



**FOURTH QUARTER FISCAL 2022**  
**NASDAQ: DAKT**

DAKTRONICS

# SAFE HARBOR STATEMENT

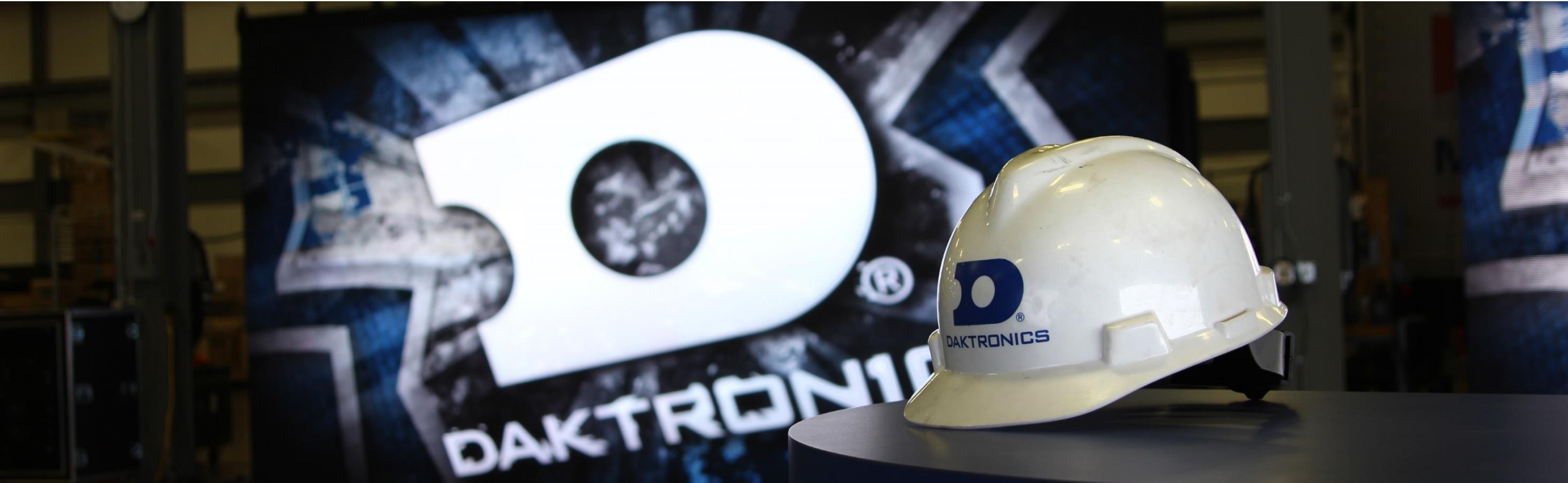
In addition to statements of historical fact, this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and is intended to enjoy the protection of that Act.

All forward-looking statements involve risks and uncertainties which may be out of our control and may cause actual results to differ materially. Such risks include changes in economic conditions, changes in the competitive and market landscape, including impacts of global trade discussions and policies, the impact of governmental laws, regulations, and orders, as a result of the COVID-19 pandemic, disruptions to our business caused by geopolitical events, military actions, work stoppages, nature disasters, or international health emergencies, such as the COVID-19 pandemic, management of growth, timing and magnitude of future contracts, fluctuations of margins, the introduction of new products and technology, availability of raw materials and components, and other important factors as noted and detailed in our 10-K and 10-Q SEC filings.

Forward-looking statements are made in the context of information available as of the date stated. The Company undertakes no obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur.



# DAKTRONICS VISION



To be the world leader at informing and entertaining audiences through dynamic audio-visual communication systems.



# DAKTRONICS MISSION

## Our Values Reflect our Mission

Every day, our values are reflected in the way we build our products and our relationships. We deliver industry-leading value to our customers by:



Engaging our employees through challenging and rewarding opportunities



Developing strategic partnerships with our suppliers



Leveraging our strengths in product innovation, manufacturing and service

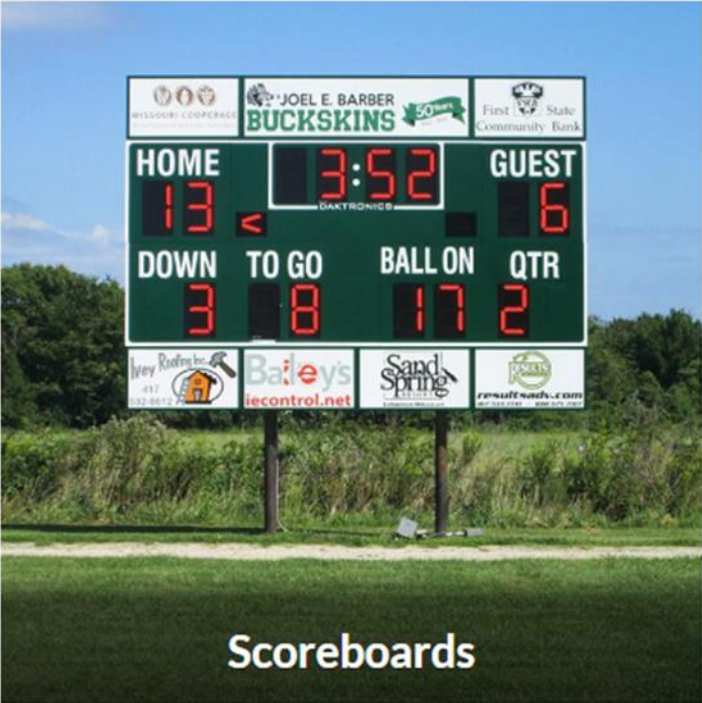


Contributing to the betterment of our communities

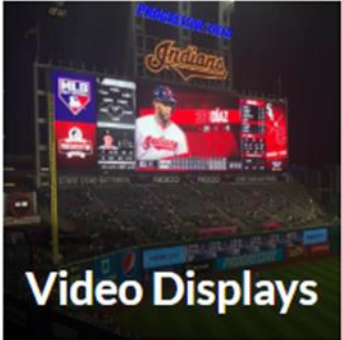


Generating an attractive return for investors

# INDUSTRY LEADER



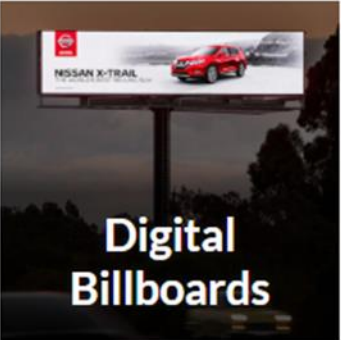
Scoreboards



Video Displays



Software & Controllers



Digital Billboards



Video Walls



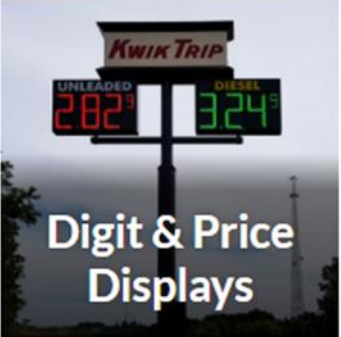
Digital Street Furniture



ITS Dynamic Message Signs



LED Signs



Digit & Price Displays



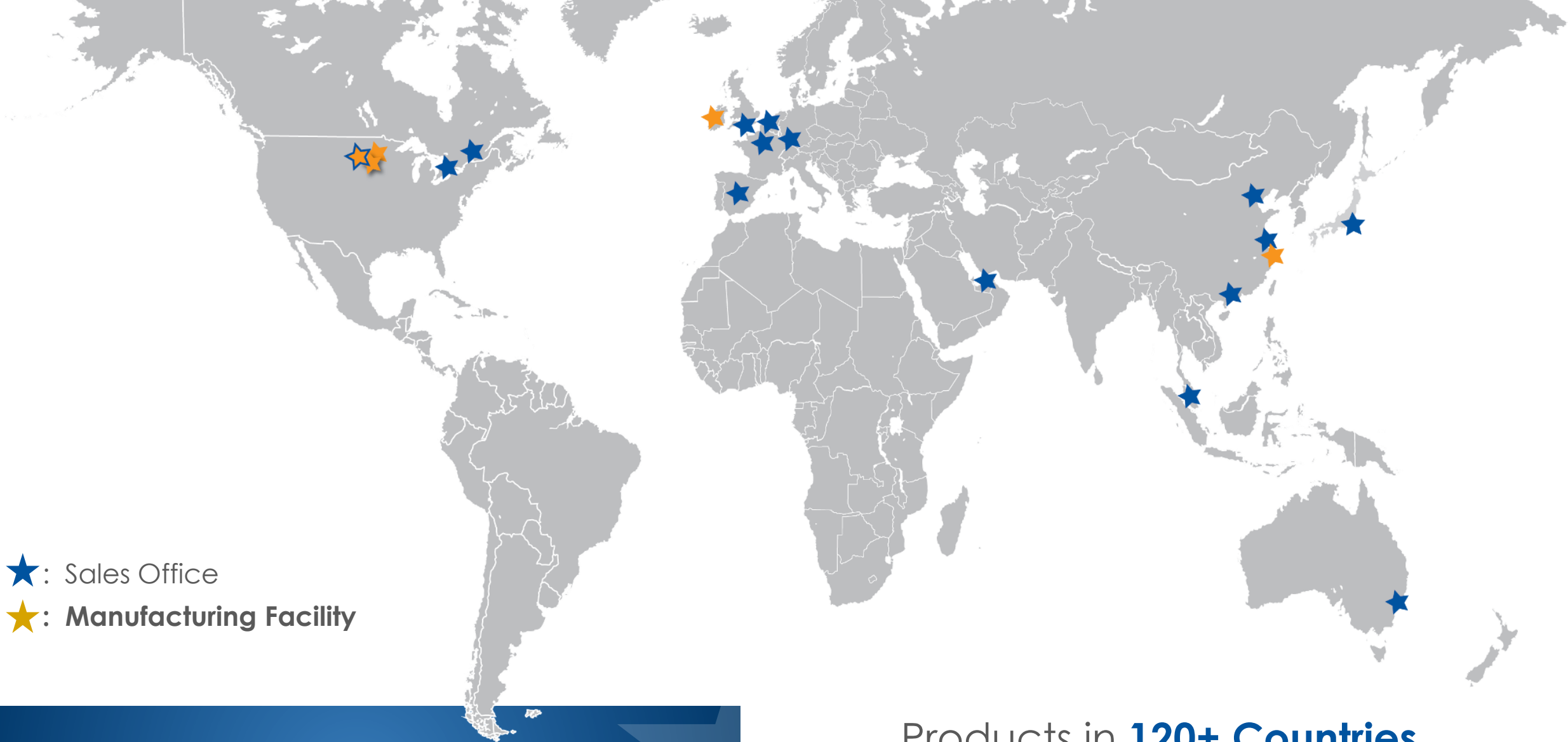
Indoor LCD Signs



Freeform Elements



Sound Systems



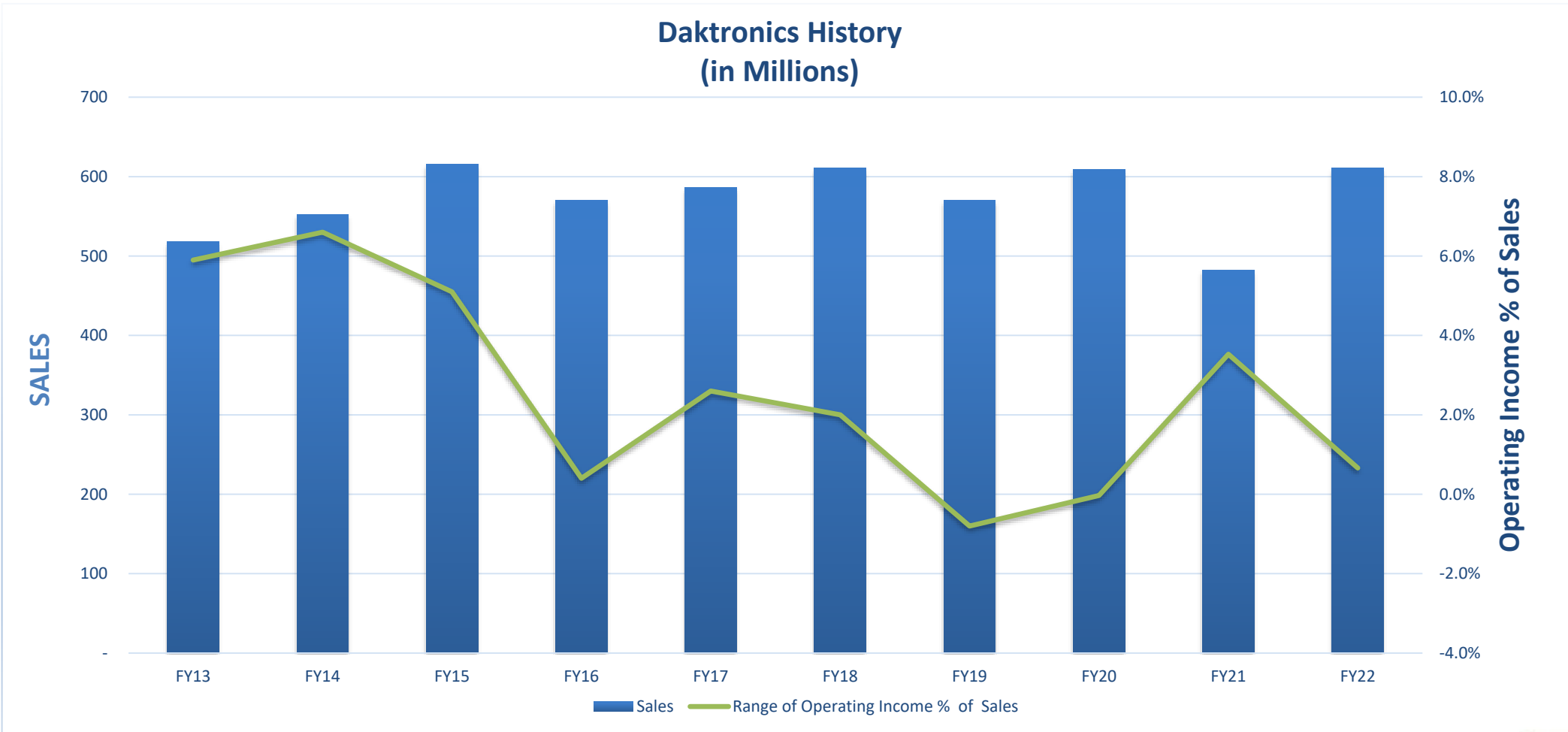
★: Sales Office  
★: Manufacturing Facility

# OFFICES AROUND THE GLOBE

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



# 10 YEAR HISTORY SALES & OPERATING INCOME %



# 10 Year History Free-Cash Flow\*

|                          | FY2013    | FY2014    | FY2015    | FY2016      | FY2017    | FY2018    | FY2019    | FY2020     | FY2021    | FY2022      |
|--------------------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|------------|-----------|-------------|
| Net cash from operations | \$ 50,749 | \$ 36,199 | \$ 54,702 | \$ 13,354   | \$ 39,407 | \$ 30,361 | \$ 29,546 | \$ 10,808  | \$ 66,212 | \$ (26,830) |
| Net capital expenditures | (9,476)   | (13,281)  | (24,830)  | (23,963)    | (8,304)   | (15,948)  | (16,661)  | (17,769)   | (4,707)   | (19,492)    |
| Free cash flow**         | \$ 41,273 | \$ 22,918 | \$ 29,872 | \$ (10,609) | \$ 31,103 | \$ 14,413 | \$ 12,885 | \$ (6,961) | \$ 61,505 | \$ (46,322) |



\*\$ in thousands



# 10 Year History Return to Shareholders

| Fiscal Year         | Regular Dividend/ Share | Annualized Dividend Yield | Special Dividend/ Share | Total Dividend Payout (000's) | Share Repurchased (000's) | Total Shared Repurchased Cost (000's) |
|---------------------|-------------------------|---------------------------|-------------------------|-------------------------------|---------------------------|---------------------------------------|
| 2012 <sup>(1)</sup> | 0.220                   | 1.9%                      | 0.400                   | 25,950                        |                           |                                       |
| 2013                | 0.230                   | 3.6%                      | 0.500                   | 30,859                        |                           |                                       |
| 2014 <sup>(2)</sup> | 0.390                   | 3.0%                      | -                       | 16,690                        |                           |                                       |
| 2015                | 0.400                   | 3.7%                      | -                       | 17,377                        |                           |                                       |
| 2016                | 0.400                   | 5.1%                      | -                       | 17,556                        |                           |                                       |
| 2017 <sup>(3)</sup> | 0.270                   | 2.8%                      | 0.040                   | 13,651                        | 284                       | \$1,825                               |
| 2018                | 0.280                   | 3.1%                      | -                       | 12,424                        | -                         | -                                     |
| 2019                | 0.280                   | 3.8%                      | -                       | 12,554                        | -                         | -                                     |
| 2020                | 0.200                   | 4.5%                      | -                       | 8,994                         | 1,039                     | \$5,636                               |
| 2021 <sup>(4)</sup> | -                       | 0.0%                      | -                       | -                             | -                         | -                                     |
| 2022                | -                       | 0.0%                      | -                       | -                             | 641                       | \$3,184                               |

(1) – changed to semi-annual dividend

(2) – changed to quarterly dividend

(3) – share repurchase program authorized during FY17

(4) - Dividends and share repurchases suspended in April 2020 because of uncertainties caused by COVID-19 pandemic.



# More about Daktronics

- ✓ 52/53 Week Fiscal Years ending in April
- ✓ Seasonality to results (Sports/Construction season)
- ✓ Video systems comprise a large portion of business with standard systems and services comprising the remaining
- ✓ Large video systems projects may include general contracting with lower margin %, but add margin \$
- ✓ Customer delivery schedules & sports season impact quarterly results
- ✓ Q3 Includes 2 major holidays

## 10 YEAR HISTORY DILUTED EARNINGS PER SHARE (after adjustment for splits)

| Fiscal Year | Q1     | Q2     | Q3     | Q4     |
|-------------|--------|--------|--------|--------|
| 2012        | + 0.08 | + 0.09 | + 0.04 | - 0.01 |
| 2013        | + 0.16 | + 0.27 | + 0.06 | + 0.04 |
| 2014        | + 0.13 | + 0.27 | + 0.07 | + 0.04 |
| 2015        | + 0.20 | + 0.18 | + 0.01 | + 0.08 |
| 2016        | + 0.09 | + 0.07 | - 0.04 | - 0.07 |
| 2017        | + 0.13 | + 0.20 | - 0.12 | + 0.02 |
| 2018        | + 0.19 | + 0.16 | - 0.14 | - 0.09 |
| 2019        | + 0.10 | + 0.19 | - 0.07 | - 0.24 |
| 2020        | + 0.16 | + 0.16 | - 0.28 | - 0.02 |
| 2021        | + 0.17 | + 0.08 | 0.00   | + 0.01 |
| 2022        | + 0.08 | + 0.05 | - 0.10 | - 0.02 |



# FY2022 FOURTH QUARTER RESULTS

(\$ in thousands, except per share data)

|                            | Three Months Ended |               | Percent<br>Change |
|----------------------------|--------------------|---------------|-------------------|
|                            | 30-Apr<br>2022     | 1-May<br>2021 |                   |
| Orders                     | \$ 285,829         | \$ 171,177    | 67.0%             |
| Net sales                  | \$ 162,203         | \$ 116,883    | 38.8%             |
| Gross profit               | 29,937             | 27,567        | 8.6%              |
| Gross margin               | 18.5%              | 23.6%         |                   |
| Operating (loss) income    | (319)              | 1,136         | -128.1%           |
| Operating margin           | -0.2%              | 1.0%          |                   |
| Net income                 | \$ (1,117)         | \$ 257        | -534.6%           |
| % of sales                 | -0.7%              | 0.2%          |                   |
| Diluted earnings per share | \$ (0.02)          | \$ 0.01       |                   |

# FY2022 ANNUAL RESULTS

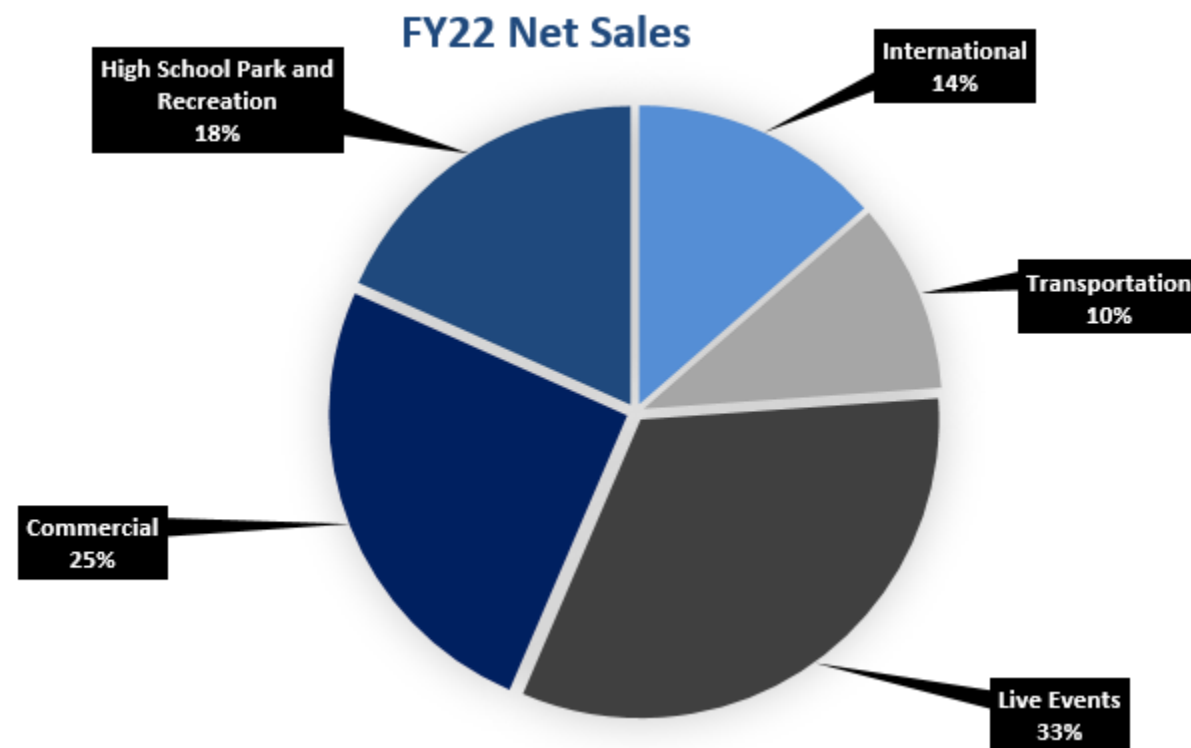
(\$ in thousands, except per share data)

|                            | Twelve Months Ended |               | Percent<br>Change |
|----------------------------|---------------------|---------------|-------------------|
|                            | 30-Apr<br>2022      | 1-May<br>2021 |                   |
| Orders                     | \$ 846,071          | \$ 515,884    | 64.0%             |
| Net sales                  | \$ 610,970          | \$ 482,033    | 26.7%             |
| Gross profit               | 116,697             | 120,583       | -3.2%             |
| Gross margin               | 19.1%               | 25.0%         |                   |
| Operating income           | 4,046               | 17,108        | -76.4%            |
| Operating margin           | 0.7%                | 3.5%          |                   |
| Net income                 | \$ 592              | \$ 10,926     | -94.6%            |
| % of sales                 | 0.1%                | 2.3%          |                   |
| Diluted earnings per share | \$ 0.01             | \$ 0.24       |                   |

Pandemic impacts to demand 2021 and Supply Chain 2022 creating dramatic changes

# Business Unit Recap

- ✓ Live Events, Commercial, Transportation, and High School Park and Recreation, include net sales in the United States and Canada
- ✓ International net sales include rest of world and are primarily for solutions for large sports venues, spectacles, third-party advertising, and transportation type solutions



EXPERIENCE THE DAKTRONICS

DIFFERENCE



# LIVE EVENTS BUSINESS UNIT



New England Patriots

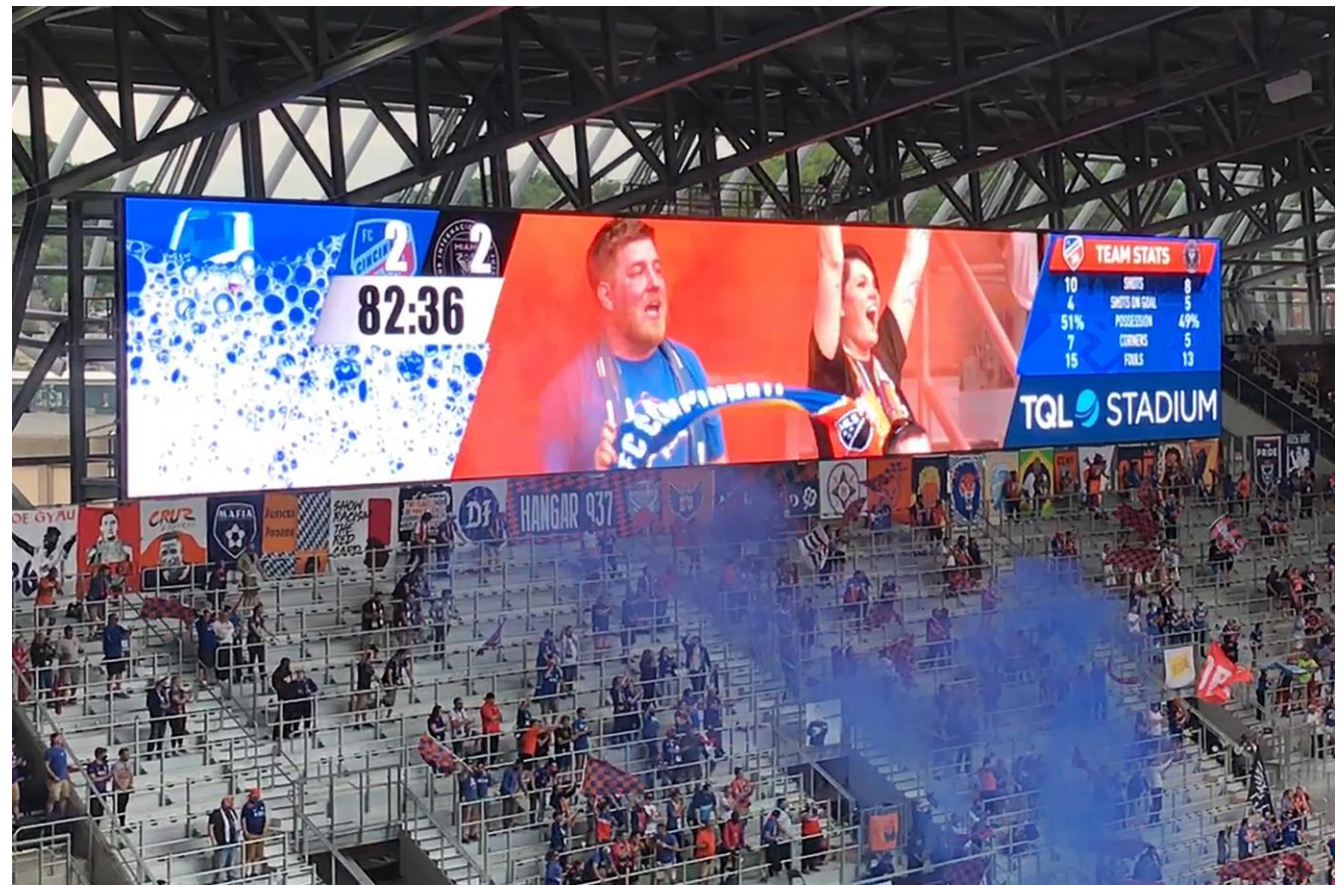
# LIVE EVENTS

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

- Professional sports
- College and university
- Arenas

» Competition

- Mitsubishi, Lighthouse, Panasonic, Prismview (Division of Samsung) and others
- Asian competition through U.S. integrators



FC Cincinnati

# LIVE EVENTS

## Demand Drivers

- » Facility increased spend to:
  - Enhance attendee event experience
  - Revenue source from advertising
  - Competitive nature to outperform other facilities
- » Lower product costs, driving expansion of marketplace
- » High definition product offering (HD)
- » Replacement cycle (systems can last from 8-12 years)



Liberty University Arena



# HIGH SCHOOL PARK AND RECREATION (HSPR) BUSINESS UNIT



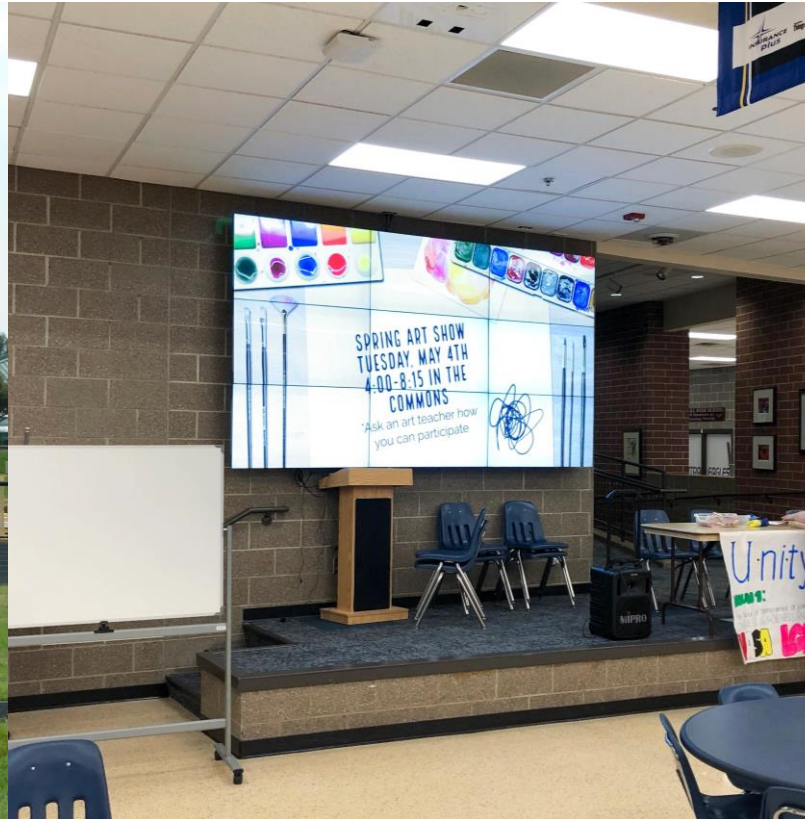
River Falls High School, Wisconsin

# 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



West Branch High School, Ohio



Aberdeen Central High School, SD

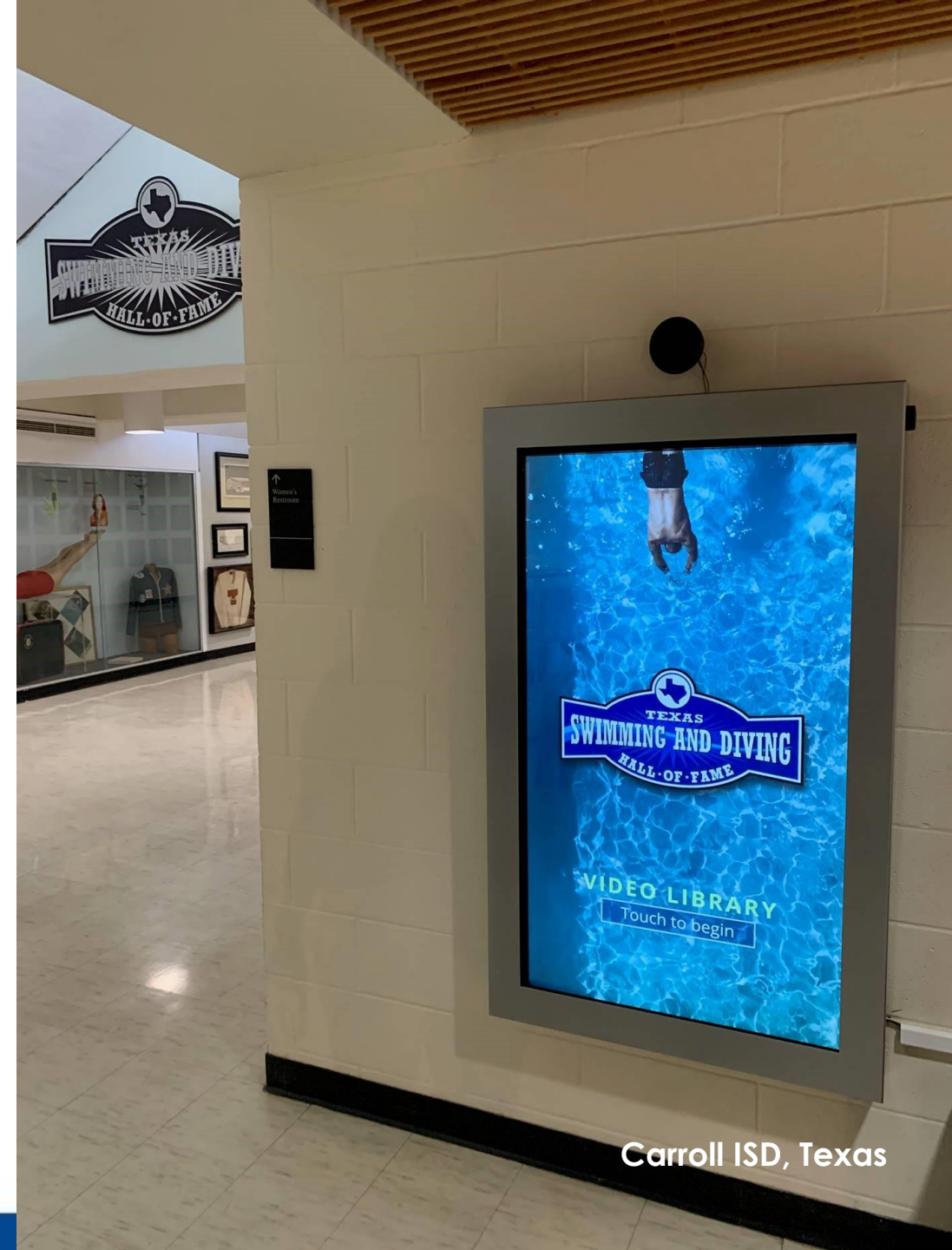
# HSPR

## » Growth Drivers

- Larger more sophisticated displays in sports venues
- Revenue generation
- Communication medium
- New construction/replacement cycles
- Curriculum usage

## » Competitors

- Formetco
- Scorevision
- Translux
- Nevco
- other smaller company manufacturers



# COMMERCIAL BUSINESS UNIT



Wilderness Resort  
Baraboo, WI



Book Your Billboard  
Sioux Falls, SD



Pendry West Hollywood Hotel  
West Hollywood, CA

# COMMERCIAL

- » Sales channel focus
  - Third party advertising/Out of Home Advertising (OOH)
  - On-premise advertising (retail)
  - Spectacular (custom video)
- » Primary offerings
  - Digital billboards
  - Message centers
  - Video display systems/display walls
  - Petroleum displays
  - Dynamic messaging systems



Marquee Media, Sacramento, CA



Kwik Trip, Glencoe, MN

# 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)
  - Replacement cycle (7-10 years)
  - Architectural lighting
- » Competitors
  - Message Centers: Optec, Watchfire, Vantage
  - Digital Billboards: Watchfire, Formetco, Optotech
  - Video Projects: Sansi, Prismview, ANC, Integrators using Asian Manufacturers
  - Video Walls: Sansi, Leyard, Absen, Unilumen



George Chevrolet Bellflower, CA



Barstool Sportsbook Ameristar Casino Blackhawk, CO

# TRANSPORTATION BUSINESS UNIT



*Project NEON, Nevada DOT*



Ft. Lauderdale-Hollywood International Airport

# TRANSPORTATION

- » Three niches
  - Intelligent transportation systems (ITS)
  - Airports
  - Mass Transit
- » Competitors
  - Skyline
  - Ledstar
  - Telegra
  - SES-America
  - Imago
  - others



Intelligent Transit Systems (ITS)

*Penn Turnpike, Norristown Interchange, PA*



# TRANSPORTATION

- » Long-term growth drivers
  - Transportation management - increasing traffic demands on constrained infrastructure
  - Governmental funding and investment in infrastructure projects
  - Infographic communication
  - Advertising needs



Traffic Management Center – video wall



Minneapolis-St. Paul International Airport  
Roadway and Parking Garage displays



# INTERNATIONAL BUSINESS UNIT



National Museum of Qatar  
Doha, Qatar

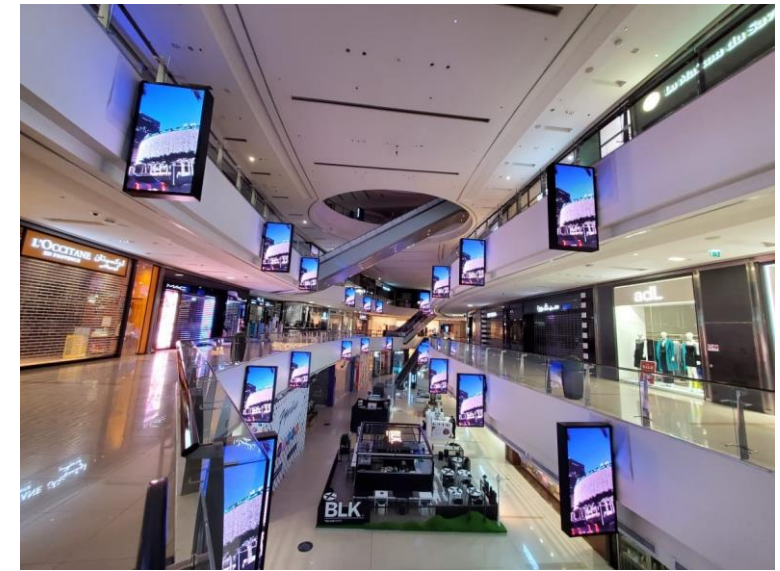
# INTERNATIONAL

## Main products

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

## Infrastructure

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



Marina Mall - Dubai



Hamad Medical Corporation - Dubai

# INTERNATIONAL

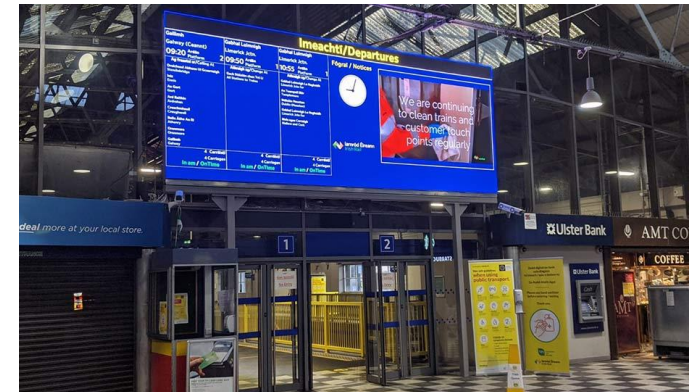
## » Growth opportunities

- 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, Lighthouse, Panasonic, Barco and other country-specific competitors



Tochigi City Football Club - Japan



Irish Rail – Colbert Station Limerick Ireland

# LOOKING AHEAD



Westfield Manukau City – Auckland, New Zealand



Circa Resort and Casino – Las Vegas, Nevada, USA



Krispy Kreme – New York, New York, USA



# NEAR-TERM EXPECTATIONS

## FY2023 focus -

- ✓ Maximizing productivity, balancing constraints expected (supply chain)
- ✓ Strategic investments in our capacity additions for elevated demand and future demand expectations
- ✓ Managing headwinds in material, labor, freight availability, and inflation
- ✓ Offering and developing comprehensive products and service, especially in narrow pixel pitch, advanced control systems, and alternative technologies
- ✓ Growing and fostering our direct and indirect sales channels
- ✓ Automating and improving processes and systems for enhancements to customers and employees experiences



# ACHIEVING LONG-TERM PROFITABLE GROWTH & SHAREHOLDER VALUE CREATION

## - Growth

- ✓ Continued global market adoption and expansion
- ✓ Providing industry leading solutions and services
- ✓ Natural Replacement cycle
- ✓ Brand of choice and value to customers
- ✓ Continued investment in new and advancement in technologies
- ✓ Developing new sales and marketing channels
- ✓ Worldwide economic conditions

## - Investments in Automation and Experience



Westgate Resort & Casino –  
Las Vegas, Nevada, USA

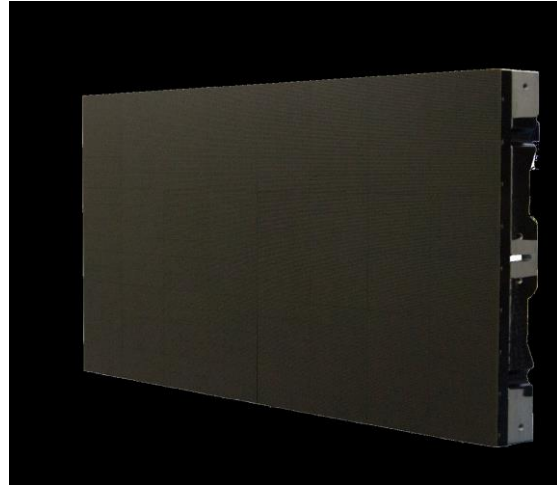


Joint Medical Operations Center –  
San Diego, California, USA

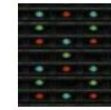
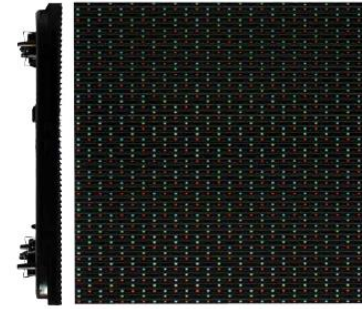


Beijing Indigo – Beijing, China

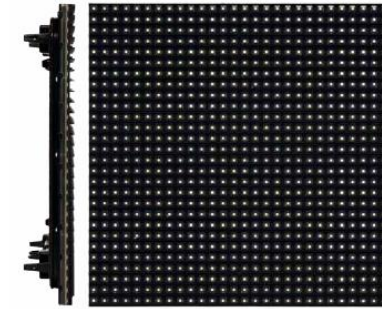
# SOLUTION EXAMPLES



## MODULE COMPARISON THROUGH-HOLE VS. SURFACE-MOUNT LEDs



THROUGH-HOLE LED MODULE



SURFACE-MOUNT LED MODULE



### Total Event Control

An integrated display control studio allows for flexible, intuitive display control and event management.



### Content Compositing

Powerful content compositing tools allow users to create broadcast-quality presentations.



### Live Data Integration

Streaming data integration makes it possible to enhance graphics with live stats and information.



### Media Players & Processors

Built-in media players and video processors allow for seamless delivery of a wide variety of digital media.





OUTDOOR SPECTACULARS



DYNAMIC MESSAGE SIGNS



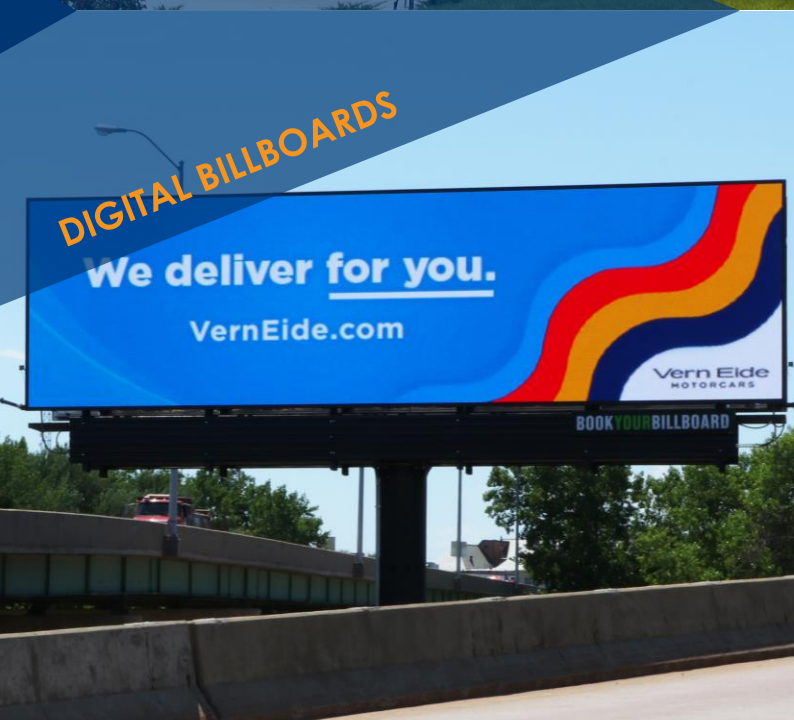
MESSAGE CENTERS



INDOOR HIGH RESOLUTION



CONTROL SYSTEMS



DIGITAL BILLBOARDS

# DAKTRONICS TECHNOLOGY

The background is a complex, futuristic digital landscape. It features a central, glowing blue sphere with a grid pattern, surrounded by various geometric shapes, lines, and data-like structures. The overall color palette is dominated by shades of blue, from deep navy to bright cyan. Numerous small, bright blue light sources create a sense of depth and activity, resembling a high-tech interface or a data center. The lighting is dramatic, with strong highlights and deep shadows, giving the scene a three-dimensional feel.

# QUESTIONS

# 10 YEAR HISTORY SUPPLEMENTAL INFORMATION

|   | FY2013    | FY2014    | FY2015    | FY2016    | FY2017    | FY2018    | FY2019    | FY2020    | FY2021    | FY2022    |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Net sales                                   | \$518,322 | \$551,970 | \$615,942 | \$570,168 | \$586,539 | \$610,530 | \$569,704 | \$608,932 | \$482,033 | \$610,970 |
| Gross profit                                | 133,894   | 141,710   | 144,579   | 121,019   | 140,415   | 145,669   | 130,294   | 138,700   | 120,583   | 116,697   |
| Operating expenses                          | 103,294   | 105,153   | 113,294   | 118,524   | 124,994   | 133,209   | 135,022   | 138,867   | 103,475   | 112,651   |
| Operating income (loss)                     | 30,600    | 36,557    | 31,285    | 2,495     | 15,421    | 12,460    | (4,728)   | (167)     | 17,108    | 4,046     |
| Net income (loss)                           | 22,779    | 22,206    | 20,882    | 2,061     | 10,342    | 5,562     | (958)     | 491       | 10,926    | 592       |
| Gross profit percentage                     | 25.8%     | 25.7%     | 23.5%     | 21.2%     | 23.9%     | 23.9%     | 22.9%     | 22.8%     | 25.0%     | 19.1%     |
| Operating margin percentage                 | 5.9%      | 6.6%      | 5.1%      | 0.4%      | 2.6%      | 2.0%      | (0.8%)    | (0.0%)    | 3.5%      | 0.7%      |
| Weighted average diluted shares outstanding | 42,621    | 43,762    | 44,443    | 44,456    | 44,303    | 44,873    | 44,926    | 45,316    | 45,202    | 45,326    |
| Diluted earnings per share                  | 0.53      | 0.51      | 0.47      | 0.05      | 0.23      | 0.12      | (0.02)    | 0.01      | 0.24      | 0.01      |
| Cash dividend per share                     | 0.73      | 0.39      | 0.40      | 0.40      | 0.31      | 0.28      | 0.28      | 0.20      | -         | -         |
| Working capital                             | \$125,456 | \$140,532 | \$149,075 | \$123,714 | \$127,130 | \$132,825 | \$119,601 | \$106,037 | \$118,383 | \$103,876 |
| Total assets                                | 319,418   | 357,451   | 379,479   | 349,948   | 355,433   | 358,800   | 349,216   | 372,651   | 375,164   | 440,876   |
| Shareholders' equity                        | 188,246   | 203,119   | 212,039   | 201,067   | 198,286   | 197,616   | 187,663   | 176,980   | 193,554   | 191,564   |
| Product Order Backlog                       | 141,000   | 172,000   | 191,000   | 181,000   | 203,000   | 171,000   | 202,000   | 212,000   | 251,000   | 472,000   |
| Product design and development expense      | \$23,131  | \$23,375  | \$24,652  | \$26,911  | \$29,081  | \$35,530  | \$35,557  | \$37,772  | \$26,846  | \$29,013  |
| Capital expenditures                        | 9,674     | 13,519    | 21,837    | 17,056    | 8,502     | 18,127    | 17,268    | 18,091    | 7,891     | 20,377    |
| Depreciation and amortization expense       | 15,607    | 14,501    | 15,136    | 16,943    | 19,392    | 17,784    | 18,635    | 17,718    | 17,077    | 15,394    |
| Cash flow from operations                   | 50,749    | 36,199    | 53,513    | 13,283    | 39,407    | 30,361    | 29,546    | 10,808    | 66,212    | (26,830)  |
| Regular dividend per share                  | 0.23      | 0.39      | 0.40      | 0.40      | 0.27      | 0.28      | 0.28      | 0.20      | -         | -         |
| Special dividend per share                  | 0.50      | -         | -         | -         | 0.04      | -         | -         | -         | -         | -         |
| Employees as of year-end:                   |           |           |           |           |           |           |           |           |           |           |
| Full-time                                   | 2,210     | 2,280     | 2,420     | 2,470     | 2,405     | 2,405     | 2,412     | 2,395     | 1,981     | 2,246     |
| Part-time and students                      | 410       | 390       | 330       | 315       | 304       | 308       | 310       | 276       | 136       | 231       |
| Stock price during fiscal year:             |           |           |           |           |           |           |           |           |           |           |
| High  | \$ 12.40  | \$ 15.80  | \$ 14.47  | \$ 12.24  | \$ 11.00  | \$ 10.76  | \$ 10.05  | \$ 7.91   | \$ 7.22   | \$ 7.20   |
| Low   | 6.39      | 9.63      | 10.03     | 6.90      | 6.00      | 8.55      | 7.21      | 4.16      | 3.79      | 3.35      |
| Stock price at fiscal year-end              | 9.57      | 13.06     | 10.75     | 8.70      | 9.46      | 9.01      | 7.30      | 4.45      | 6.17      | 3.35      |
| EBITDA                                      | 46,200    | 51,000    | 46,400    | 19,400    | 34,800    | 30,200    | 13,900    | 17,551    | 33,500    | 18,500    |

