Competitors

- Fair-Play by Translux, Scorevision, Nevco, Spectrum, Electro-Mech Scoreboards, Watchfire, Digital Displays, Formetco
- Other smaller company manufacturers



Lincoln High School, SD

# COMMERCIAL BUSINESS UNIT



Lakeside Casino, IA



Astral Media Outdoor, Canada



Caliber Car Wash, SC



# COMMERCIAL

- » Sales channel focus
  - Third party advertising/Out of Home Advertising (OOH)
  - On-premise advertising (retail)
  - AV Integrator and Spectacular (custom video)
- » Customers include sign and billboard companies, national retailers, quick-serve restaurants, casinos, shopping malls, and petroleum retailers.
- » Primary offerings
  - Digital billboards
  - Message centers
  - Video display systems/display walls
  - Petroleum displays
  - Dynamic messaging systems



Westbrook Mall, Calgary, Canada

# COMMERCIAL

- » Long-term growth drivers
  - Market adoption, including National Accounts
  - Spectacular use to entertain/advertise in unique locations
  - Effective advertising medium (outdoor and indoor networks) – increased customer foot-traffic for customer
  - Replacement cycle (7-10 years)
  - Architectural lighting
  
- » Competitors
  - Message Centers/Digital Billboards: Watchfire, Vantage, Samsung, Formetco, Optec, Optotec
  - Video Projects/Walls: SNA USA, Prismview, Playnar/Leyard, Yaham, ANC, Integrators using Asian Manufacturers



Hollywood Casino, OH



Burger King, MO

# TRANSPORTATION BUSINESS UNIT



*New Jersey Turnpike*



*Long Island Rail Road, NY*

# TRANSPORTATION

- » Three niches
  - Intelligent transportation systems (ITS)
  - Airports
  - Mass Transit
- » Customers include governmental transportation departments, industry contractors, airlines, mass transit, and other related customers
- » Competitors
  - Skyline
  - Ledstar
  - Telegra
  - SWARCO
  - Sunrise SESA Technologies, Inc.
  - LG-MRI
  - Adaptive Micro Systems
  - Solari USA
  - others



Orange County Convention Center, Orlando FL



LA Clippers Parking Garage, CA

# TRANSPORTATION

## » Long-term growth drivers

- Transportation management - increasing traffic demands on constrained infrastructure expanding use of dynamic messaging systems
- Governmental funding and investment in infrastructure projects
- Infographic communication
- Advertising needs



Seattle Monorail, WA



Denver International Airport, CO

# INTERNATIONAL BUSINESS UNIT



Mall of Qatar  
Doha, Qatar

# INTERNATIONAL

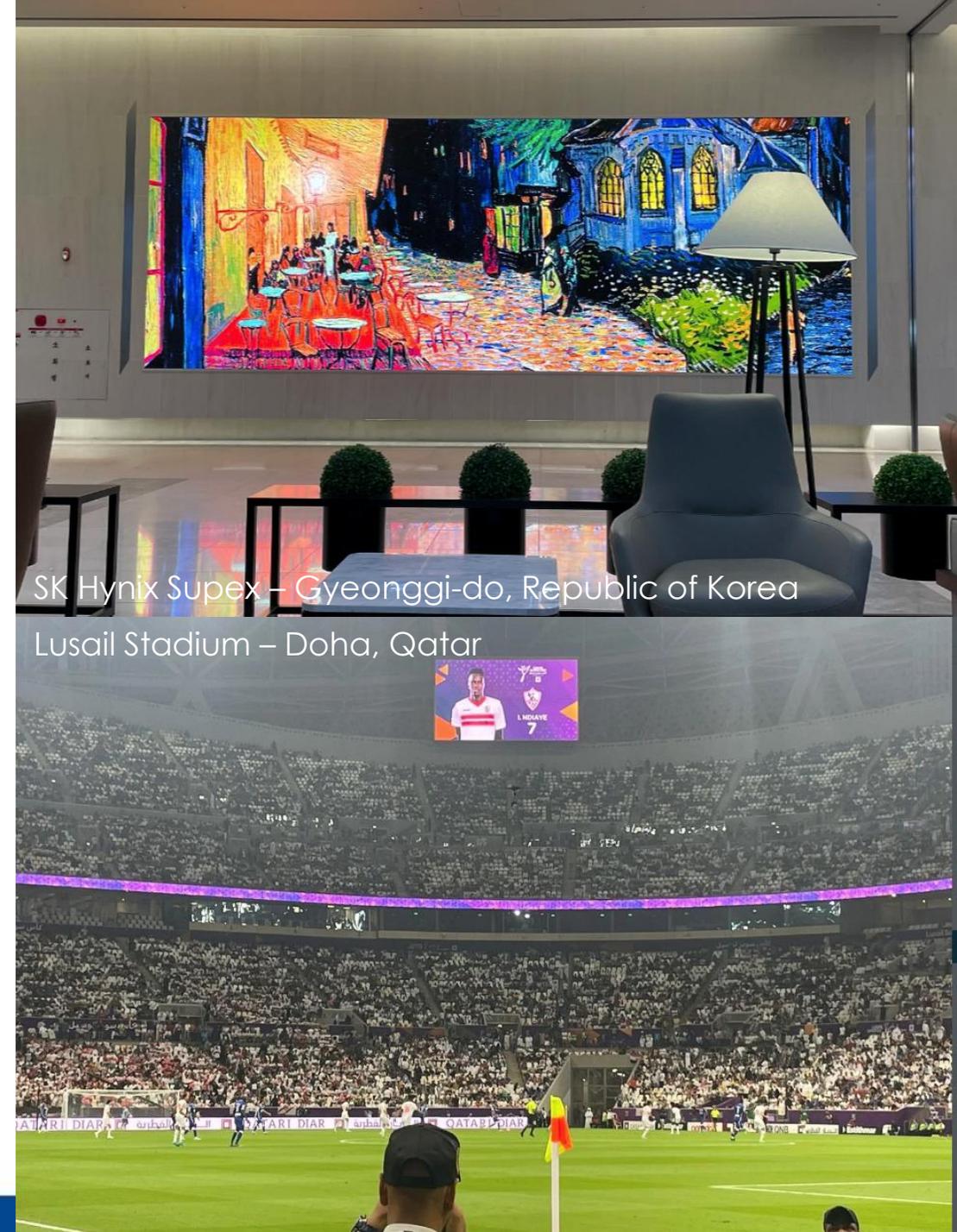
Wide range of products coupled with geographic coverage

- » Commercial video systems
- » Sports video systems
- » Digital billboard (OOH)
- » Architectural lighting
- » Transportation systems

Customers include companies focused on sports, advertising, transportation and retail around the world but excludes the United States & Canada

## Infrastructure

- » World-wide sales & service offices
- » International Manufacturing:
  - China- architectural lighting and video displays
  - Ireland – transportation products



SK Hynix Supex – Gyeonggi-do, Republic of Korea

Lusail Stadium – Doha, Qatar

# INTERNATIONAL

## » Growth opportunities

- 3<sup>rd</sup> party advertising/Out of Home Advertising
- Live Events facilities/sports
- European/Middle East transportation systems
- Increased geographical coverage

## » Competitors: Absen, Samsung, Aoto, Leyard, Unilumen, Mitsubishi, LG Electronics, Lighthouse, Panasonic, and other country-specific competitors



Hills Estate Mall – Dubai, UAE



Xin Chang Museum – Beijing, China

# FINANCIAL INFORMATION



NASCAR Hall of Fame  
Charlotte, NC



Rivers Casino  
Portsmouth, VA

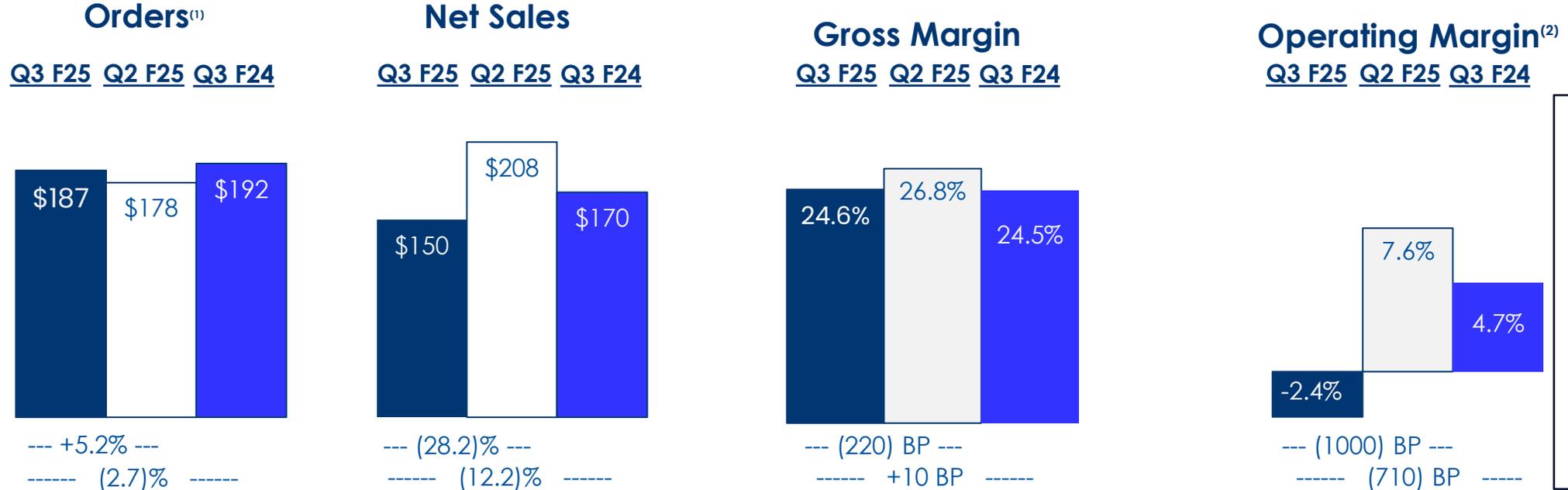


Premier Bankcard  
Sioux Falls, SD



# FQ3 FY2025 FINANCIAL HIGHLIGHTS

(\$ in millions, except per share data)



(\$ in thousands, except per share data)

	Q32025	Q32024	Change
Cash, net of debt	\$ 90,942	\$ 27,823	226.9%
Working capital	\$ 231,976	\$ 205,269	13.0%
Operating cashflow	\$ 12,019	\$ 9,479	26.8%

Note: Percentages are calculated based on actual amounts. Due to rounding, totals may not equal the sum of the items in the chart above.

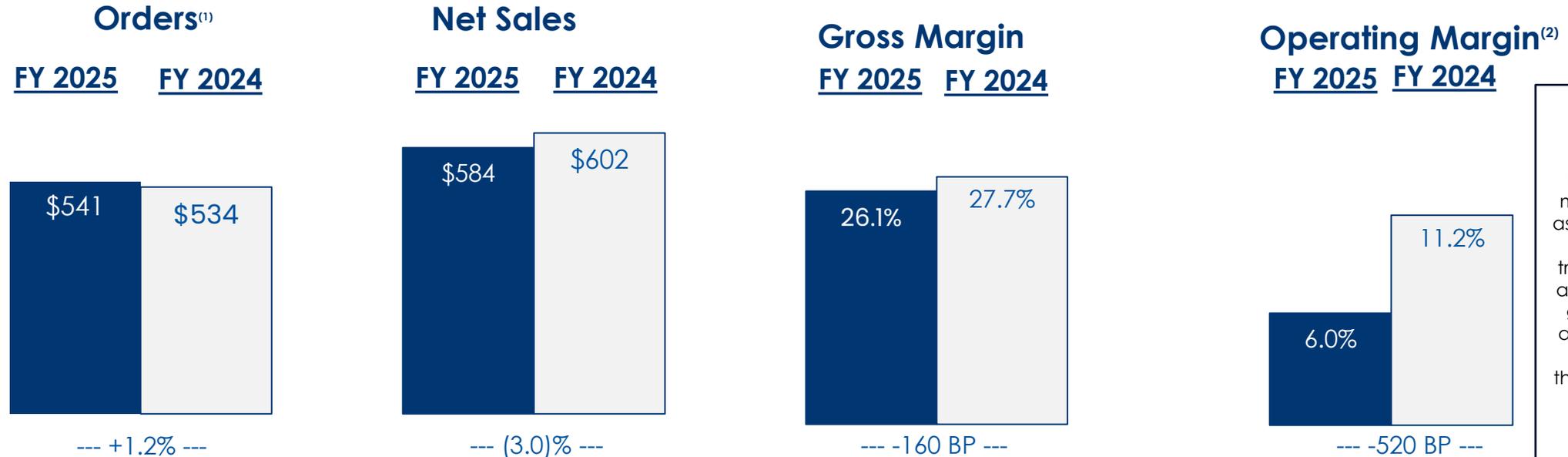
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(2) Adjusted net income. We disclose adjusted net income as a non-GAAP financial measurement in order to report our results exclusive of items that are non-recurring or not core to our operating business. We believe presenting this non-GAAP financial measurements provides investors with a consistent way to analyze our performance. Adjusted net income was \$16.6 million for FQ1 FY2025



# YTD FY2025 FINANCIAL HIGHLIGHTS

(\$ in millions, except per share data)



YTD 2025 operating expenses include \$9.0 million in costs associated with strategic transformation and corporate governance advisory costs. Excluding these, adjusted operating margin was 7.7%.

(\$ in thousands, except per share data)

	Q32025	Q32024	Change
Cash, net of debt	\$ 90,942	\$ 27,823	226.9%
Working capital	\$ 231,976	\$ 205,269	13.0%
Operating cashflow	\$ 74,839	\$ 53,789	39.1%

Note: Percentages are calculated based on actual amounts. Due to rounding, totals may not equal the sum of the items in the chart above.

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