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 August 1, 2026

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

Daktronics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**46-0306862**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

201 Daktronics Drive **Brookings,** **SD** **57006**
(Address of principal executive offices) (Zip Code)

(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	The 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 August 24, 2026 was 48,092,650.

DAKTRONICS, INC. AND SUBSIDIARIES
FORM 10-Q
For the Quarter Ended August 1, 2026

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

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

	August 1, 2026 (unaudited)	May 2, 2026
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 154,585	$ 131,639
Accounts receivable, net	154,700	118,590
Inventories	117,517	110,471
Contract assets	51,608	66,552
Current maturities of long-term receivables	3,499	3,405
Prepaid expenses and other current assets	15,747	11,278
Income tax receivables	3,120	6,047
Total current assets	500,776	447,982
Property and equipment, net	64,292	64,263
Long-term receivables, less current maturities	371	1,125
Goodwill	3,605	3,685
Intangibles, net	3,190	3,263
Right of use, investment in affiliates, and other assets	12,906	11,828
Deferred income taxes	22,240	22,266
TOTAL ASSETS	$ 607,380	$ 554,412

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

	August 1, 2026 (unaudited)	May 2, 2026
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 1,150	$ 1,150
Accounts payable	80,319	68,617
Contract liabilities	85,969	65,310
Accrued expenses	49,865	44,858
Warranty obligations	13,159	12,398
Income taxes payable	316	1,375
Total current liabilities	230,778	193,708
Long-term warranty obligations	24,663	24,362
Long-term contract liabilities	20,301	20,655
Other long-term obligations	4,633	5,289
Long-term debt, net	9,355	9,629
Deferred income taxes	22	22
Total long-term liabilities	58,974	59,957
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; 53,715 and 53,650 shares issued as of August 1, 2026 and May 2, 2026, respectively	—	—
Additional paid-in capital	198,895	196,837
Retained earnings	192,716	173,286
Treasury stock, at cost, 5,631 and 5,406 shares as of August 1, 2026 and May 2, 2026, respectively	(69,734)	(65,324)
Accumulated other comprehensive loss	(4,249)	(4,052)
TOTAL STOCKHOLDERS' EQUITY	317,628	300,747
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 607,380	$ 554,412

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

	Three Months Ended	
	August 1, 2026	August 2, 2025
Net sales	$ 234,565	$ 218,972
Cost of sales	162,966	153,900
Gross profit	71,599	65,072
Operating expenses:		
Selling	18,990	16,834
General and administrative	15,559	14,295
Product design and development	12,114	10,671
	46,663	41,800
Operating income	24,936	23,272
Nonoperating income (expense):		
Interest income (expense), net	1,134	893
Other expense, net	(403)	(1,942)
Income before income taxes	25,667	22,223
Income tax expense	6,237	5,753
Net income	$ 19,430	$ 16,470
Weighted average shares outstanding:		
Basic	48,185	48,902
Diluted	48,901	49,736
Earnings per share:		
Basic	$ 0.40	$ 0.34
Diluted	$ 0.40	$ 0.33

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

	Three Months Ended	
	August 1, 2026	August 2, 2025
Net income	$ 19,430	$ 16,470
Other comprehensive (loss) income:		
Cumulative translation adjustments	(197)	279
Total other comprehensive (loss) income, net of tax	(197)	279
Comprehensive income	$ 19,233	$ 16,749

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

	Common Stock				Treasury Stock			
	Number	Amount	Additional Paid-In Capital	Retained Earnings	Number	Amount	Accumulated Other Comprehensive Loss	Total
Balance as of May 2, 2026	53,650	$ —	$ 196,837	$ 173,286	(5,406)	$ (65,324)	$ (4,052)	$ 300,747
Net income	—	—	—	19,430	—	—	—	19,430
Cumulative translation adjustments	—	—	—	—	—	—	(197)	(197)
Share-based compensation	—	—	1,210	—	—	—	—	1,210
Exercise of stock options	24	—	198	—	—	—	—	198
Employee savings plan activity	41	—	650	—	—	—	—	650
Treasury stock purchased	—	—	—	—	(225)	(4,410)	—	(4,410)
Balance as of August 1, 2026	53,715	$ —	$ 198,895	$ 192,716	(5,631)	$ (69,734)	$ (4,249)	$ 317,628

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

	Common Stock				Treasury Stock			
	Number	Amount	Additional Paid-In Capital	Retained Earnings	Number	Amount	Accumulated Other Comprehensive Loss	Total
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

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

	Three Months Ended	
	August 1, 2026	August 2, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 19,430	$ 16,470
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,682	4,804
Gain on sale of property, equipment and other assets	(28)	(38)
Share-based compensation	1,210	947
Equity in loss of affiliates	—	805
Allowance for credit losses on affiliate loan	—	795
Provision for doubtful accounts, net	211	594
Deferred income taxes, net	22	32
Change in operating assets and liabilities	5,906	1,688
Net cash provided by operating activities	31,433	26,097
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(4,128)	(4,291)
Proceeds from sales of property, equipment and other assets	219	218
Loans to equity investees	—	(1,547)
Net cash used in investing activities	(3,909)	(5,620)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(288)	(500)
Principal payments on long-term obligations	—	(104)
Payments for common shares repurchased	(4,410)	(10,652)
Proceeds from exercise of stock options	198	128
Net cash used in financing activities	(4,500)	(11,128)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(78)	—
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	22,946	9,349
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	131,639	127,507
End of period	$ 154,585	$ 136,856
Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest	$ 159	$ 382
Income taxes, net of refunds	4,274	2,724
Supplemental schedule of non-cash investing and financing activities:		
Purchases of property and equipment included in accounts payable	1,469	532
Contributions of common stock under the employee stock purchase plan	649	648

The accompanying notes are an integral part of these 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 (collectively, the “Company”, “Daktronics”, “we”, “our”, or “us”) is engaged principally in the design, marketing, and manufacturing of a wide range of integrated electronic display systems and related products which are sold in a variety of markets throughout the world and the rendering of related maintenance and professional services. Our products are designed primarily to inform and entertain people through the communication of content.

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 these financial statements requires us to make estimates and judgments affecting the reported amounts of assets, liabilities, revenues, and expenses and related disclosure of contingent assets and 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. Due to the inherent uncertainty involved in making estimates, actual results in future periods may differ from those estimates.

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 May 2, 2026, 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 May 2, 2026 (the “Form 10-K”).

Daktronics operates on a 52- or 53-week fiscal year, with our fiscal year ending on the Saturday closest to April 30 of each year. When April 30 falls on a Wednesday, the fiscal year ends on the preceding Saturday. Within each fiscal year, each quarter is comprised of a 13-week period following the beginning of each fiscal year. In each 53-week year, an additional week is added to the first quarter, and each of the last three quarters is comprised of a 13-week period. The three months ended August 1, 2026, and August 2, 2025, contained operating results for 13 and 14 weeks, 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.

We have foreign currency cash accounts to operate our global business. These accounts are impacted by changes in foreign currency rates.

As of August 1, 2026, of our $154,585 in cash and cash equivalents, $144,294 was denominated in United States dollars, of which $10,675 was held by our foreign subsidiaries, and $10,291 was denominated in foreign currencies, of which $8,501 was maintained in accounts of our foreign subsidiaries.

Recent Accounting Pronouncements

Accounting Standards Adopted

In July 2025, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“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 Accounting Standards Codification ("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. The Company adopted the guidance prospectively in this fiscal year beginning May 3, 2026. The adoption of this standard did not have a material impact on our unaudited condensed consolidated financial statements and related disclosures.

Accounting Standards Not Yet Adopted

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 for 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 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.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* ("ASU 2025-11"). The update provides clarifications intended to improve the consistency and usability of interim disclosure requirements, including a comprehensive listing of required interim disclosures and a new disclosure principle for reporting material events occurring after the most recent annual period. The amendments do not change the underlying objectives of interim reporting but are designed to enhance clarity in application. ASU 2025-11 is effective for annual periods beginning after December 15, 2027, including interim periods within that annual period. We are currently evaluating the impact of ASU 2025-11 on our accounting policies and disclosures.

Note 2. Investments in Affiliates

We use the equity method to account for investments in companies if our investment provides us with the ability to exercise significant influence over operating and financial policies of the investee. Our judgment regarding the level of influence over each equity method investee includes considering key factors such as our ownership interest, representation on the board of directors, participation in policy-making decisions, other commercial arrangements, and material intercompany transactions.

Miortech

We evaluated the nature of our investment in an affiliate of Miortech (dba Etulipa) ("Miortech"), which is focused on developing low power outdoor electrowetting technology. Our ownership in Miortech was 55.9 percent as of August 1, 2026. The aggregate amount of our investments accounted for under the equity method was zero as of both August 1, 2026 and May 2, 2026. We had no Miortech-related activity during the three months ended August 1, 2026. Miortech filed for bankruptcy with the Dutch courts in May 2026, and the ultimate outcome of the bankruptcy proceedings remains uncertain.

Our proportional share of the affiliate earnings or losses is included in the "Other expense, net" line item in our Condensed Consolidated Statements of Operations. For the three months ended August 1, 2026 and August 2, 2025, our share of the losses of our affiliate in Miortech was zero and $224, respectively.

We also have advanced loans to Miortech under convertible and promissory notes (collectively, the "Miortech Affiliate Notes"). We had no advances during the three months ended August 1, 2026 and had advanced $1,283 in fiscal 2026 under the Miortech Affiliate Notes. We had no accrued interest related to the Miortech Affiliate Notes as of August 1, 2026 and had accrued interest of $228 as of May 2, 2026. The total face value of the outstanding amount of the Miortech Affiliate

Notes was $5,429 as of both August 1, 2026 and May 2, 2026. The balances of Miortech Affiliate Notes are included in the “Right of use, investment in affiliates, and other assets” line item in our Consolidated Balance Sheets. We evaluate the Miortech Affiliate Notes for impairment and credit losses. During the fourth quarter of fiscal 2026, we recorded a provision of $3,750 related to the Miortech Affiliate Notes which were deemed to be uncollectible.

The balance of our Miortech Affiliate Note totaled zero as of both August 1, 2026 and May 2, 2026.

XDC

On December 22, 2025, the Company acquired a display business (the “Display Business”) consisting of intellectual property, equipment assets, technical expertise, contract rights, other personal property, and related assets (collectively, the “Display Business Assets”) from X Display Company Technology Limited (“XDC,” and such acquisition, the “XDC Acquisition”). Prior to the XDC Acquisition, the Company held an equity interest in XDC that was accounted for under the equity method and engaged in various related party transactions with XDC. As a result of the XDC Acquisition, XDC is no longer accounted for as an equity method investee and the Company no longer has related party transactions with XDC. Accordingly, there were no equity method earnings or losses, affiliate note activity, or related party transactions with XDC during the three months ended August 1, 2026. The disclosures below are presented solely for comparability to the prior-year period, which was before the XDC Acquisition.

Our proportional share of the affiliate earnings or losses is included in the “Other expense, net” in our Condensed Consolidated Statements of Operations. For the three months ended August 2, 2025, our share of affiliate losses recognized was $581.

We had provided funding to XDC through promissory notes, some of which were convertible (collectively, the “XDC Affiliate Notes”). During fiscal year 2026, we advanced $4,100 to XDC under the XDC Affiliate Notes. Accrued interest on the XDC Affiliate Notes was $449 as of May 2, 2026.

Additionally, prior to the XDC Acquisition, we engaged in related party transactions with XDC, primarily for research and development services. For the three months ended August 2, 2025, we recorded expenses of $32 in “Product design and development.” Unpaid amounts related to these services were $109 as of August 2, 2025 and are included in “Accounts payable.”

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 is a reconciliation of the net income and shares of Common Stock amounts used in the calculation of basic and diluted EPS for the three months ended August 1, 2026, and August 2, 2025:

	Three Months Ended	
	August 1, 2026	August 2, 2025
Earnings per share - basic		
Net income	$ 19,430	$ 16,470
Weighted average shares outstanding	48,185	48,902
Basic earnings per share	$ 0.40	$ 0.34
Earnings per share - diluted		
Net income	$ 19,430	$ 16,470
Diluted net income	$ 19,430	$ 16,470
Weighted average common shares outstanding	48,185	48,902
Dilution associated with stock compensation plans	716	834
Weighted average common shares outstanding, assuming dilution	48,901	49,736
Diluted earnings per share	$ 0.40	$ 0.33

For the three months ended August 2, 2025, 29 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. The excluded shares included options outstanding to purchase 24 shares of common stock with a weighted average exercise price of $11.87.

Note 4. Revenue Recognition

Disaggregation of revenue

In accordance with ASC 606-10-50, we disaggregate revenue from contracts with customers by the type of performance obligation and the timing of revenue recognition. We determined that disaggregating revenue in these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors and to enable users of financial statements to understand the relationship to each reportable segment.

The following table presents our disaggregated revenue by segment:

	Three Months Ended August 1, 2026					
	Commercial	Live Events	High School Park and Recreation	Transportation	International	Total
Type of performance obligation						
Unique configuration	$ 6,733	$ 71,562	$ 14,174	$ 11,353	$ 17,485	$ 121,307
Limited configuration	31,535	7,898	38,240	7,834	8,917	94,424
Service and other	5,435	6,938	2,297	2,191	1,973	18,833
	$ 43,703	$ 86,398	$ 54,711	$ 21,378	$ 28,375	$ 234,565
Timing of revenue recognition						
Goods/services transferred at a point in time	$ 34,452	$ 10,041	$ 37,366	$ 9,267	$ 10,016	$ 101,142
Goods/services transferred over time	9,251	76,357	17,345	12,111	18,359	133,423
	$ 43,703	$ 86,398	$ 54,711	$ 21,378	$ 28,375	$ 234,565

	Three Months Ended August 2, 2025					
	Commercial	Live Events	High School Park and Recreation	Transportation	International	Total
Type of performance obligation						
Unique configuration	$ 8,914	$ 63,263	$ 14,897	$ 9,498	$ 6,608	$ 103,180
Limited configuration	31,242	9,394	41,911	4,390	8,058	94,995
Service and other	6,011	7,143	2,539	2,687	2,417	20,798
	$ 46,167	$ 79,800	$ 59,347	$ 16,575	$ 17,083	$ 218,972
Timing of revenue recognition						
Goods/services transferred at a point in time	$ 34,069	$ 11,680	$ 41,794	$ 6,141	$ 8,903	$ 102,588
Goods/services transferred over time	12,098	68,120	17,553	10,434	8,180	116,385
	$ 46,167	$ 79,800	$ 59,347	$ 16,575	$ 17,083	$ 218,972

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

Contract balances

Contract assets represent revenue recognized in excess of amounts billed and include unbilled receivables. Unbilled receivables, which represent an unconditional right to payment subject only to the passage of time, are reclassified to accounts receivable when they are billed according to the contract terms. Contract liabilities represent amounts billed to clients in excess of revenue recognized to date.

The following table reflects the changes in our contract assets and liabilities:

	August 1, 2026	May 2, 2026	Dollar Change	Percent Change
Contract assets	$ 51,608	$ 66,552	$ (14,944)	(22.5)%
Contract liabilities - current	85,969	65,310	20,659	31.6
Contract liabilities - noncurrent	20,301	20,655	(354)	(1.7)

The changes in our contract assets and contract liabilities from May 2, 2026 to August 1, 2026 were due to the timing of billing schedules and revenue recognition, which can vary significantly depending on the contractual payment terms and the seasonality of the sports markets. We had no significant impairments of contract assets for the three months ended August 1, 2026.

For service-type warranty contracts, we allocate revenue to the performance obligation, recognize the revenue over time, and recognize costs as incurred. Earned and unearned revenues for these contracts are included in the "Contract assets" and "Contract liabilities" line items of our Consolidated Balance Sheets. Changes in unearned service-type warranty contracts, net were as follows:

	August 1, 2026
Balance as of May 2, 2026	$ 37,850
New contracts sold	12,094
Less: reductions for revenue recognized	(11,299)
Foreign currency translation and other	579
Balance as of August 1, 2026	$ 39,224

The loss provision on contracts in process identified as loss contracts as of August 1, 2026 and May 2, 2026 were immaterial. Loss provisions are recorded in the "Accrued expenses" line item in our Condensed Consolidated Balance Sheets.

During the three months ended August 1, 2026, we recognized $45,347 related to our contract liabilities as of May 2, 2026.

Remaining performance obligations and revenue recognized from past performance obligations

As of August 1, 2026, the aggregate amount of the transaction price allocated to the remaining performance obligations was $380,403. Remaining performance obligations related to product and service agreements as of August 1, 2026 were $311,280 and $69,123, respectively. We expect approximately $328,354 of our remaining performance obligations to be recognized over the next 12 months, with the remainder recognized thereafter. Although remaining performance obligations reflect business that is considered to be legally binding, cancellations, deferrals, or scope adjustments may occur. Any known project cancellations, revisions to project scope and cost, foreign currency exchange fluctuations, and project deferrals are reflected or excluded in the remaining performance obligation balance, as appropriate. The amount of revenue recognized associated with performance obligations satisfied in prior periods during the three months ended August 1, 2026 and August 2, 2025 was immaterial.

Note 5. Segment Reporting

We organize and manage our business by the following five segments which meet the definition of reportable segments under ASC 280-10, *Segment Reporting*: Commercial, Live Events, High School Park and Recreation, Transportation, and

International. These segments are based on the customer type or geography and are the same as our operating segments/business units.

The following table sets forth certain financial information for each of our five reporting segments for the periods indicated:

	Three Months Ended	
	August 1, 2026	August 2, 2025
Net sales:		
Commercial	$ 43,703	$ 46,167
Live Events	86,398	79,800
High School Park and Recreation	54,711	59,347
Transportation	21,378	16,575
International	28,375	17,083
Total consolidated net sales	234,565	218,972
Cost of Sales:		
Commercial	30,353	32,517
Live Events	66,025	59,614
High School Park and Recreation	34,956	37,406
Transportation	14,242	11,419
International	17,390	12,944
Gross profit:		
Commercial	13,350	13,650
Live Events	20,373	20,186
High School Park and Recreation	19,755	21,941
Transportation	7,136	5,156
International	10,985	4,139
Total consolidated gross profit	71,599	65,072
Less:		
Selling	18,990	16,834
General and administrative	15,559	14,295
Product design and development	12,114	10,671
Interest (income) expense, net	(1,134)	(893)
Other expense, net	403	1,942
Income before income taxes	$ 25,667	$ 22,223

The following table presents depreciation and amortization by reportable segment, which are included within operating expenses in the table above:

	Three Months Ended	
	August 1, 2026	August 2, 2025
Depreciation and amortization:		
Commercial	$ 1,050	$ 1,085
Live Events	1,201	1,247
High School Park and Recreation	738	661
Transportation	234	199
International	543	447
Total depreciation and amortization for reportable segments	3,766	3,639
Unallocated corporate depreciation and amortization	916	1,165
Total depreciation and amortization	$ 4,682	$ 4,804

No single country comprises a material amount of our net sales or property and equipment, net of accumulated depreciation, other than the United States. The following table presents information about net sales, which are based on where the end user is located, and property and equipment, net of accumulated depreciation, in the United States and elsewhere:

	Three Months Ended	
	August 1, 2026	August 2, 2025
Net sales:		
United States	$ 202,422	$ 196,588
Outside United States	32,143	22,384
	$ 234,565	$ 218,972

	August 1, 2026	May 2, 2026
Property and equipment, net of accumulated depreciation:		
United States	$ 53,857	$ 54,851
Outside United States	10,435	9,412
	$ 64,292	$ 64,263

We have numerous customers worldwide for sales of our products and services, and no customer accounted for 10 percent or more of net sales; therefore, we are not economically dependent on a limited number of customers for the sale of our products and services.

We have numerous raw material and component suppliers, and no supplier accounts for 10 percent or more of our cost of sales; however, we have a complex global supply chain subject to geopolitical and transportation risks and a number of single-source suppliers that could limit our supply or cause delays in obtaining raw materials and components needed in manufacturing.

Note 6. Goodwill

The changes in the carrying amount of goodwill related to each reportable segment for the three months ended August 1, 2026 were as follows:

	Live Events		Commercial		Transportation		Total	
Balance as of May 2, 2026	$	153	$	3,343	$	189	$	3,685
Foreign currency translation		—		(62)		(18)		(80)
Balance as of August 1, 2026	$	153	$	3,281	$	171	$	3,605

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 an asset might be impaired. Our annual analysis is performed during the third quarter of each fiscal year based on the goodwill amount as of the first business day of our third fiscal quarter. As of August 1, 2026, no indicators of goodwill impairment has been identified since our most recently completed annual impairment test.

The amount of accumulated impairments to goodwill as of August 1, 2026 and May 2, 2026 was $4,576.

Note 7. Financing Agreements

Long-term debt consists of the following:

	August 1, 2026		May 2, 2026	
Term Debt	$	10,637	$	10,925
Long-term debt, gross		10,637		10,925
Debt issuance costs, net		(132)		(146)
Current portion		(1,150)		(1,150)
Long-term debt, net	$	9,355	$	9,629

Credit Agreements

On November 26, 2025, the Company entered into a $71,500 senior secured credit facility (the "Credit Facility") pursuant to a Credit Agreement (the "Credit Agreement"), between and among the Company, JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"), the Lenders, and the other Loan Parties. The following capitalized terms have specific meanings as defined in the Credit Agreement: Lenders; Loan Parties; Adjusted Term SOFR Rate; Adjusted Daily Simple SOFR; CB Floating Rate; Total Leverage Ratio; and Fixed Charge Coverage Ratio.

The Credit Facility created pursuant to the 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 "Term Loan"), amortizing in equal quarterly installments of $288, with the remaining principal due on the Maturity Date.

The Revolver and the Term Loan are guaranteed by the Loan Parties and are secured by perfected, first-priority liens on substantially all personal property and assets of the Company and the other Loan Parties, including intellectual property, pursuant to a pledge and security agreement and related collateral documents (collectively, the "Security Agreement").

Borrowings under the Credit Facility bear interest, at one of the following rates to be selected by the Company, in its discretion: (i) the Adjusted Term SOFR Rate plus a 0.10% margin; (ii) the Adjusted Daily Simple SOFR plus a 0.10% margin; or (iii) the CB Floating Rate with a 0.00% margin. Amounts repaid under the Term Loan may not be reborrowed. Undrawn commitments under the Revolver accrue a commitment fee of 0.20% per year.

Letters of credit 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 Credit Agreement require the Company to maintain (i) a maximum quarterly Total Leverage Ratio of 3.00 to 1.00 and (ii) a minimum Fixed Charge Coverage Ratio 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 Term Loan. The Credit Agreement includes customary representations, covenants, and events of default, including limitations on incurring additional debt, liens, investments, asset sales, restricted payments, dividends, share repurchases, and affiliate transactions.

Proceeds from the Credit Facility may be used to refinance existing indebtedness and for working capital and other general corporate purposes.

As of August 1, 2026, the Company was in compliance with all covenants under the Credit Agreement and other agreements related to the Credit Facility. There were no advances under the Revolver portion of our line of credit, and the balance of letters of credit issued and outstanding under the Revolver was approximately $1,858. As of August 1, 2026, $58,142 of the Credit Facility remains in place and available for borrowing.

On September 1, 2026, the Company entered into an amendment to the Credit Agreement ("Amendment No. 1"). For additional information, see "Note 13. Subsequent Events" of the Notes to our Consolidated Financial Statements included in this Form 10-Q.

In connection with entering into the Credit Agreement, the Company terminated its prior senior credit facility dated May 11, 2023 (as amended, the "Prior Credit Agreement"), which consisted of an asset-based revolving credit facility and a delayed draw term loan. All outstanding obligations under the Prior Credit Agreement were repaid in full, and all related liens, including the mortgage on the Company's Brookings, South Dakota real property, were released. No material early termination penalties were incurred in connection with the termination of the Prior Credit Agreement. Certain customary obligations, including indemnification and confidentiality provisions, survive the termination of the Prior Credit Agreement.

Debt Issuance Costs

Debt issuance costs incurred in connection with our financing agreements are capitalized and amortized on a straight-line basis over the term of the related debt agreement. In the event of early principal repayments or the termination of a debt agreement, any remaining unamortized debt issuance costs associated with such agreement are expensed.

Amortization of debt issuance costs totaled $14 and $403 for the three months ended August 1, 2026 and August 2, 2025, respectively. The amortization for the three months ended August 1, 2026 includes amortization related to the Credit Facility, whereas the amortization for the three months ended August 2, 2025 includes amortization related to the Prior Credit Agreement.

As of August 1, 2026, the remaining unamortized debt issuance costs of $132 were being amortized over the remaining term of the Credit Facility.

Future Maturities

Aggregate contractual maturities of debt in future fiscal years are as follows:

Fiscal years		**Amount**
Remainder of 2027	$	862
2028		1,150
2029		8,625
2030		—
2031		—
Total debt	$	10,637

Note 8. Commitments and Contingencies

Litigation: We are a party to legal proceedings and claims which arise during the ordinary course of business. We review our legal proceedings and claims, regulatory reviews and inspections, and other legal matters on an ongoing basis and follow appropriate accounting guidance when making accrual and disclosure decisions. We establish accruals for those contingencies when the incurrence of a loss is probable and can be reasonably estimated, and we disclose the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued if such disclosure is necessary for our financial statements to not be misleading. We do not record an accrual when the likelihood of loss being incurred is probable, but the amount cannot be reasonably estimated, or when the loss is believed to be only reasonably possible or remote, although disclosures will be made for material matters as required by ASC 450-20, *Contingencies - Loss Contingencies*.

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

For other unresolved legal proceedings or claims, we do not believe there is a reasonable probability that any material loss would be incurred. Accordingly, no material accrual or disclosure of potential loss range has been made related to these matters. We do not expect the ultimate liability of these unresolved legal proceedings or claims to have a material effect on our financial position, liquidity, or capital resources.

Warranties: Changes in our warranty obligation for the three months ended August 1, 2026 consisted of the following:

		August 1, 2026
Beginning accrued warranty obligations	$	36,760
Warranties issued during the period		3,352
Settlements made during the period		(2,487)
Changes in accrued warranty obligations for pre-existing warranties during the period, including expirations		197
Ending accrued warranty obligations	$	37,822

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 August 1, 2026, we had $36,745 of bonded work outstanding and $1,858 in letters of credit outstanding. Performance guarantees are issued to certain customers to guarantee the operation and installation of the equipment and our ability to complete a contract. These performance guarantees have various terms but are generally one year. We enter into written agreements with our customers, and those agreements often contain indemnification provisions that require us to make the customer whole if certain acts or omissions by us cause the customer financial loss. We make efforts to negotiate reasonable caps and limitations on the recovery of such damages. As of August 1, 2026, we were not aware of any indemnification claim from a customer.

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 rate for the three months ended August 1, 2026 was 24.3 percent. The tax rate was primarily attributable to nontaxable and nondeductible items, State and Local income taxes, and tax credits in proportion to estimated pre-tax earnings for fiscal 2027. The effective tax rate for the three months ended August 2, 2025 of 25.9 percent was driven by nontaxable and nondeductible items and valuation allowances in proportion to estimated pre-tax earnings for fiscal 2026.

As of August 1, 2026, we had $579 of unrecognized tax benefits which would reduce our effective tax rate if recognized.

In July 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 August 1, 2026, 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.

In October 2021, the Organization for Economic Co-Operation and Development ("OECD") introduced a 15% global minimum tax under the Pillar Two GloBE model rules for multinational enterprises with annual global revenue exceeding €750 million. In January 2026, the OECD announced a "side-by-side" system under which U.S.-parented groups would be able to elect to be exempt from certain Pillar Two provisions. Additional guidance on the "side-by-side" system and implementation of such system remain subject to further discussions and clarifications from the OECD and local implementation by each OECD member country. We will be subject to Pillar Two compliance and reporting in fiscal 2027, but Pillar Two has not had a material impact on our provision for income taxes; however, we will continue to monitor as additional guidance is released by the OECD, OECD member countries based on their enacted law changes, and other standard-setting bodies.

Note 10. Fair Value Measurement

The following table sets forth by level within the fair value hierarchy our financial assets and liabilities that were accounted for at fair value on a recurring basis as of August 1, 2026 and May 2, 2026 according to the valuation techniques we used to determine their fair values. There have been no transfers of assets or liabilities among the fair value hierarchies presented.

	Fair Value Measurements			
	Level 1	**Level 2**	**Level 3**	**Total**
Balance as of August 1, 2026				
Cash and cash equivalents	$ 154,585	$ —	$ —	$ 154,585
	$ 154,585	$ —	$ —	$ 154,585
Balance as of May 2, 2026				
Cash and cash equivalents	$ 131,639	$ —	$ —	$ 131,639
	$ 131,639	$ —	$ —	$ 131,639

Note 11. Share Repurchase Program

On June 17, 2016, our Board of Directors of the Company (the "Board" or "Board of Directors") authorized a share repurchase program (the "FY17 Repurchase Program") under which the Company may repurchase up to $40,000 of the Company's outstanding shares of Common Stock. The Board approved increases to the limit under the FY17 Repurchase Program of $10,000 on March 4, 2025, $10,000 on June 23, 2025, $20,000 on December 9, 2025, and $25,897 on June 22, 2026. Following these increases, the maximum authorized value under the FY17 Repurchase Program was $105,897 as of August 1, 2026.

Repurchases under the FY17 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 FY17 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 three months ended August 1, 2026, the Company repurchased 225 shares of Common Stock at a total cost of $4,410. As of August 1, 2026, $35,957 of the $105,897 authorized amount remained available for repurchase under the FY17 Repurchase Program.

For information on restrictions on the Company's ability to repurchase shares under the Credit Agreement, please refer to "Note 7. Financing Agreements" 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 “RPT Policy”), which the Audit Committee of the Board (the "Audit Committee") oversees. Under the RPT 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: (i) the Company was, is, or will be a participant; (ii) the amount involved exceeds $120; and (iii) any “Related Person” had, has, or will have a direct or indirect material interest. The RPT Policy generally defines a "Related Person" as: (a) a director, director nominee, or executive officer of the Company at any time during the last fiscal year; (b) a beneficial owner of more than five percent of any class of our voting securities; (c) any immediate family member of any of the foregoing persons; or (d) an entity that employs any of the foregoing persons or in which any of the foregoing persons is a general partner or principal or owns a five percent or greater ownership interest. 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 RPT Policy. On an annual basis, the Audit Committee reviews any previously approved Related Person Transactions that are ongoing.

Transactions with Milwaukee Bucks Inc.: 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 the above-referenced arrangement 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, was the President of Milwaukee Bucks Inc. at the time of the transaction.

Note 13. Subsequent Events

Share Repurchase Program

On September 1, 2026, the Board voted to terminate the FY17 Repurchase Program and to implement a new program authorizing repurchases of outstanding shares of Common Stock (the “FY27 Repurchase Program”), in each case effective immediately. The total amount authorized for repurchases under the FY27 Repurchase Program is $34,500.

Share repurchases under the FY27 Repurchase Program may occur from time to time in open market purchases, private transactions, or other transactions. The timing, volume, and nature of share repurchases will be at the sole discretion of the Company’s management and will be dependent on market conditions, applicable securities laws and other legal requirements, business considerations, and other factors. The FY27 Repurchase Program does not require the Company to repurchase a certain amount of shares and does not have a fixed expiration date and may be suspended, discontinued, or terminated at any time. Under the FY27 Repurchase Program, the Company may conduct share repurchases in accordance with all applicable securities laws and regulations, including Rule 10b5-1 and Rule 10b-18 under the Exchange Act. No assurance can be given that any particular number of shares of Common Stock will be repurchased.

First Amendment to Credit Agreement

On September 1, 2026, the Company entered into Amendment No. 1. Amendment No. 1 allows the Company to transfer certain non-material patents acquired in connection with the XDC Acquisition for consideration below the threshold otherwise required under the Credit Agreement. Amendment No. 1 did not otherwise materially modify the terms of the Credit Agreement. For additional information on the Credit Agreement, see “Note 7. Financing Agreements” 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, May 2, 2026, to and including August 1, 2026; 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," "continue," "outlook," "focus," "goal," "target," "transform," "expand," "execute," "ongoing," "improve," "grow," 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 risks, trends, and uncertainties described more fully in the Company's Annual Report on Form 10-K for the fiscal year ended May 2, 2026 (the "Form 10-K") filed with the Securities and Exchange Commission ("SEC"), this Quarterly Report on Form 10-Q, and other reports filed with or furnished to the SEC by 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, except as may be required by applicable law.

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 reports filed with or furnished to the SEC by the Company.

The quarter-over-quarter comparisons in this MD&A are as of and for the fiscal quarters ended August 1, 2026 and August 2, 2025 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. See the section of this Item 2 entitled “Reportable Segment Performance Summary” for a reconciliation of contribution margin to operating income, the most directly comparable GAAP measure.

Overview

Daktronics designs, manufactures, and sells electronic display systems and related solutions used in sports, commercial, and transportation applications. Our offerings include standard display products as well as custom-designed and integrated systems that incorporate display hardware, control systems, and software.

Our product portfolio ranges from small scoreboards and electronic displays to large-scale video display systems deployed in stadiums, arenas, commercial facilities, and other public venues. These systems are often integrated with related technologies, including control, timing, and audio systems, and are used to present real-time data, graphics, animation, and video.

We operate a vertically integrated business model that includes marketing and sales, engineering and product design and development, manufacturing, installation, and ongoing customer support. This lifecycle approach allows us to support customers from initial system design and installation through long-term maintenance, upgrades, and replacement cycles. In addition to equipment sales and installation, we provide services that include technical support, professional services, and software-based solutions that enable customers to operate and manage their display systems.

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 three months ended August 1, 2026, and August 2, 2025, included 13 and 14 weeks of operations, respectively.

Known Trends and Uncertainties

During the first quarter of fiscal 2027, we continued to focus on initiatives intended to support sustainable growth, improve operating performance, and enhance returns on invested capital. These efforts include operational execution, capacity optimization, digital capabilities, and initiatives designed to support long-term scalability and profitability. Demand for digital display systems continues to be supported by the ongoing adoption of LED-based technologies across sports, commercial, and transportation applications; however, customer demand levels and project timing can vary based on economic conditions, funding availability, and other external factors.

The business environment remains dynamic, with changes in trade policy and tariffs continuing to affect supply chains, customer purchasing decisions, and operating costs. Tariffs on electronic components, aluminum, steel, copper, and other imported materials have increased product costs and created uncertainty regarding future project economics. In response, the Company has taken pricing actions, sourcing strategies, and operational initiatives intended to mitigate these impacts; however, the ultimate effect on demand, margins, and profitability remains uncertain.

The Company continues to monitor developments related to tariffs and available refund programs associated with certain previously paid tariffs. Daktronics has submitted, and may continue to submit, claims for additional recoveries where appropriate. The Company recognizes tariff refunds when received. Due to uncertainties regarding eligibility, administrative review processes, and the ultimate resolution of outstanding claims, the Company has not recognized assets related to potential recoveries that do not meet the applicable accounting recognition criteria. The timing and amount of any future recoveries remain uncertain.

The global market for digital display systems continues to evolve through advancements in display technologies, control systems, software, and related services. Customers increasingly seek integrated solutions that improve content management, user experience, system monitoring, reliability, and operational efficiency. The adoption of narrow pixel pitch and other advanced display technologies continues to influence customer purchasing decisions across many of the markets we serve.

Daktronics participates in large end markets that continue to benefit from customer investments intended to enhance audience engagement, communication, and operational effectiveness. To address evolving market conditions and competitive dynamics, we continue to focus on operational execution, manufacturing efficiency, product innovation, and market expansion. While these initiatives are expected to support long-term growth opportunities and operating performance, the timing and magnitude of associated benefits depend on execution, customer demand, and broader economic conditions.

The Company also continues to expand its global manufacturing footprint, including the ongoing ramp-up of manufacturing operations in Mexico. We expect these expanded manufacturing facilities to provide additional manufacturing flexibility and support long-term cost structure optimization. However, the timing and extent of associated operational and financial benefits depend on production volumes, staffing, execution, and market conditions.

There may be periods in which revenue trends and operating expenses are not fully aligned as the Company continues to invest in operational capabilities, systems, manufacturing flexibility, and corporate governance. While these investments may affect near-term profitability, they are intended to support long-term operational effectiveness, scalability, and value creation.

Despite ongoing uncertainties related to tariffs, trade policy, geopolitical developments, and broader economic conditions, the Company believes the long-term demand drivers supporting the audiovisual industry remain favorable. Continued adoption of digital display technologies, together with the Company's portfolio of products, software, services, and integrated solutions, may support future growth opportunities. Actual demand levels, however, will continue to depend on customer spending priorities, funding availability, competitive conditions, and overall economic activity.

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

RESULTS OF OPERATIONS

COMPARISON OF THE THREE MONTHS ENDED AUGUST 1, 2026 AND AUGUST 2, 2025

Product Order Backlog

Backlog represents the dollar value of orders for integrated electronic display systems and related products and services which are expected to be recognized in net sales in the future. Orders are contractually binding purchase commitments from customers. Orders are included in backlog when we are in receipt of an executed contract and any required deposits or security and have not yet been recognized into net sales. Certain orders for which we have received binding letters of intent or contracts will not be included in backlog until all required contractual documents and deposits are received. Orders and backlog are not metrics defined by GAAP, and our methodology for determining orders and backlog may vary from the methodology used by other companies in determining their orders and backlog amounts.

Order and backlog levels provide management and investors additional details surrounding the results of our business activities in the marketplace and highlight fluctuations caused by seasonality and multimillion-dollar projects. Management uses orders to evaluate market share and performance in the competitive environment. Management uses backlog information for capacity and resource planning. Order fulfillment timing is dependent on customer schedules, supply chain conditions, and our capacity availability. We believe order information is useful to investors because it provides an indication of our market share and future revenues.

As of August 1, 2026, our product order backlog was $311.3 million, compared to $360.3 million as of August 2, 2025, and $356.2 million as of May 2, 2026. The decrease in backlog year-over-year reflects the conversion of existing backlog into revenue at a pace that exceeded order intake during the quarter.

We expect to fulfill the backlog as of August 1, 2026 within the next 24 months. The timing of backlog fulfillment may be impacted by project delays resulting from factors outside of our control, including customer site conditions.

Consolidated Performance Summary

The following is an analysis of changes in key items included in the statements of operations for the three months ended August 1, 2026 and August 2, 2025 (in thousands):

	August 1, 2026	% of Net sales [1]	August 2, 2025	% of Net sales [1]	Dollar Change [1]	Percent Change [1]
Net sales	$ 234,565	100.0 %	$ 218,972	100.0 %	$ 15,593	7.1 %
Cost of sales	162,966	69.5	153,900	70.3	9,066	5.9
Gross profit	71,599	30.5	65,072	29.7	6,527	10.0
Operating expenses:						
Selling	18,990	8.1	16,834	7.7	2,156	12.8
General and administrative	15,559	6.6	14,295	6.5	1,264	8.8
Product design and development	12,114	5.2	10,671	4.9	1,443	13.5
Total operating expenses	46,663	19.9	41,800	19.1	4,863	11.6
Operating income	24,936	10.6	23,272	10.6	1,664	7.2
Nonoperating income (expense):						
Interest income (expense), net	1,134	0.5	893	0.4	241	27.0
Other expense, net	(403)	(0.2)	(1,942)	(0.9)	1,539	(79.2)
Income before income taxes	25,667	10.9	22,223	10.1	3,444	15.5
Income tax expense	6,237	2.7	5,753	2.6	484	8.4
Net income	$ 19,430	8.3 %	$ 16,470	7.5 %	$ 2,960	18.0 %
Diluted earnings per share	$ 0.40		$ 0.33		$ 0.07	21.2 %
Diluted weighted average shares outstanding	48,901		49,736		$ (835)	(1.7)%
Orders	$ 191,799		$ 238,543		$ (46,744)	(19.6)%

(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 quarter of fiscal 2027 including 13 weeks. The first quarter of fiscal 2026 contained 14 weeks.

Net Sales: The net sales increase in the first quarter of fiscal 2027 compared to the same period in fiscal 2026 was the result of higher sales volumes in the Live Events, Transportation, and International business units, partially offset by decreased sales in the Commercial and High School Park and Recreation business units. The amount of recognized revenue associated with performance obligations satisfied in prior years during the three months ended August 1, 2026 and August 2, 2025 was immaterial.

Orders: Order volume decreased in the first quarter of fiscal 2027 compared to the same period in fiscal 2026, reflecting the timing of customer project awards and a strong prior-year comparison period that included an additional week of operations. Variability in orders is typical in the Company's project-based business, with order volume fluctuating from period to period based on the timing and size of customer awards and project bookings.

Gross profit: Gross profit increased in the first quarter of fiscal 2027 compared to the same period in fiscal 2026 as a result of higher sales volume. Gross profit as a percentage of net sales increased slightly to 30.5 percent for the first quarter of fiscal 2027 as compared to 29.7 percent for the same period a year ago. The increase in gross profit margin included the receipt of tariff refunds, partially offset by higher price-sensitive input costs. Total warranty expense as a percentage of sales increased to 1.7 percent for the first quarter of fiscal 2027 as compared to 1.2 percent for the same period a year ago.

Selling: Selling expenses increased in the first quarter of fiscal 2027 compared to the same period in fiscal 2026 primarily due to increases in personnel-related wages and benefits and a commission on a large International project completed during the quarter.

General and Administrative: General and administrative expenses increased in the first quarter of fiscal 2027 compared to the same period in fiscal 2026 primarily due to continued investments in operational capabilities, technology initiatives, and corporate support functions.

Product Design and Development: Product design and development expenses increased in the first quarter of fiscal 2027 compared to the same period in fiscal 2026 primarily due to continued investment in product development, engineering resources, and technology initiatives intended to support future growth opportunities.

Interest Income (Expense), net: Interest income increased in the first quarter of fiscal 2027 compared to the same period a year ago, reflecting higher interest income on invested cash balances and lower interest expense and interest on tariff refunds.

Other Expense, net: Other expense decreased in the first quarter of fiscal 2027 compared to the same period in fiscal 2026 due to lower non-operating expenses recognized during the most recent period. Foreign currency fluctuations continued to impact results in both periods.

Income Tax Expense: For the three months ended August 1, 2026, our effective tax rate was 24.3 percent compared to 25.9 percent for the three months ended August 2, 2025. The decrease in the effective tax rate was primarily attributable to valuation allowances recorded in fiscal 2026 which did not recur in fiscal 2027.

Net Income: The increase in net income reflects higher gross profit and operating income compared to the same period a year ago. For the three months ended August 1, 2026, our earnings per diluted share was $0.40 compared to $0.33 in the same period last year.

Reportable Segment Performance Summary

Non-GAAP Reconciliation: The following table shows information regarding our reportable segment financial performance of contribution margin reconciled to operating income, the most comparable GAAP metric, for the three months ended August 1, 2026 and August 2, 2025 (in thousands):

	Three Months Ended August 1, 2026											
	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	$ 43,703		$ 86,398		$ 54,711		$ 21,378		$ 28,375		$ 234,565	
Cost of sales	30,353	69.5 %	66,025	76.4 %	34,956	63.9 %	14,242	66.6 %	17,390	61.3 %	162,966	69.5 %
Gross profit	13,350	30.5	20,373	23.6	19,755	36.1	7,136	33.4	10,985	38.7	71,599	30.5
Selling	4,460	10.2	3,273	3.8	4,528	8.3	1,572	7.4	5,157	18.2	18,990	8.1
Contribution margin	8,890	20.3	17,100	19.8	15,227	27.8	5,564	26.0	5,828	20.5	52,609	22.4
General and administrative	—	—	—	—	—	—	—	—	—	—	15,559	6.6
Product design and development	—	—	—	—	—	—	—	—	—	—	12,114	5.2
Operating income	$ 8,890	20.3 %	$ 17,100	19.8 %	$ 15,227	27.8 %	$ 5,564	26.0 %	$ 5,828	20.5 %	$ 24,936	10.6 %
Orders	$ 46,568		$ 47,213		$ 56,276		$ 22,703		$ 19,039		$ 191,799	

	Three Months Ended August 2, 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	$ 46,167		$ 79,800		$ 59,347		$ 16,575		$ 17,083		$ 218,972	
Cost of sales	32,517	70.4 %	59,614	74.7 %	37,406	63.0 %	11,419	68.9 %	12,944	75.8 %	153,900	70.3 %
Gross profit	13,650	29.6	20,186	25.3	21,941	37.0	5,156	31.1	4,139	24.2	65,072	29.7
Selling	4,738	10.3	3,208	4.0	4,629	7.8	1,593	9.6	2,666	15.6	16,834	7.7
Contribution margin	8,912	19.3	16,978	21.3	17,312	29.2	3,563	21.5	1,473	8.6	48,238	22.0
General and administrative	—	—	—	—	—	—	—	—	—	—	14,295	6.5
Product design and development	—	—	—	—	—	—	—	—	—	—	10,671	4.9
Operating income	$ 8,912	19.3 %	$ 16,978	21.3 %	$ 17,312	29.2 %	$ 3,563	21.5 %	$ 1,473	8.6 %	$ 23,272	10.6 %
Orders	$ 44,223		$ 92,219		$ 63,254		$ 21,909		$ 16,938		$ 238,543	

	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	$ (2,464)	(5.3)%	$ 6,598	8.3 %	$ (4,636)	(7.8)%	$ 4,803	29.0 %	$ 11,292	66.1 %	$ 15,593	7.1 %
Cost of sales	(2,164)	(6.7)	6,411	10.8	(2,450)	(6.5)	2,823	24.7	4,446	34.3	9,066	5.9
Gross profit	(300)	(2.2)	187	0.9	(2,186)	(10.0)	1,980	38.4	6,846	165.4	6,527	10.0
Selling	(278)	(5.9)	65	2.0	(101)	(2.2)	(21)	(1.3)	2,491	93.4	2,156	12.8
Contribution margin	(22)	(0.2)	122	0.7	(2,085)	(12.0)	2,001	56.2	4,355	295.7	4,371	9.1
General and administrative	—	—	—	—	—	—	—	—	—	—	1,264	8.8
Product design and development	—	—	—	—	—	—	—	—	—	—	1,443	13.5
Operating income	$ (22)	(0.2)%	$ 122	0.7 %	$ (2,085)	(12.0)%	$ 2,001	56.2 %	$ 4,355	295.7 %	$ 1,664	7.2 %
Orders	$ 2,345	5.3 %	$ (45,006)	(48.8)%	$ (6,978)	(11.0)%	$ 794	3.6 %	$ 2,101	12.4 %	$ (46,744)	(19.6)%

(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.

Sales, orders, gross profit, and operating expenses were impacted as a result of the first quarter of fiscal 2027 including 13 weeks. The first quarter of fiscal 2026 contained 14 weeks.

During the first quarter of fiscal 2027, total net sales increased and gross profit as a percentage of net sales increased, reflecting the cumulative impact of the following factors:

Commercial: The decrease in net sales in the first quarter of fiscal 2027 compared to the same period one year ago was primarily due to lower backlog entering the quarter, which reduced the volume of projects available for revenue recognition during the period. Gross profit as a percentage of sales increased due to delivering more profitable projects in the Spectaculars and On-Premise niches and higher sales volume over a relatively fixed cost structure. Selling expenses decreased year-over-year, primarily reflecting lower personnel costs. The increase in order bookings reflects continued market adoption of digital display technology.

Live Events: The increase in net sales in the first quarter of fiscal 2027 compared to the same period one year ago was primarily due to the timing and execution of project deliveries and revenue recognition on large customer projects. Gross profit as a percentage of sales in the quarter decreased slightly due to normal variability in project and customer mix. Selling expenses remained relatively flat. Order volume decreased in the first quarter of fiscal 2027 compared to the same period in fiscal 2026 primarily due to the timing of customer project awards and a strong prior-year comparison period. Variability in orders is common within the Live Events business unit, as a relatively small number of large projects can significantly affect order volume in any given period.

High School Park and Recreation: Sales decreased during the first quarter of fiscal 2027 compared to the same period one year ago primarily due to lower project delivery activity during the quarter. Gross profit as a percentage of sales decreased slightly due to normal variability in project and customer mix. Selling expenses decreased primarily due to lower sales activity during the period. Order bookings decreased due to the timing of customer project awards. Order activity can fluctuate from period to period based on customer funding cycles and project timing.

Transportation: Sales increased during the first quarter of fiscal 2027 compared to the same period one year ago due to increased project delivery activity and revenue recognition during the quarter. Gross profit as a percentage of sales increased primarily due to favorable project mix and execution on projects recognized during the quarter. Selling expenses and order bookings remained relatively flat year-over-year.

International: The increase in net sales in the first quarter of fiscal 2027 was due to the timing of project execution and customer deliveries. Gross profit as a percentage of sales increased primarily due to favorable project mix and improved execution on projects recognized during the quarter. Selling expenses increased primarily due to a commission on a large project completed during the quarter and investments to support growth within the International business unit. Order bookings increased compared to the same period a year ago, reflecting favorable customer demand and project award timing.

LIQUIDITY AND CAPITAL RESOURCES

(in thousands)	Three Months Ended August 1, 2026	Three Months Ended August 2, 2025	Dollar Change
Net cash provided by (used in):			
Operating activities	$ 31,433	$ 26,097	$ 5,336
Investing activities	(3,909)	(5,620)	1,711
Financing activities	(4,500)	(11,128)	6,628
Effect of exchange rate changes on cash	(78)	—	(78)
Net increase in cash, cash equivalents and restricted cash	$ 22,946	$ 9,349	$ 13,597

Net cash provided by operating activities: The $31.4 million of cash provided by operating activities during the first three months of fiscal 2027 increased from the $26.1 million in the same period of fiscal 2026. The increase was primarily driven by higher net income and a greater source of cash from changes in operating assets and liabilities. Changes in operating assets and liabilities provided $5.9 million of cash in fiscal 2027 compared to $1.7 million in fiscal 2026, primarily reflecting favorable changes in contract assets, customer deposits, income taxes receivable, and accrued liabilities. These benefits were partially offset by a larger use of cash for accounts receivable and inventory and a lower source of cash from accounts payable.

The changes in net operating assets and liabilities for the three months ended August 1, 2026 and August 2, 2025 consisted of the following:

(in thousands)	Three Months Ended August 1, 2026	Three Months Ended August 2, 2025
(Increase) decrease:		
Accounts receivable	$ (36,439)	$ (32,055)
Long-term receivables	663	241
Inventories	(6,700)	(3,512)
Contract assets	14,860	(682)
Prepaid expenses and other current assets	(4,464)	(4,971)
Income tax receivables	2,929	2,768
Investment in affiliates and other assets	(1,799)	(3,884)
Increase (decrease):		
Accounts payable	10,769	25,839
Contract liabilities	20,345	14,417
Accrued expenses	5,859	3,606
Warranty obligations	761	(257)
Long-term warranty obligations	302	690
Income taxes payable	(973)	225
Long-term marketing obligations and other payables	(207)	(737)
	$ 5,906	$ 1,688

Net cash used in investing activities: During the first three months of fiscal 2027, net cash used in investing activities totaled $3.9 million, primarily driven by $4.1 million in purchases of property and equipment offset by $0.2 million in proceeds from sales of property and equipment. In comparison, the same period in fiscal 2026 had total cash used in investing activities of $5.6 million, driven by $4.3 million in property and equipment purchases and $1.5 million in affiliate investments and offset by $0.2 million in proceeds from sales of property and equipment.

Net cash used in financing activities: In the first three months of fiscal 2027, financing activities resulted in a net cash outflow of $4.5 million, which included $4.4 million for repurchased shares, $0.3 million in payments on notes payable, offset by $0.2 million in proceeds from exercise of stock options. In comparison, the first quarter of fiscal 2026 reflected a net outflow of $11.1 million, primarily driven by $10.7 million for repurchased shares and $0.5 million in payments on notes payable. These outflows were partially offset by $0.1 million in proceeds from the exercise of stock options.

Debt and Cash

On November 26, 2025, we entered into a $71.5 million senior credit facility (the “Credit Facility”) pursuant to a Credit Agreement (the “Credit Agreement”). The Credit Facility consists of a cash flow-backed revolving line of credit (the “Revolver”) and a term loan that is not collateralized by real estate (the “Term Loan”). We believe the Credit Facility enhances financial flexibility in managing our operations and capital structure by extending maturities and providing committed liquidity. As of August 1, 2026, there were no advances under the Revolver, and the balance of letters of credit outstanding under the Revolver was approximately $1.9 million. 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.

As of August 1, 2026, we had $154.6 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 August 1, 2026, and we expect to remain in compliance with those covenants for at least the next 12 months.

Working Capital

Working capital was $270.0 million as of August 1, 2026, and $254.3 million as of May 2, 2026, reflecting a $15.7 million increase. This change was primarily impacted by fluctuations in key components such as an increase in cash and cash equivalents by $22.9 million, accounts receivable by $36.1 million, inventory by $7.0 million, and accounts payable by $11.7 million. Contract assets decreased by $14.9 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 to 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 August 1, 2026, the Company had $7.9 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 investments in areas that support strategy execution including growth and operational excellence, while maintaining reasonable liquidity and leverage ratios that reflect a prudent and compliant capital structure in light of the cyclicality of our business, and the reduction of debt. We may invest in value-accretive inorganic opportunities, and may also return excess cash over time to stockholders through dividends or share repurchases. During the first three months of fiscal 2027 and fiscal 2026, 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 $13.2 million for fiscal 2027. 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 strategic initiatives. These investments primarily include continued enhancements to our enterprise performance management systems and related business processes. We also evaluate strategic investments in new technologies, affiliates, or potential acquisitions aligned with our business strategy. For fiscal 2027, 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 August 1, 2026, we had $36.7 million of bonded work outstanding.

Contractual Obligations and Commercial Commitments

During the first three months of fiscal 2027, 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 three months of fiscal 2027.

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 three months of fiscal 2027.

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 Exchange Act. As of August 1, 2026, an evaluation was performed, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our principal executive officer and principal financial officer concluded that as of August 1, 2026, our disclosure controls and procedures were effective at the reasonable assurance level to ensure information required to be disclosed in this 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 principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Our principal executive officer and principal financial officer believe the Condensed Consolidated Financial Statements included in this Form 10-Q fairly represent, in all material respects, our financial condition, results of operations, and cash flows as of and for the periods presented in accordance with GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Accordingly, even effective internal control over financial reporting can only provide reasonable assurance of achieving its control objectives.

We have confidence in our internal controls and procedures. Nevertheless, our management, including our principal executive officer and principal financial officer, does not expect that our disclosure procedures and controls or our internal controls will prevent all errors or intentional fraud. An internal control system, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of such internal controls are met. Further, the design of an internal control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. As a result of the inherent limitations in all internal control systems, no evaluation of controls can provide absolute assurance that all our control issues and instances of fraud, if any, have been detected.

Changes in Internal Control Over Financial Reporting

During the quarter ended August 1, 2026, there have been no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, 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 17. 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 “FY17 Repurchase Program”) under which the Company may repurchase up to $40.0 million of its outstanding Common Stock. The Board approved increases to the limit under the FY17 Repurchase Program of $10.0 million on March 4, 2025, $10.0 million on June 23, 2025, $20.0 million on December 9, 2025, and $25.9 million on June 22, 2026. Following these increases, the maximum authorized value under the FY17 Repurchase Program was $105.9 million as of August 1, 2026.

Repurchases under the FY17 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 FY17 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 three months ended August 1, 2026, the Company repurchased 0.2 million shares of Common Stock at a total cost of $4.4 million. As of August 1, 2026, $36.0 million of the $105.9 million authorized amount remained available for repurchase under the FY17 Repurchase Program.

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The following table summarizes the Company's repurchases of Common Stock during the first quarter of fiscal 2027.

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)
May 3, 2026 - May 30, 2026	16,220	$ 19.03	16,220	$ 40,058,993
May 31, 2026 - June 27, 2026	8,400	19.04	8,400	$ 39,899,018
June 28, 2026 - August 1, 2026	200,836	$ 19.63	200,836	$ 35,957,332
Total	225,456		225,456	

(1) The share repurchases described in the above table were made pursuant to the FY17 Repurchase Program authorized by the Board on June 17, 2016, as amended by the Board on March 4, 2025, June 23, 2025, December 9, 2025, and June 22, 2026.

Shares withheld to satisfy statutory tax withholding requirements related to the vesting of restricted stock units and performance stock units 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" of the Notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information about the FY17 Repurchase Program, including, but not limited to, restrictions on our ability to repurchase shares of Common Stock under the Credit Facility.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

During the fiscal quarter ended August 1, 2026, none of the Company's directors or "officers," as such term is defined in Rule 16a-1(f) of the Exchange Act, 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.

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	Form of Restricted Stock Unit Notice and Agreement under the 2025 Plan.[(1)(3)]
10.2	Form of Performance Stock Unit Notice and Agreement under the 2025 Plan.[(1)(3)]
31.1	Certification of the Principal 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 Principal 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).[(2)]
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).[(2)]
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: September 2, 2026

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., a Delaware corporation (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 specifically 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 [●], 2027, one-fourth of the RSUs will vest on [●], 2028, one-fourth of the RSUs will vest on [●], 2029 and the remaining RSUs will vest on [●], 2030, 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 Plan, the Agreement, and this Grant Notice in their entirety and fully understand all provisions of the Plan, the Agreement, 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 Plan, the Agreement, 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:

[Signature Page to Restricted Stock Unit Grant Notice]

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 the **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, 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 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 of this Agreement, 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 of this Agreement, then as soon as administratively practicable following the vesting of the RSUs pursuant to Section 2 of this Agreement, but not later than 60 days after the applicable 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 Stock issuable under the Award has been issued, 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 Award 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 or similar 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, including, without limitation, the Company's Executive Incentive Compensation Clawback Policy, 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 CHOICE OR 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., a Delaware corporation (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 specifically 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.

You have the right to receive settlement of this Award in an amount ranging from 0% to 150% of the Target PSUs. 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 2027, 2028, and 2029 (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 Plan, the Agreement, and this Grant Notice in their entirety and fully understand all provisions of the Plan, the Agreement, 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:
Title:

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 by the Committee 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 (i) the continued employment conditions set forth in the Grant Notice (the "***Service Requirement***") and (ii) based on the extent to which the Company has satisfied the Performance Goals described in Exhibit B to the Grant Notice, 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 conditions, 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 of this Agreement, 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 of this Agreement, but not later than 60 days after the applicable 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 Stock issuable under the Award has been issued, 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 Award 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 or similar 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, including, without limitation, the Company's Executive Incentive Compensation Clawback Policy, 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 CHOICE OR 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 Cumulative Operating Income (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 Cumulative Revenue (as defined below).

For purposes of this Agreement:

"Cumulative Operating Income" means the Company's cumulative operating income (***"OI"***) over the Performance Period *(FY27 OI; plus FY28 OI; plus FY29 OI)*.
"Cumulative Revenue" means the Company's cumulative revenue (sales total) over the Performance Period *(FY27 revenue; plus FY28 revenue; plus FY29 revenue)*.
"Target Level of Performance" means achievement of 100% of the Cumulative Operating Income and Cumulative Revenue targets approved in the Company's approved 3-year Financial Plan (FY2027-2029), respectively:
"Threshold Level of Performance" means achievement of 80% of the Cumulative Operating Income and Cumulative Revenue targets approved in the Company's approved 3-year Financial Plan (FY2027-2029), respectively;

"Maximum Level of Performance" means achievement of 120% of the Cumulative Operating Income and Cumulative Revenue targets approved in the Company's approved 3-year Financial Plan (FY2027-2029), respectively;

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

Level of Performance	Profit Growth (60%)	Revenue Growth (40%)	Earned PSU Percentage(1)
Threshold	80%	80%	25%
Target	100%	100%	100%
Maximum	120%	120%	150%

(1) Earned PSUs represent a percentage of Target PSUs earned for performance. For performance between threshold and target and between target and maximum, the amount of Earned PSUs will be determined by linear interpolation.

****The Board reserves the right to make equitable adjustments to the performance targets for any given fiscal year based on Company-wide one-time occurrences, including, without limitation, one-time adjustments associated with business combination transactions.***

EXHIBIT 31.1

DAKTRONICS, INC.
CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER REQUIRED BY RULE 13a-14(a)
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, Ramesh Jayaraman, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the fiscal quarter ended August 1, 2026 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 financially 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/ Ramesh Jayaraman
Ramesh Jayaraman
Principal Executive Officer
September 2, 2026

EXHIBIT 31.2

DAKTRONICS, INC.
CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER REQUIRED BY RULE 13a-14(a)
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 fiscal quarter ended August 1, 2026 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 financially 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
Principal Financial Officer
September 2, 2026

EXHIBIT 32.1

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 fiscal quarter ended August 1, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ramesh Jayaraman, 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/ Ramesh Jayaraman
Ramesh Jayaraman
Chief Executive Officer
September 2, 2026

EXHIBIT 32.2

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 fiscal quarter ended August 1, 2026 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
September 2, 2026