Fiscal 2027 First Quarter Results Conference Call

NOVEMBER 5, 2026











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These risks and uncertainties include, but are not limited, to the following: the impact of competitive products and services; product and pricing demands, and market acceptance risks; LSI’s reliance on third-party manufacturers and suppliers; substantial changes to the refueling and convenience store and grocery markets; LSI’s stock price volatility; potential costs associated with litigation, other proceedings and regulatory compliance; LSI’s ability to develop, produce and market quality products that meet customers’ needs; LSI’s ability to adequately protect intellectual property; information technology security threats and computer crime; reliance on customers and partner relationships; financial difficulties experienced by customers; the cyclical and seasonal nature of our business; the adequacy of reserves and allowances for doubtful accounts; the failure of investments, acquisitions or acquired companies to achieve their plans or objectives generally; unexpected difficulties in integrating acquired businesses; the inability to effectively execute our business strategies; the ability to retain key employees, including key employees of acquired businesses; labor shortages or an increase in labor costs; changes in product mix; unfavorable economic, political, and market conditions, including interest rate fluctuations and inflation; changes in U.S. trade policy; the results of asset impairment assessments; risks related to disruptions or reductions in business operations or prospects due to international conflicts and wars, pandemics, epidemics, widespread health emergencies, or outbreaks of infectious diseases; price increases of materials; significant shortages of materials; shortages in transportation; increases in fuel prices; sudden or unexpected changes in customer creditworthiness; not recognizing all revenue or not receiving all customer payments; write-offs or impairment of capitalized costs or intangible assets in the future or restructuring costs;; and the other risk factors LSI describes from time to time in SEC filings. There may be additional risks of which we are not presently aware or that we currently believe are immaterial which could have an adverse impact on our business.

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Key Messages

FISCAL 2027 FIRST QUARTER RESULTS

Resilient customer demand, in increasingly difficult operating environment

LSI continues to deploy a “Category of One” retail branding solutions platform; positioned to capture market share and unlock meaningful cross-selling opportunities.

Net sales +44% y/y in Q1FY27, including contributions from Royston Group acquisition completed March 24, 2026; Display Solutions segment demand remains consistent at a high level, offset by continued softness within Lighting segment; operating environment remains challenged by cost inflation, rising interest rates.

Royston delivered a solid first quarter highlighted by both sales growth and margin expansion

Royston net sales increased +8% sequentially versus Q4FY26, while adjusted EBITDA margin expanded 100 bps compared to the prior quarter. This reflects early gains from recently launched initiatives to accelerate growth and enhance operating efficiency.

Volatile performance by vertical market; Growth realized in largest two vertical markets; offset by declines in other verticals

Refueling/C-Store sales increased 5% in Q1, growth realized with largest customers, reflecting ongoing activity in both new and existing projects. Grocery also increased mid-single digits led by large customers. QSR down double-digits as key chains respond to lower consumer traffic driven by inflation.

Leveraging Commercial, Operational, and Capital Allocation Priorities, Executing on Value Compounding Strategy

Display Solutions Segment: Order rates remain positive, consolidating Canadian manufacturing operations

Q1FY27 segment sales increased more than 80% versus the prior year, while on an organic basis, excluding Royston, sales increased 1%; pro-forma segment order rates in the fiscal first quarter increased 4% versus the prior year, backlog also +4%.

Announced closure of Collingwood, Ontario facility, while consolidating production into nearby Toronto operations.

Lighting Segment: Continued softness across non-residential markets, with lengthening quote-to-order conversion period

Q1FY27 segment sales declined -6% versus prior year due to broad-based softness in the commercial and industrial markets.

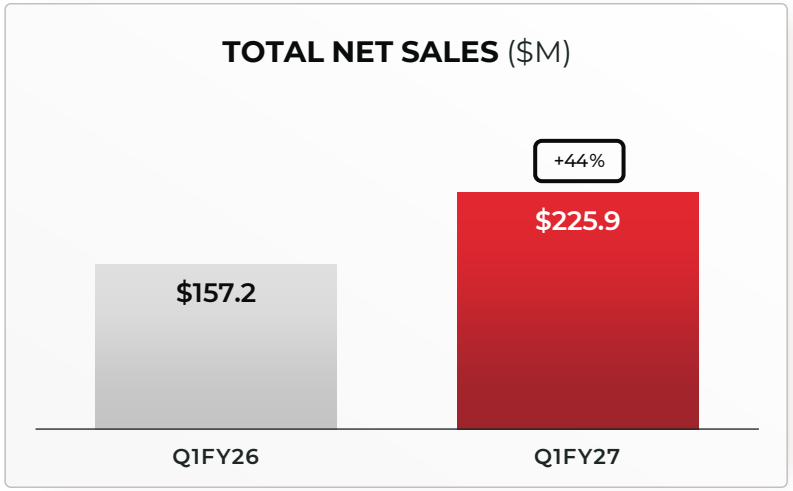
Focused on aligning project pricing with raw material input costs; quote-to-order conversion lengthening; project quote activity remained stable both sequentially and year over year, and orders increased 1% from the prior-year period.

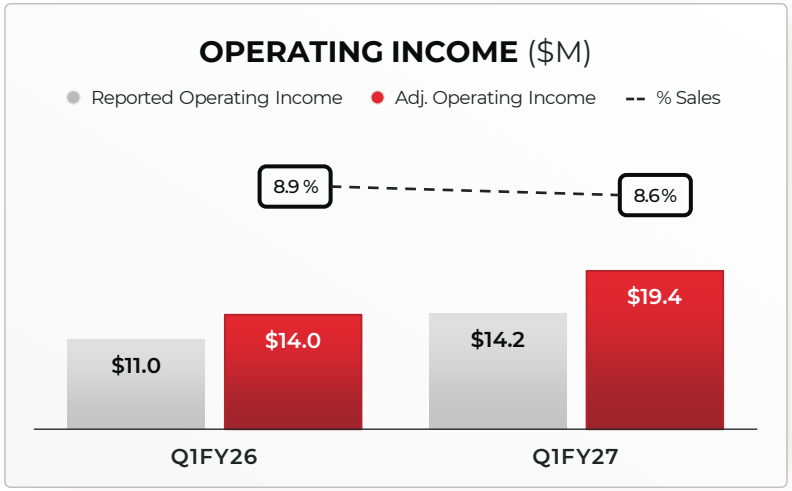
Strong free cash flow conversion, continued reduction in net debt; focused on a disciplined, return-centric capital allocation strategy

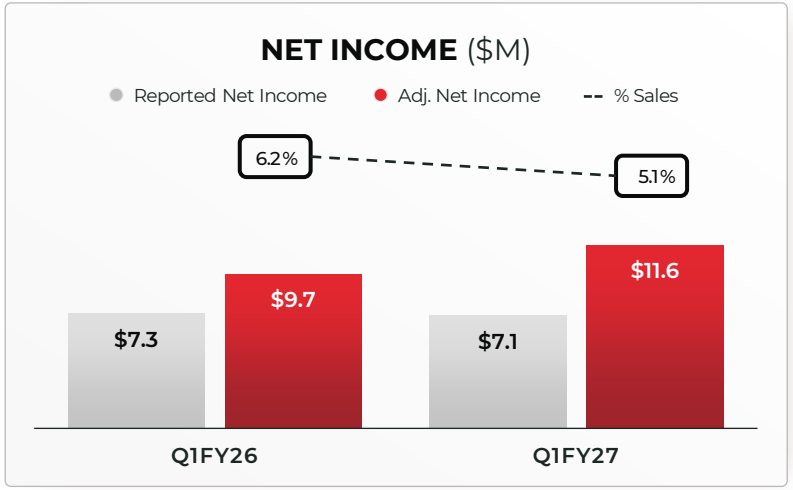
Generated strong free cash flow of $13.8 million in the fiscal first quarter, driven by sustained profitability and working capital discipline; Reduced total net debt outstanding by more than $14 million in Q1FY27 on a sequential basis, resulting in a ratio of net debt to pro-forma trailing twelve-month adjusted EBITDA of 2.6x as of September 30, 2026.

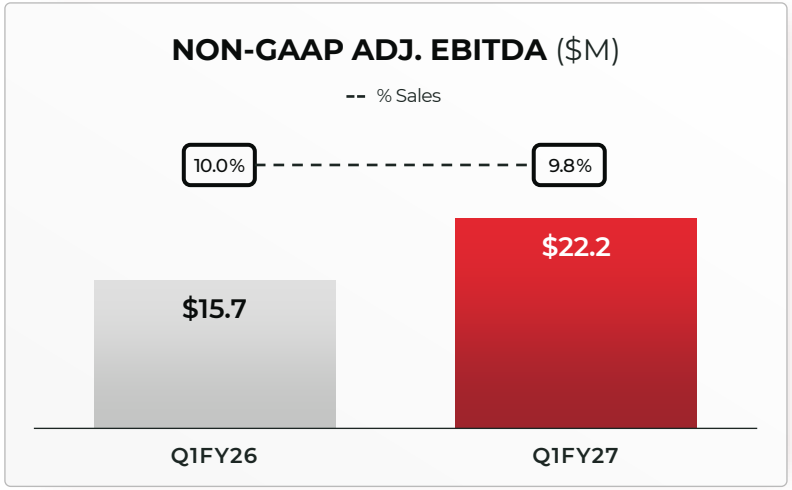
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Consolidated Financial Results









"Category-of-One" Retail Branding Solutions Positions LSI to Increase Share of Wallet

Our in-house design, engineering, manufacturing, installation, and service capabilities provide customers with greater speed, program control, and execution certainty, positioning us to displace single-product vendors; cross-selling remains chief focus post Royton acquisition

Lower Sales of Lighting and Vertical Mix Impacted Margin Realization

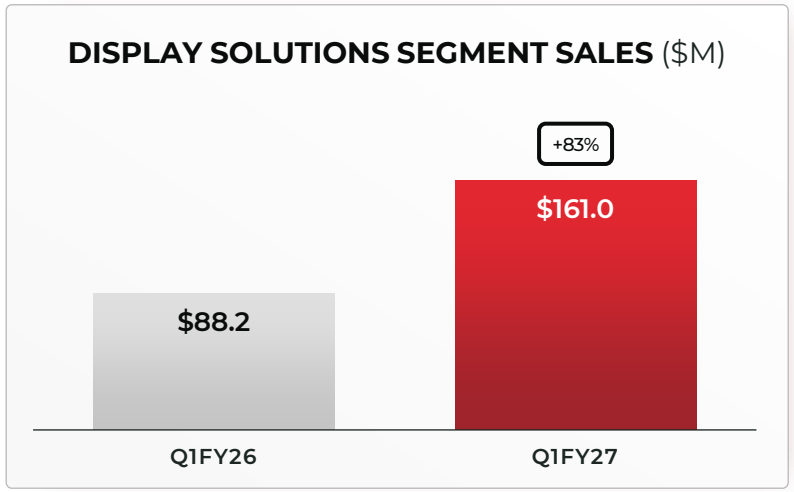
Lighting segment sales declined -6% y/y in Q1FY27, while comparable Display Solutions segment sales increased 1%; less favorable sales mix and cycling lower margin backlog resulted in 20 bps y/y decline in Adj. EBITDA margin in Q1FY27

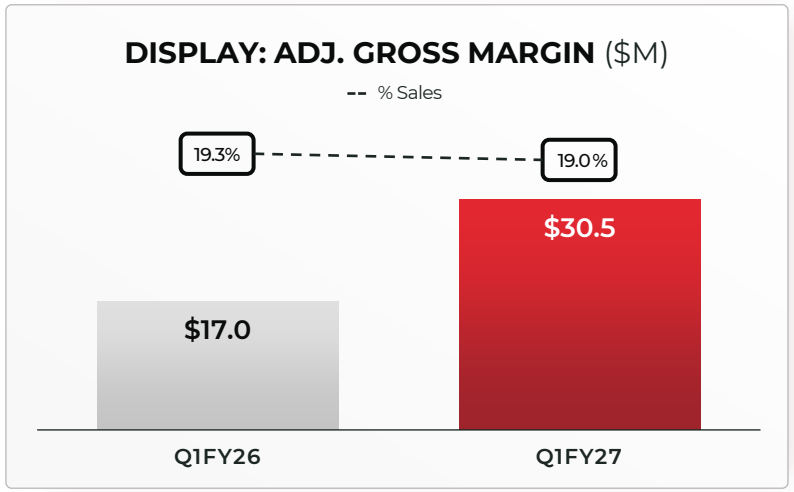
Royston Performed Well in Q1FY27, Integration Remains On-Track

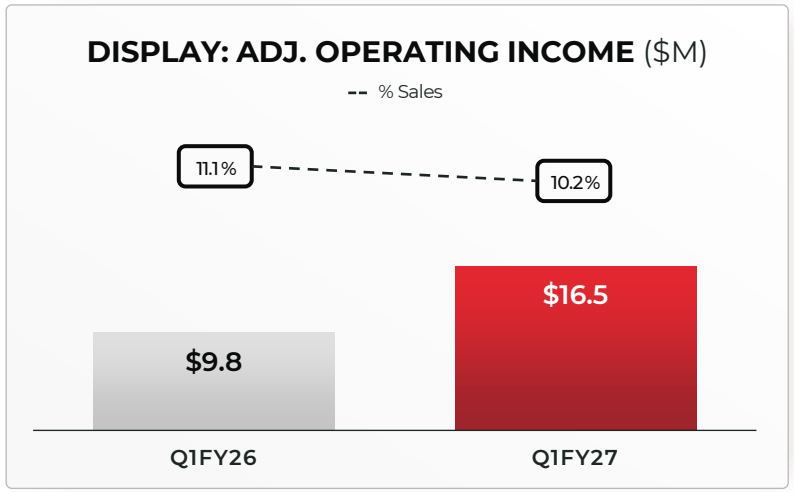
Pricing, cross-selling, procurement, process, and cost actions gaining momentum; demand momentum within Refueling/C-Store and Grocery remain healthy at Royston

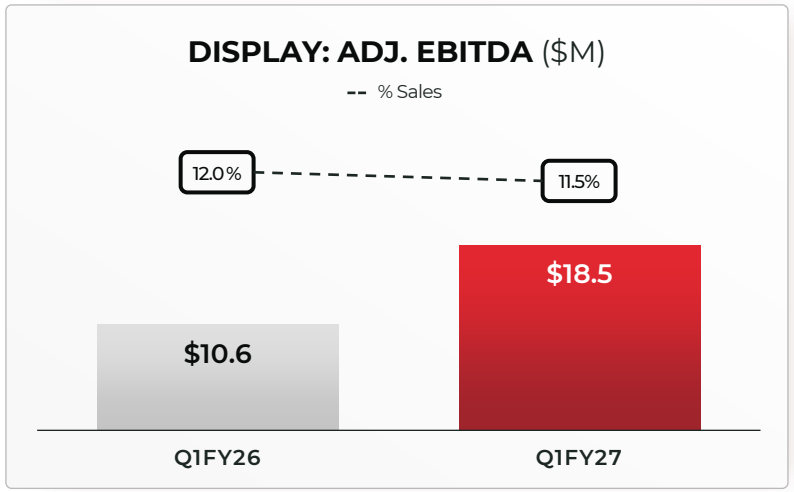
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Display Solutions Segment Update









Royston Acquisition and Strength in Target Verticals Drove Growth vs. PY

Largest Refueling/C-Store and Grocery customers continue to advance releases on large programs. Largest customer generated double digit proforma growth in Q1

Solid Project Execution Supports Multi-Year Demand

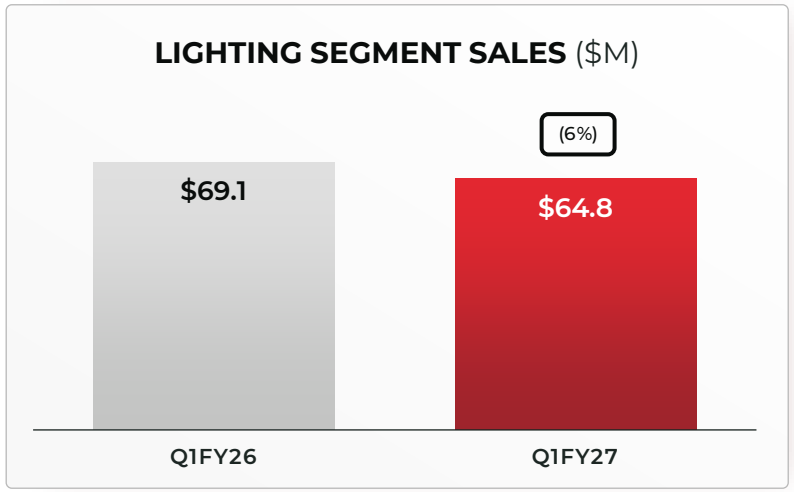
The 2,500 Refueling/C-Store site refresh announced last quarter continues to proceed as planned, activity expected to steadily ramp throughout fiscal 2027-2028; separately a large QSR customer recently approved a 3,000-store interior renovation program and selected LSI as a key solutions provider. The program is scheduled to begin late in the third quarter of fiscal 2027 and is expected to continue through fiscal 2029.

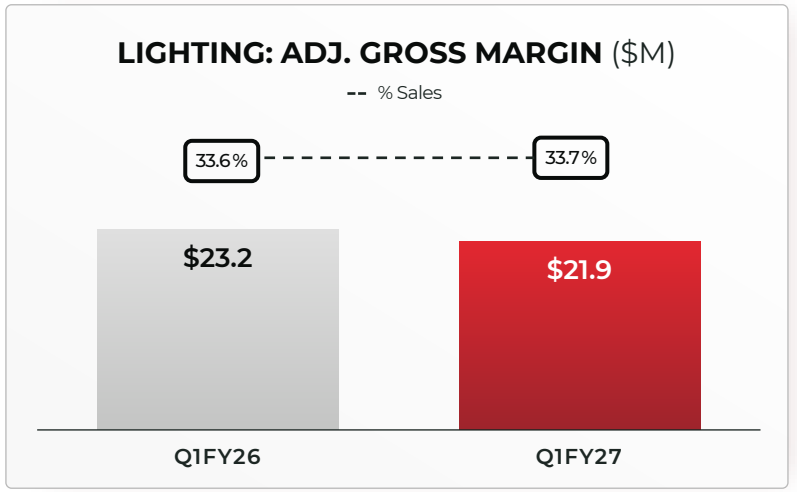
Closure of Collingwood Reflects Ongoing Cost Reduction Focus

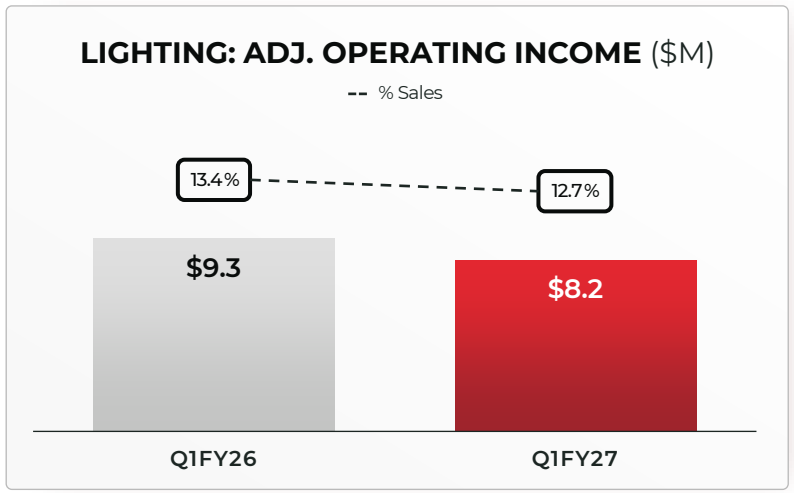
Consolidating operations at the leased Collingwood, Ontario facility into existing Toronto operations by the end of Q4FY27; expect the consolidation to generate over $1 million in annual cost savings

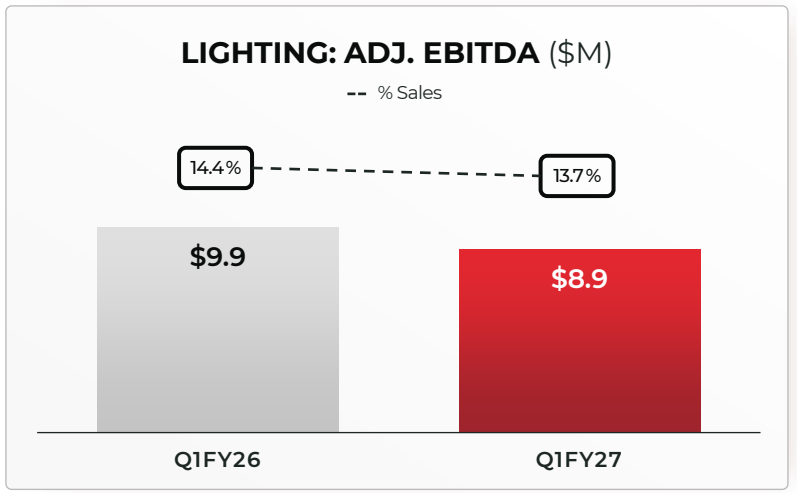
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Lighting Segment Update









Broad-Based Softness in Non-Residential Lighting Demand

Targeting above-market growth in what remains a challenging near-term demand environment for commercial lighting; both large and small projects seeing longer quote-to-conversion cycles

Gross Margin Improves 10 bps Y/Y as Pricing Aligned with Cost

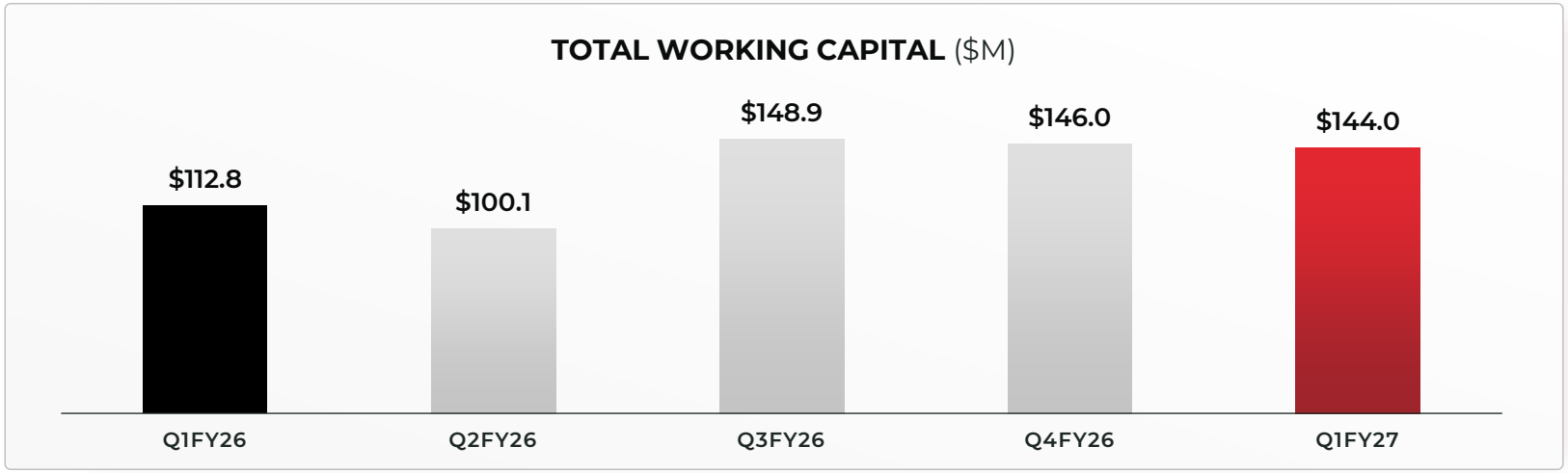
EBITDA margin impacted by operating expenses flat to PY, reflecting continued commercial investments for new products and other customer initiatives

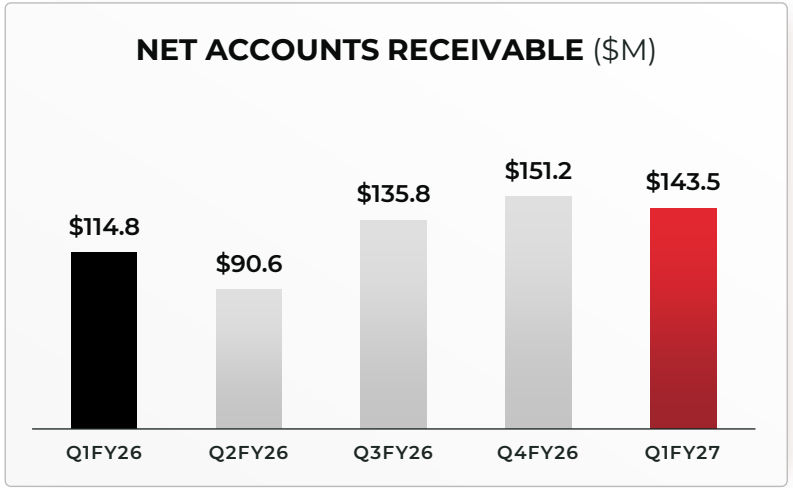
Stable Order Rates Entering Q2FY27

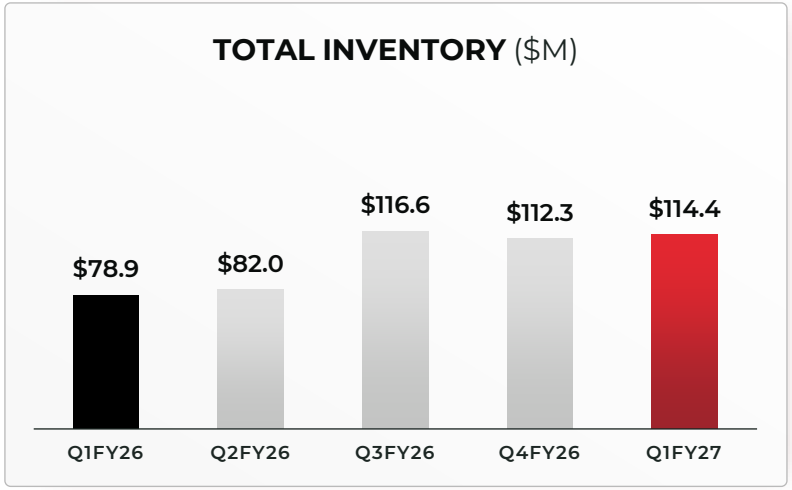
Lighting segment order +1% above PY; segment book-to-bill above 1.0x as of Sept. 30, 2026

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Working Capital Update







Working Capital

Working Capital remains in tight bandwidth of performance

Total days of Working Capital remains within 61-65 days or 18% of TTM sales

Net Accounts Receivable

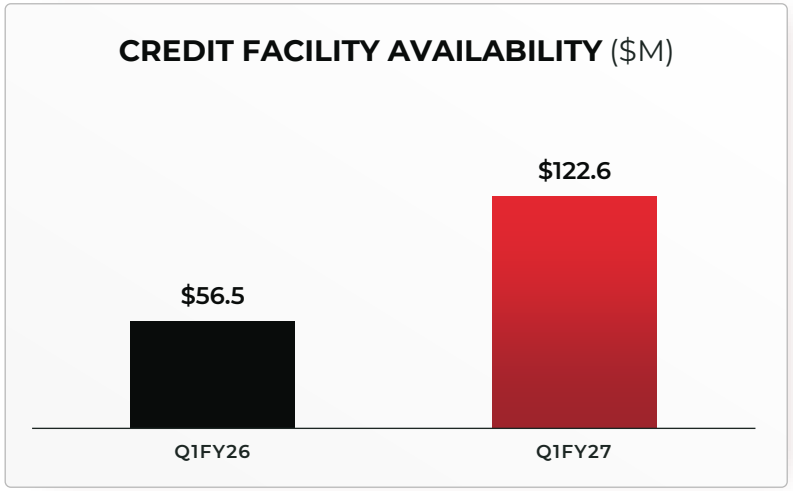
No structure changes; terms or past-due levels remain consistent with twelve-month trends

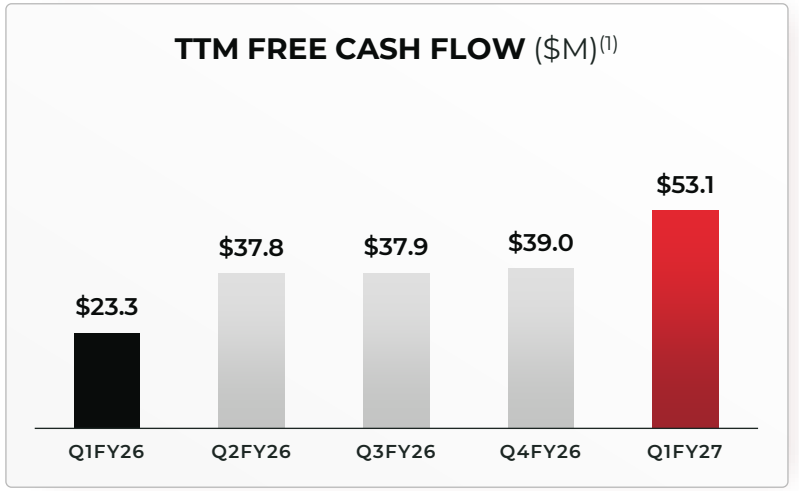
Total Inventory

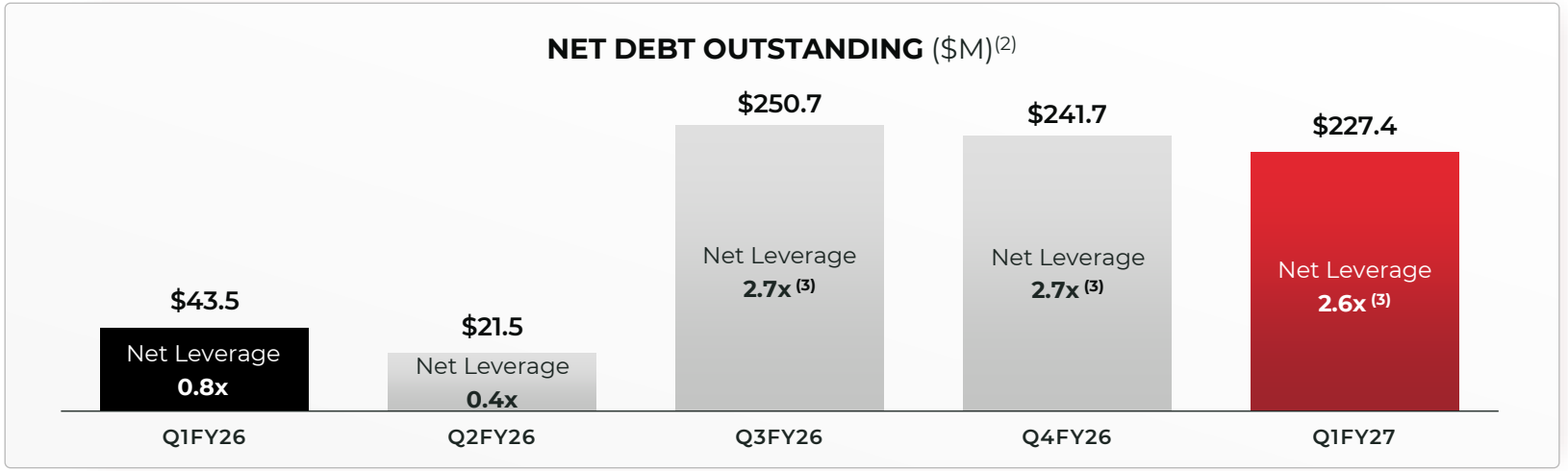
DIO remains at 60-62 days. Project schedule changes (push-outs) have caused inventory levels to fluctuate somewhat; we will continue to manage closely

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Balance Sheet Update







Significant Liquidity to Support Growth

More than $122 million of cash and available liquidity under our $350 million credit facility

Strong Free Cash Flow Generation

Nearly $14 million of free cash flow generated in Q1FY27, representing 62% free cash flow conversion as % of Adj. EBITDA; TTM free cash flow through Sept. 30, 2026, equates to more than $53 million

Focused on Net Leverage Reduction Below 2.0x

Reduced net leverage to 2.6x at the end of Q1FY27; anticipate continued, strong free cash generation to support ratable deleveraging, with net leverage expected to be below 2.0x at or before year-end fiscal 2028

(1) Free cash flow (FCF) defined as cash flow from operating activities less capital expenditures
(2) Net leverage defined as net debt divided by trailing 12-month Adjusted EBITDA
(3) Reflects proforma for the Royston acquisition

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Appendix



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Statement on Non-GAAP Financial Measures

This presentation includes adjustments to GAAP gross margin, operating income, net income, and earnings per share for the periods ending September 30, 2026, and September 30, 2025. Gross Margin, operating income, net income, and earnings per share, which exclude the impact of long-term performance-based compensation, severance costs, restructuring costs, lease expense on the step-up basis of acquired leases, the amortization expense of acquired intangible assets, consulting expenses supporting commercial growth initiatives, and acquisition costs are non-GAAP financial measures. We believe these non-GAAP measures will provide increased transparency to our core operating performance of the business. Also included in this presentation are non-GAAP financial measures, including Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA and Adjusted EBITDA), Free Cash Flow, Organic Sales Growth, and Net Debt to Adjusted EBITDA. We believe that these are useful as supplemental measures in assessing the operating performance of our business. These measures are used by our management, including our chief operating decision maker, to evaluate business results and are frequently referenced by those who follow the Company. These non-GAAP measures may be different from non-GAAP measures used by other companies. In addition, the non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Non-GAAP measures have limitations in that they do not reflect all amounts associated with our results as determined in accordance with U.S. GAAP. Therefore, these measures should be used only to evaluate our results in conjunction with corresponding GAAP measures. Below is a reconciliation of these non-GAAP measures to the net income and earnings per share reported for the periods indicated, along with the calculation of EBITDA, Adjusted EBITDA, Free Cash Flow, Organic Sales Growth, and Net Debt to Adjusted EBITDA.

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Non-GAAP Reconciliation

RECONCILIATION OF REPORTED GROSS MARGIN TO ADJUSTED GROSS MARGIN

	LSI INDUSTRIES		LIGHTING SEGMENT		DISPLAY SOLUTIONS SEGMENT	
	Q1FY26	Q1FY27	Q1FY26	Q1FY27	Q1FY26	Q1FY27
Net Sales	**157,249**	225,855	**69,054**	**64,823**	**88,195**	**161,032**
Gross Margin	**40,277**	52,231	**23,182**	**21,855**	**17,095**	**30,374**
Lease expense on the step-up basis of acquired leases	68	152	-	-	68	152
Severance costs / Restructuring costs	(135)	-	1	-	(137)	-
Adjusted Gross Margin	**40,210**	52,383	**23,183**	**21,855**	**17,026**	**30,526**
Adjusted Gross Margin %	**25.6%**	23.2%	**33.6%**	**33.7%**	**19.3%**	**19.0%**

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Non-GAAP Reconciliation

RECONCILIATION OF REPORTED OPERATING INCOME TO ADJUSTED OPERATING INCOME

	LSI INDUSTRIES		LIGHTING SEGMENT		DISPLAY SOLUTIONS SEGMENT	
	Q1FY26	Q1FY27	Q1FY26	Q1FY27	Q1FY26	Q1FY27
Net Sales	157,249	225,855	69,054	64,823	88,195	161,032
Operating Income	10,972	14,161	8,549	7,548	8,591	12,996
Acquisition Costs	220	252	-	-	-	-
Amortization expense of acquired intangible assets	1,554	3,779	603	613	951	3,183
Lease expense on the step-up basis of acquired leases	68	152	-	-	68	152
Severance costs / Restructuring costs	(71)	13	1	-	(90)	-
Long-term performance-based compensation	1,282	1,049	126	69	275	169
Adjusted Operating Income	14,025	19,406	9,279	8,230	9,795	16,500
Adjusted Operating %	8.9%	8.6%	13.4%	12.7%	11.1%	10.2%
Depreciation expense	1,646	2,761	658	640	832	2,019
Adjusted EBITDA	15,671	22,167	9,937	8,870	10,627	18,519
Adjusted EBITDA %	10.0%	9.8%	14.4%	13.7%	12.0%	11.5%

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Non-GAAP Reconciliation

RECONCILIATION OF REPORTED NET INCOME TO ADJUSTED NET INCOME

LSI INDUSTRIES	Q1FY26	Q1FY27
Net Income Reported	**7,264**	**7,127**
Income tax	2,431	3,059
Interest expense, net	747	3,862
Other expense (income)	530	113
Operating Income as Reported	**10,972**	**14,161**
Depreciation and amortization	3,200	6,540
EBITDA	**14,172**	**20,701**
Acquisition costs	220	252
Lease expense on the step-up basis of acquired leases	68	152
Severance costs / Restructuring costs	(71)	13
Long-term performance based compensation	1,282	1,049
Adjusted EBITDA	**15,671**	**22,167**
Adjusted EBITDA as a percentage of Sales	**10.0%**	**9.8%**

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Non-GAAP Reconciliation

RECONCILIATION OF CASH FLOW FROM OPERATIONS TO FREE CASH FLOW

FREE CASH FLOW	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Cash Flow from Operations	675	24,984	6,930	11,559	15,231
Less: Capital Expenditures	(967)	(1,684)	(591)	(1,900)	(1,444)
Free Cash Flow	(292)	23,300	6,339	9,659	13,787

NET DEBT OUTSTANDING AND LEVERAGE RATIO	Q1FY26	Q2FY26	Q3FY26[1]	Q4FY26[1]	Q1FY27[1]
Total Debt	50,676	27,939	261,006	255,931	240,195
Less: Cash	(7,143)	(6,407)	(10,333)	(14,249)	(12,805)
Net Debt	43,533	21,532	250,673	241,682	227,390
Adjusted EBITDA – Trailing 12 Months	57,308	57,286	92,970	89,027	87,640
Net Leverage Ratio	0.8	0.4	2.7	2.7	2.6

[3] Reflects proforma for the Royston acquisition

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Non-GAAP Reconciliation

ORGANIC VS. INORGANIC SALES GROWTH

ORGANIC COMPARED TO INORGANIC SALES	FIRST QUARTER		
	Q1FY26	Q1FY27	% Variance
Lighting Segment	69,053	64,823	(6%)
Display Solutions Segment			
Comparable Display Solutions Sales	88,196	88,620	1%
Royston	-	72,412	n/m
Total Display Solutions Sales	88,196	161,032	83%
Total Net Sales	157,249	225,855	44%
Less:			
Royston	-	72,412	-
Total organic net sales	157,249	153,443	(2%)

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For Additional Questions,
Please Contact **513 372 3021**

Thank you,

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