

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 15, 2024



LSI INDUSTRIES INC.

(Exact name of Registrant as Specified in its Charter)

Ohio

(State or Other Jurisdiction of
Incorporation)

01-13375

(Commission File Number)

31-0888951

(IRS Employer
Identification No.)

10000 Alliance Road, Cincinnati, Ohio

(Address of Principal Executive Offices)

45242

(Zip Code)

Registrant's telephone number, including area code **(513) 793-3200**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, no par value

Trading Symbol(s)
LYTS

Name of each exchange on which registered
NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17CFR §240.12b-2 of this chapter).

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 ☐

Item 2.02 Results of Operation and Financial Condition.

On August 15, 2024, LSI Industries Inc. (“LSI” or the “Company”) issued a press release announcing operating results for the fiscal fourth quarter and full year ending June 30, 2024. A copy of the press release is furnished with this Form 8-K as Exhibit 99.1 and is incorporated by reference herein.

Item 7.01.Regulation FD Disclosure.

On August 15, 2024, LSI is hosting a conference call for the benefit of its investors to discuss the results set forth in the press release described in Item 2.02 above. A copy of the presentation, which is available at www.lsicorp.com, related to this conference call is attached as Exhibit 99.2 to this report and is incorporated by reference herein.

LSI’s presentation discloses certain financial results both in accordance with generally accepted accounting principles (“GAAP”) and on a non-GAAP basis with adjustments for certain items. LSI’s management believes that presentation of these non-GAAP financial measures and their related reconciliations are useful to investors because the non-GAAP financial measures provide investors with a basis for comparing the results to financial results from prior periods.

Information in the presentation contains forward-looking statements regarding future events and performance of LSI. All such forward-looking statements are based largely on LSI’s experience and perception of current conditions, trends, expected future developments and other factors, and on management’s expectations, and are subject to risks and uncertainties that could cause actual results to differ materially, including, but not limited to, those factors described in the presentation and in LSI’s filings with the Securities and Exchange Commission. LSI disclaims any intention or obligation to update or revise any financial or other projections or other forward-looking statements, whether because of new information, future events or otherwise.

The information in each of Item 2.02 and Item 7.01 of this Form 8-K and in the press release attached as Exhibit 99.1 and the presentation attached as Exhibit 99.2 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information in each of Item 2.02 and Item 7.01 of this Form 8-K and each of Exhibit 99.1 and Exhibit 99.2 shall not be incorporated by reference in any filing (whether made before or after the date hereof) or any other document under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in any such filing, except as shall be expressly set forth by specific reference in any such filing or document.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>ExhibitNo.</u>	<u>Description</u>
99.1	LSI Press Release dated August 15, 2024
99.2	Conference Call Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

LSI INDUSTRIES INC.

BY: /s/ James E. Galeese

James E. Galeese

Executive Vice President, Chief Financial Officer

Dated: August 15, 2024



LSI INDUSTRIES REPORTS FISCAL 2024 FOURTH QUARTER AND FULL-YEAR RESULTS AND DECLARES QUARTERLY CASH DIVIDEND

CINCINNATI, August 15, 2024 – LSI Industries Inc. (Nasdaq: LYTS, “LSI” or the “Company”) a leading U.S. based manufacturer of commercial lighting and display solutions, today reported financial results for its fiscal 2024 fourth quarter and full year ended June 30, 2024.

FISCAL 2024 FOURTH QUARTER

- Net Sales \$129.0 million, +4% to prior year
- Net Income \$5.7 million, including \$1.0 million of acquisition related expense
- Adj. Net Income \$7.3 million or \$0.24 per diluted share
- EBITDA \$11.9 million; Adjusted EBITDA \$14.0 million or 10.9%/sales
- Free Cash Flow \$10.3 million
- Completed acquisition of EMI Industries for \$50 million cash

FISCAL 2024 FULL YEAR

- Net Sales \$469.6 million
- Net Income \$25.0 million or \$0.83 per diluted share
- Adjusted Net Income \$28.6 million, \$0.95 per diluted share
- EBITDA of \$45.5 million; Adjusted EBITDA \$51.4 million or 11.0%/sales, +60 bps y/t/y
- Free Cash Flow of \$38.0 million

LSI demonstrated solid execution on its vertical market strategy during the fiscal fourth quarter, with an emphasis on higher-value, fully integrated solutions. The Company’s fourth quarter performance reflects continuation of recent demand trends which fluctuate by vertical market.

As previously disclosed, LSI acquired EMI Industries (“EMI”) on April 18, 2024, serving to further enhance its one-stop, end-to-end integrated display solutions offering within convenience store, grocery, and restaurant industries. LSI believes the transaction, which is immediately accretive to LSI’s adjusted earnings per share, will provide significant commercial synergy potential through the coming years, consistent with the value creation thesis outlined within LSI’s *Fast Forward* Strategy.

LSI reported net sales of \$129.0 million in the quarter, including \$18.1 million of partial-quarter contribution from EMI. Excluding EMI, sales declined versus the prior-year period, due largely to continued lower demand in the grocery vertical. Lower grocery sales activity was due primarily to the proposed merger of two large industry participants, which we have previously reported and remains under regulatory review at this time.

Fourth quarter net income was \$5.7 million, including \$1.0 million of non-recurring EMI acquisition related expense. Adjusted net income was \$7.3 million in the fourth quarter, or \$0.24 per diluted share, while Adjusted EBITDA was \$14.0 million or 10.9% of net sales.

LSI generated \$10.3 million of free cash flow in the fourth quarter, driven by the continued high-level conversion of earnings to cash and working capital efficiency.

For the twelve months ended June 30, 2024, LSI reported net sales of \$469.6 million, or \$0.95 per adjusted diluted share. For the full-year fiscal 2024, LSI delivered appreciable margin rate expansion, reflecting a strong focus on quality of earnings. Adjusted EBITDA of \$51.4 million was comparable to prior year despite lower sales, reflecting strong operational discipline and cost controls, while the full year Adjusted EBITDA margin rate was 11.0% or 60 basis points above the prior-year period. A reconciliation of GAAP and non-GAAP financial results is included in this press release.

Full fiscal-year free cash flow was \$38.0 million, enabling the Company to reinvest throughout the year in both organic and inorganic growth initiatives. LSI exits fiscal year 2024 with a healthy balance sheet, with a net leverage ratio of 1.0x, including the acquisition of EMI in April. As of June 30, 2024, the Company had approximately \$50 million of cash and availability under its existing credit facility.

The Company declared a regular cash dividend of \$0.05 per share payable on September 3, 2024, to shareholders of record on August 26, 2024.

MANAGEMENT COMMENTARY

“The fiscal fourth quarter concludes a pivotal year for our business, as we continued to expand our vertical market capabilities, including the acquisition of EMI Industries,” stated James A. Clark, President, and CEO of LSI. “Executing on our multi-year value-creation strategy, we have continued to develop leading positions across growing industry verticals, strengthened relationships across key partners and channels, and further improved our quality of earnings. LSI brings an unmatched portfolio of integrated solutions to every customer opportunity.

“Sound execution underscores our fourth quarter performance, as LSI achieved solid financial results while effectively managing an environment of fluctuating demand levels,” continued Clark. “For the full fiscal year, we achieved adjusted EBITDA of over \$51 million, approximately equal to our record prior year level, and expanded EBITDA margin by sixty basis points to 11.0%. We generated free cash flow of over \$38 million and exit the year with a strong balance sheet including a net leverage ratio of 1.0x. Thanks to the dedication and hard work of our team, we continue to demonstrate structurally higher performance levels across our end markets.

“The underlying demand fundamentals for our key markets remain healthy and we are positioned to achieve another year of profitable growth in fiscal 2025. Growth is expected to resume within the grocery vertical over the coming year, and our display solutions backlog for the refueling/c-store market is strong entering fiscal 2025, reflecting multiple major customer program wins in the second half of fiscal 2024. In addition, with our recent acquisition of EMI, we are excited to offer our customers an even broader array of complementary products and solutions, while cross-selling into both new and existing relationships. Our ability to serve the full project lifecycle, from concept, to installation, to ongoing support, provides meaningful opportunity to capture value across each phase of the project continuum, further strengthening our customers’ trust and confidence in LSI, and earn an increased share of business.

“Over the last year, we’ve continued to invest in innovation, positioning us to introduce new, next generation applications within our vertical markets,” stated Clark. “We introduced more than twenty-five new or enhanced products in fiscal 2024, covering both the Lighting and Display Solutions segments, and have a steady pipeline slated for launch in fiscal 2025, maintaining a product vitality rate of over 30%. Activity in Display Solutions was highlighted by the introduction of our new refrigerated display case series of products utilizing the environmentally friendly R290 technology, which is free of ozone depleting properties. Initial shipments began in the fourth quarter, and we are well positioned to capitalize on resumption of demand in the grocery vertical, where several large customers have publicly stated their intent to fully convert to R290 technology.

“Additionally, we continued to strengthen our relationships with our channel partners and end customers throughout fiscal 2024. Our teams conducted a record number of lighting training sessions at our Cincinnati headquarters and other locations last year, including personnel from our external sales agency partners, distributors, contractors, and end users. In May, we hosted all our agency principals for a three-day conference, collaborating on growth plans for fiscal 2025 and beyond. With over eighty executives in attendance from over forty firms, we outlined product roadmaps and new product launch schedules, and discussed sales force requirements to be successful.

“Within the Lighting segment, we experienced generally stable demand conditions across most of our vertical markets in the fourth quarter,” stated Clark. “In fiscal 2024, sales were 4% below prior year, with LSI outperforming the broader market, capturing share in select vertical markets. Operating income for the year increased 5% driven by the 200-basis point increase in gross margin. Recent trends continue as project quotation levels remain steady; however, the quote-to-order conversion period remains extended, particularly for larger project activity. Construction schedule changes persist due to non-lighting supply chain issues together with availability of skilled labor. With lighting installation occurring in the late-cycle phase of construction, we continue to incur high levels of production schedule changes to our backlog, given changes in project timing. Pricing for project quotations remains stable and we expect that trend to continue in the first quarter of fiscal 2025.

“Fourth quarter Display Solutions sales increased 22% versus the prior year period, including the partial quarter impact of the EMI acquisition. Sales of print and digital graphics increased 9% in the quarter driven by the multiple, large program orders received in previous quarters. Momentum is expected to continue into fiscal 2025 and we enter the year with a strong backlog in the refueling/c-store vertical. The service and installation portion of our business realized stair-step growth in the quarter and will be leveraged across multiple customer programs throughout fiscal 2025. While fourth quarter Display Case sales to the grocery vertical remained soft as expected, orders were above the prior year quarter, resulting in the first year-over-year order increase in five quarters.

Clark concluded: “LSI enters fiscal 2025 well positioned to execute the next phase of our vertical market strategy. We remain encouraged by the expectations of emerging, multi-year investment cycles across our key vertical markets; the significant commercial potential provided by our expanded products and solutions; our strong relationships with both our channel partners and loyal end-users; the high level of talent and engagement we see across the organization; and optionality provided by our strong, well-capitalized balance sheet. We are building a differentiated model which we are confident will deliver sustained, profitable growth over time, while creating long-term value for our shareholders.”

FISCAL 2024 FOURTH QUARTER CONFERENCE CALL

A conference call will be held today at 11:00 A.M. ET to review the Company's financial results and conduct a question-and-answer session.

A webcast of the conference call and accompanying presentation materials will be available in the Investor Relations section of LSI Industries' website at www.lsicorp.com. Individuals can also participate by teleconference dial-in. To listen to a live broadcast, go to the site at least 15 minutes prior to the scheduled start time to register, download and install any necessary audio software.

Details of the conference call are as follows:

Domestic Live: 877-407-4018
International Live: 201-689-8471

To listen to a replay of the teleconference, which subsequently will be available through August 29, 2024:

Domestic Replay: 844-512-2921
International Replay: 412-317-6671
Conference ID: 13747859

ABOUT LSI INDUSTRIES

Headquartered in Cincinnati, LSI Industries (Nasdaq: LYTS) specializes in the creation of advanced lighting, graphics, and display solutions. The Company's American-made products, which include lighting, print graphics, digital graphics, refrigerated products, and custom displays, are engineered to elevate brands in competitive markets. With a workforce of nearly 1,900 employees and 16 facilities throughout North America, LSI is dedicated to providing top-quality solutions to its clients. Additional information about LSI is available at www.lsicorp.com.

FORWARD-LOOKING STATEMENTS

For details on the uncertainties that may cause our actual results to be materially different than those expressed in our forward-looking statements, visit <https://investors.lsicorp.com> as well as our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q which contain risk factors.

INVESTOR & MEDIA CONTACT

Noel Ryan, IRC
LYTS@vallumadvisors.com

Three Months Ended June 30		(Unaudited) (In thousands, except per share data)	Twelve Months Ended June 30	
2024	2023		2024	2023
\$ 129,007	\$ 123,636	Net sales	\$ 469,638	\$ 496,979
95,173	87,773	Cost of products sold	335,962	360,003
-	-	Restructuring/Severance costs	508	31
33,834	35,863	Gross profit	133,168	136,945
23,830	25,606	Selling and administrative costs	96,618	99,018
11	20	Severance costs	32	35
-	-	Consulting expense: Commercial Growth Initiatives	-	864
982	-	Acquisition costs	1,001	-
9,011	10,237	Operating Income	35,517	37,028
121	(72)	Other (income) expense	262	15
1,003	764	Interest expense, net	2,156	3,687
7,887	9,545	Income before taxes	33,099	33,326
2,219	1,130	Income tax	8,122	7,564
\$ 5,668	\$ 8,415	Net income	\$ 24,977	\$ 25,762
<u>Weighted Average Common Shares Outstanding</u>				
29,256	28,471	Basic	29,049	28,127
30,245	29,680	Diluted	30,068	29,316
<u>Earnings Per Share</u>				
\$ 0.19	\$ 0.30	Basic	\$ 0.86	\$ 0.92
\$ 0.19	\$ 0.28	Diluted	\$ 0.83	\$ 0.88

	<i>(amounts in thousands)</i>	
	June 30, 2024	June 30, 2023
Current assets	\$ 162,499	\$ 149,876
Property, plant and equipment, net	32,959	25,430
Other assets	153,342	120,844
Total assets	\$ 348,800	\$ 296,150
Current maturities of long-term debt	\$ 3,571	\$ 3,571
Other current liabilities	75,636	70,762
Long-term debt	50,658	31,629
Other long-term liabilities	14,580	12,610
Shareholders' equity	204,355	177,578
	\$ 348,800	\$ 296,150

Three Months Ended June 30, 2024, Results

Net sales for the three months ended June 30, 2024, were \$129.0 million, up 4% from the three months ended June 30, 2023, reported net sales of \$123.6 million. Lighting Segment net sales of \$65.1 million decreased 9% and Display Solutions Segment net sales of \$63.9 million increased 22% from last year's fourth quarter net sales. Net income for the three months ended June 30, 2024, was \$5.7 million, or \$0.19 per share, compared to \$8.4 million or \$0.28 per share for the three months ended June 30, 2023. Earnings per share represents diluted earnings per share.

Twelve Months Ended June 30, 2024, Results

Net sales for the twelve months ended June 30, 2024, were \$469.6 million, down 6% from the twelve months ended June 30, 2023, reported net sales of \$497.0 million. Lighting Segment net sales of \$262.4 million decreased 4% and Display Solutions Segment net sales of \$207.2 million decreased 7% from last year's net sales. Net income for the twelve months ended June 30, 2024, was \$25.0 million, or \$0.83 per share, compared to \$25.8 million or \$0.88 per share for the twelve months ended June 30, 2023. Earnings per share represents diluted earnings per share.

Balance Sheet

The balance sheet on June 30, 2024, included current assets of \$162.5 million, current liabilities of \$79.2 million and working capital of \$83.3 million, which includes cash of \$4.1 million. The current ratio was 2.1 to 1. The balance sheet also included shareholders' equity of \$204.4 million and long-term debt of \$50.7 million. It is the Company's priority to continuously generate sufficient cash flow, coupled with our credit facility, to adequately fund operations.

Cash Dividend Actions

The Board of Directors declared a regular cash dividend of \$0.05 per share for the fourth quarter of fiscal 2024, payable September 3, 2024, to shareholders of record as of the close of business on August 26, 2024. The indicated annual cash dividend rate is \$0.20 per share. The Board of Directors has adopted a policy regarding dividends which provides that dividends will be determined by the Board of Directors in its discretion based upon its evaluation of earnings both on a GAAP and non-GAAP basis, cash flow requirements, financial condition, debt levels, stock repurchases, future business developments and opportunities, and other factors deemed relevant by the Board.

Non-GAAP Financial Measures

This press release includes adjustments to GAAP operating income, net income, and earnings per share for the three and twelve months ended June 30, 2024, and 2023. Operating income, net income, and earnings per share, which exclude the impact of long-term performance based compensation expense, commercial growth opportunity expense, acquisition costs, and restructuring and severance costs, are non-GAAP financial measures. We exclude these items because we believe they are not representative of the ongoing results of operations of the business. Also included in this press release are non-GAAP financial measures, including Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA and Adjusted EBITDA), Net Debt to Adjusted EBITDA, and Free Cash Flow. 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 net income and earnings per share reported for the periods indicated along with the calculation of EBITDA, Adjusted EBITDA, Free Cash Flow, and Net Debt to Adjusted EBITDA.

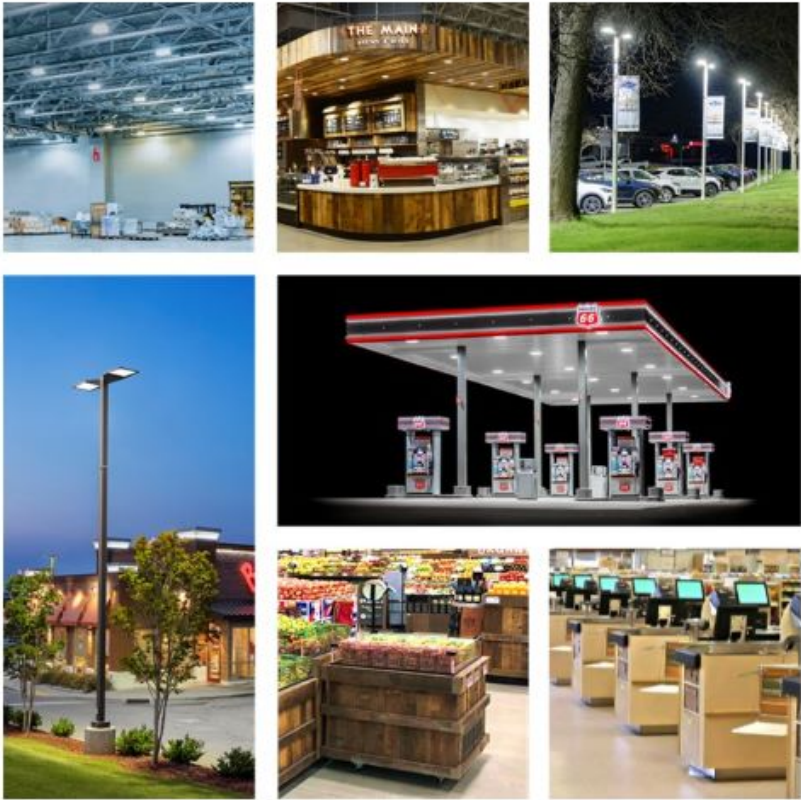
Three Months Ended June 30			(Unaudited) (In thousands, except per share data)	Twelve Months Ended June 30		
2024	2023	% Change		2024	2023	% Change
\$ 129,007	\$ 123,636	4%	Net sales	\$ 469,638	\$ 496,979	-6%
9,011	10,237	-12%	Operating income as reported	35,517	37,028	-4%
1,185	1,477	-20%	Long-Term Performance Based Compensation	4,380	3,998	10%
982	-	NM	Acquisition costs	1,001	-	NM
10	20	-50%	Restructuring/Severance costs	539	66	717%
-	-	NM	Consulting expense: Commercial Growth Initiatives	-	864	NM
\$ 11,188	\$ 11,734	-5%	Operating income as adjusted	\$ 41,437	\$ 41,956	-1%
\$ 5,668	\$ 8,415	-33%	Net income as reported	\$ 24,977	\$ 25,762	-3%
\$ 7,278	\$ 8,797	-17%	Net income as adjusted	\$ 28,625	\$ 28,997	-1%
\$ 0.19	\$ 0.28	-33%	Earnings per share (diluted) as reported	\$ 0.83	\$ 0.88	-6%
\$ 0.24	\$ 0.30	-20%	Earnings per share (diluted) as adjusted	\$ 0.95	\$ 0.99	-4%

Three Months Ended June 30				Twelve Months Ended June 30							
2024		2023		(In thousands, except per share data)				2024		2023	
Diluted		Diluted		Reconciliation of net income to adjusted net income				Diluted		Diluted	
EPS		EPS						EPS		EPS	
\$ 5,668	\$ 0.19	\$ 8,415	\$ 0.28	Net income as reported				\$ 24,977	\$ 0.83	\$ 25,762	\$ 0.88
906	0.03	771	0.03	Long-Term Performance Based Compensation				3,272	0.11	2,879	0.10
722	0.02	-	-	Acquisition costs				735	0.02	-	-
6	-	13	-	Restructuring/Severance costs				396	0.01	51	-
				Consulting expense: Commercial Growth Initiatives				-	-	707	0.02
(24)	-	(402)	(0.01)	Tax rate difference between reported and adjusted net income				(755)	(0.03)	(402)	(0.01)
\$ 7,278	\$ 0.24	\$ 8,797	\$ 0.30	Net income adjusted				\$ 28,625	\$ 0.95	\$ 28,997	\$ 0.99

Three Months Ended June 30			(Unaudited; In thousands)	Twelve Months Ended June 30		
2024	2023	% Change				
			Net Income to Adjusted EBITDA			
5,668	8,415	-33%	Net income as reported	24,977	25,762	-3%
2,219	1,130		Income Tax	8,122	7,564	
1,003	764		Interest expense, net	2,156	3,687	
121	(72)		Other expense (income)	262	15	
\$ 9,011	\$ 10,237	-12%	Operating Income as reported	\$ 35,517	\$ 37,028	-4%
2,856	2,369		Depreciation and amortization	9,999	9,664	
\$ 11,867	\$ 12,606	-6%	EBITDA	\$ 45,516	\$ 46,692	-3%
Long-Term Performance Based						
1,185	1,477		Compensation	4,380	3,998	
982	-		Acquisition costs	1,001	-	
10	20		Restructuring/Severance costs	539	66	
Consulting expense: Commercial Growth						
-	-		Initiatives	-	864	
\$ 14,044	\$ 14,103	0%	Adjusted EBITDA	\$ 51,436	\$ 51,620	0%
Adjusted EBITDA as a Percentage of						
10.9%	11.4%		Sales	11.0%	10.4%	

Three Months Ended June 30			(Unaudited; In thousands)		Twelve Months Ended June 30		
2024	2023	% Change	Free Cash Flow		2024	2023	% Change
\$ 11,096	\$ 17,040	-35%	Cash flow from operations		\$ 43,393	\$ 49,588	-12%
(762)	(1,454)		Capital expenditures		(5,388)	(3,208)	
\$ 10,334	\$ 15,586	-34%	Free cash flow		\$ 38,005	\$ 46,380	-18%

Net Debt to Adjusted EBITDA Ratio		June 30,	
(amounts in thousands)		2024	2023
Current Maturity of Debt	\$	3,571	\$ 3,571
Long-Term Debt		50,658	31,629
Total Debt	\$	54,229	\$ 35,200
Less: Cash		(4,110)	(1,828)
Net Debt	\$	50,119	\$ 33,372
Adjusted EBITDA - Trailing Twelve Months	\$	51,436	\$ 51,620
Net Debt to Adjusted EBITDA Ratio		0.97	0.65



**Fiscal Fourth Quarter
And Full-Year
2024 Results
Conference Call**
August 15, 2024

DISCLAIMER

Forward-Looking Statements



This presentation contains "forward-looking statements"—that is, statements related to future events within the meaning of the Private Securities Litigation Reform Act of 1995. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. In this context, forward-looking statements often address our expected future business, financial performance, financial condition and results of operations, often contain words such as "estimates," "targets," "anticipates," "hopes," "projects," "plans," "expects," "intends," "believes," "seeks," "may," "will," "see," "should" and similar expressions and the negative versions of those words, and may be identified by the context in which they are used.

Such statements, whether expressed or implied, are based upon current expectations of LSI and speak only as of the date made. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those expressed or implied. Forward-looking statements include statements that address activities, events or developments that LSI expects, believes or anticipates will or may occur in the future, such as earnings estimates (including projections and guidance) and other predictions of financial performance. Forward-looking statements are based on LSI's experience and perception of current conditions, trends, expected future developments and other factors it believes are appropriate under the circumstances and are subject to numerous risks and uncertainties, many of which are beyond LSI's control.

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 shift in product mix; unfavorable economic, political, and market conditions, including interest rate fluctuations; 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 such as the coronavirus disease COVID-19; 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; anti-takeover provisions in LSI's organizational documents; and in Ohio law; 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.

You are cautioned to not place undue reliance on these forward-looking statements. LSI does not guarantee any forward-looking statement, and actual results may differ materially from those projected. LSI undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, circumstances or otherwise. Additional descriptions of risks, uncertainties and other matters can be found in our annual reports on Form 10-K and quarterly reports on Form 10-Q that we file with the SEC and are incorporated herein by reference. Our public communications and other reports may contain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

KEY MESSAGES

Fiscal Fourth Quarter 2024 Results



Sound execution, quality of earnings, acquisition of EMI Industries underscores Q4 performance

Focus on high-value applications and consistent price discipline supports Q4 Adj. EBITDA margin of 10.9%

Results include partial quarter impact of EMI Industries which was acquired in April

Free cash flow generation over \$10 million in Q4, exit FY24 with net leverage of 1.0x



Strong commercial and operational execution

F4Q24 sales 4% above PY driven by partial quarter impact of EMI. Comparable sales down 10% with growth in several vertical markets offset by continued softness in grocery demand. Q4 culminates successful year for LSI as we continued to expand our vertical market capabilities



Sustained earnings performance

Q4 Adj. EBITDA margin rate of 10.9% consistent with full year rate of 11.0%. Full year FY24 Adj. EBITDA margin increased +60 bps versus PY. Full year Adj. EBITDA of \$51.4 million nearly equal to FY23, achieved on lower sales.



Solid cash flow generates strong Balance Sheet, supporting ongoing investment

Q4 cash flow contributed to full year cash generation of \$38 million. Net leverage of 1.0x; total cash and availability of approximately \$50 million



Display Solutions realized much improved Q4 book-to-bill ratio

Enter FY25 with strong backlog in refueling/c-store driven by large programs won in FY24. Grocery B-t-B in Q4 was over 1.0 and favorability continued through July, suggesting resumption in grocery demand



Lighting quote levels remain equal to PY, order conversion period remains lengthened

Demand levels fluctuate by market vertical. Experiencing more expiring/re-quoting due to lengthened Q-t-O cycle. Our multiple price point offering provides customers budget options



Executing on Fast Forward value creation initiative

Underlying demand fundamentals for our key markets supports multi-year secular growth. Acquisition of EMI expands portfolio of products and solutions, and provides significant cross-selling opportunities to both new and existing customers

CONSOLIDATED FINANCIAL RESULTS

Focus on High-Value Applications and Solid Execution Supports Quality of Earnings



Solid Q4 concludes successful FY2024

Sales growth in refueling/C-store, QSR and other markets offset by the significant disruption in Grocery vertical demand

Achieved full year Adj. EPS of \$0.95 vs. \$0.99 PY despite sales disruption

Full year margin rate expansion across all Adj. Earnings metrics

Full year Adj. EBITDA of \$51.4 million virtually equal to PY on lower sales

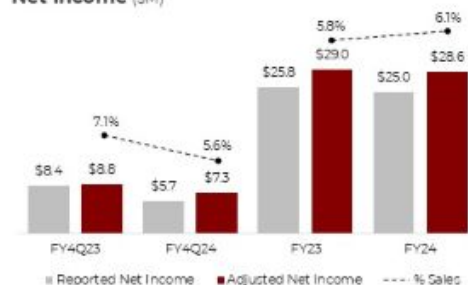
Total Net Sales (\$M)



Operating Income (\$M)



Net Income (\$M)



Non-GAAP Adjusted EBITDA (\$M)



LIGHTING SEGMENT UPDATE

Demand Activity Fluctuates by Market Vertical; Pricing Remains Steady



Q4 sales impacted by lengthened quote-to-order conversion period

Full year adj. gross margin rate increased by 200 basis points driven by price/mix and moderating input costs

Project pricing expected to remain stable throughout the first half of FY25

Steady stream of new products introduced in FY24, and key launches scheduled for FY25

Lighting Segment Sales (\$M)



Lighting Segment Adj. Gross Margin (\$M)



Lighting Segment Adj. Operating Income (\$M)



Lighting Segment Adjusted EBITDA (\$M)



DISPLAY SOLUTIONS SEGMENT UPDATE

Growth Continues in Select Verticals, Offset by Ongoing Disruption in Grocery Vertical



Q4 Refueling/c-store sales realized double-digit growth in Q4 and enter FY25 with strong backlog

Grocery vertical sales decreased in Q4, but year-over-year orders increased for the first time in five quarters. Book-to-bill improved measurably in Q4

Full year comparable (excl. EMI) gross margin rate flat to PY despite sales decline

EMI projected to deliver a solid Q1

Well positioned in Display Solutions entering FY25

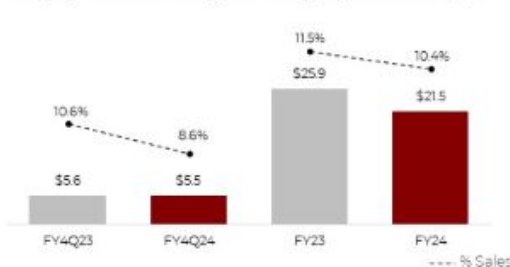
Display Solutions Segment Sales (\$M)



Display Solutions Segment Adj. Gross Margin (\$M)



Display Solutions Segment Adj. Op. Income (\$M)



Display Solutions Segment Adjusted EBITDA (\$M)



DISCIPLINED WORKING CAPITAL MANAGEMENT

Favorable Working Capital Trends Continue; Inventory Aligned with Demand Levels



Reduced comparable working capital (excl. EMI) by 2% in Q4 and 4% for full year FY24

Days of Working Capital and Inventory (DIO) remain stable reflecting solid planning and stable supply chain

Maintain critical component inventory levels to capitalize on short lead-time business

Continue to effectively manage new product phase-in/phase-out inventory process.

Total Working Capital (\$M)



Total Inventory (\$M)



STRONG CASH GENERATION, BALANCE SHEET DISCIPLINE

Steady Cash Flow Trend Continues; Enabled Acquisition of EMI and Capex Investments



Free cash flow \$10 million in Q4 and \$38m for full year

Exit the year with net debt of \$50 million and net leverage ratio of 1.0x

Capex of \$5.4 million in FY24, highest level in five years

Enter FY25 with strong balance sheet supporting investments in growth

Expect solid cash flow in FY25 prioritizing capital deployment toward debt reduction, return of capital, and growth

Free Cash Flow (\$M)⁽¹⁾



Net Debt Outstanding (\$M)⁽²⁾



(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



APPENDIX

STATEMENT ON NON-GAAP FINANCIAL MEASURES



This presentation includes adjustments to GAAP gross margin, operating income, net income, and earnings per share for the rolling five quarters ending June 30, 2024. Gross Margin, operating income, net income, and earnings per share, which exclude the impact of long-term performance-based compensation, severance costs, restructuring costs, consulting expenses supporting commercial growth initiatives, and acquisition costs are non-GAAP financial measures. We exclude these non-recurring items because we believe they are not representative of the ongoing results of operations of our 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, and Net Debt. 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, and Net Debt.

NON-GAAP RECONCILIATION



LSI Industries	Q4 2023	Q4 2024	FY 23	FY 24
Net Sales	123,636	129,007	496,979	469,638
Gross Margin	35,864	33,834	136,945	133,168
Severance costs/Restructuring costs	-	-	31	508
Adjusted Gross Margin	35,864	33,834	136,976	133,676
Adjusted Gross Margin %	29.0%	26.2%	27.6%	28.5%
Lighting Segment	Q4 2023	Q4 2024	FY 23	FY 24
Net Sales	71,377	65,095	272,451	262,413
Gross Margin	23,746	21,484	86,761	89,026
Severance costs/Restructuring costs	-	-	31	-
Adjusted Gross Margin	23,746	21,484	86,792	89,026
Adjusted Gross Margin %	33.3%	33.0%	31.9%	33.9%
Display Solutions Segment	Q4 2023	Q4 2024	FY 23	FY 24
Net Sales [e]	52,259	63,912	224,528	207,226
Gross Margin	12,117	12,402	50,179	44,195
Severance costs/Restructuring costs	-	-	-	508
Adjusted Gross Margin	12,117	12,402	50,179	44,703
Adjusted Gross Margin %	23.2%	19.4%	22.3%	21.6%

NON-GAAP RECONCILIATION



LSI Industries	Q4 2023	Q4 2024	FY 23	FY 24
Net Sales	123,636	129,007	496,979	469,638
Operating Income	10,237	9,010	37,028	35,517
Acquisition Costs	-	982	-	1,001
Consulting Expense: Commercial Growth Initiatives	-	-	864	-
Severance costs/Restructuring costs	20	10	66	539
Long-Term Performance Based Compensation	1,477	1,185	3,998	4,380
Adjusted Operating Income	11,734	11,187	41,956	41,437
Adjusted Operating %	9.5%	8.7%	8.4%	8.8%
Depreciation and amortization	2,369	2,857	9,664	9,999
Adjusted EBITDA	14,103	14,044	51,620	51,436
Adjusted EBITDA %	11.4%	10.9%	10.4%	11.0%

Lighting Segment	Q4 2023	Q4 2024	FY 23	FY 24
Net Sales	71,377	65,095	272,451	262,413
Operating Income	9,192	8,450	31,633	33,327
Severance costs/Restructuring costs	20	10	51	26
Long-Term Performance Based Compensation	119	82	371	176
Adjusted Operating Income	9,331	8,542	32,055	33,529
Adjusted Operating %	13.1%	13.1%	11.8%	12.8%
Depreciation and amortization	1,311	1,223	5,423	5,166
Adjusted EBITDA	10,642	9,765	37,478	38,695
Adjusted EBITDA %	14.9%	15.0%	13.8%	14.7%

Display Solutions Segment	Q4 2023	Q4 2024	FY 23	FY 24
Net Sales	52,259	63,912	224,528	207,226
Operating Income	5,161	5,384	24,920	19,969
Severance costs/Restructuring costs	-	-	15	514
Long-Term Performance Based Compensation	403	126	925	994
Adjusted Operating Income	5,564	5,510	25,860	21,477
Adjusted Operating %	10.6%	8.6%	11.5%	10.4%
Depreciation and amortization	984	1,534	3,977	4,480
Adjusted EBITDA	6,548	7,044	29,837	25,957
Adjusted EBITDA %	12.5%	11.0%	13.3%	12.5%

NON-GAAP RECONCILIATION



	Full Year			
	Diluted		Diluted	
	Q4 2023	EPS	Q4 2024	EPS
LSI Industries				
Net Income Reported	\$ 8,415	\$ 0.28	\$ 5,668	\$ 0.19
Acquisition Costs			\$ 722	\$ 0.02
Consulting Expense: Commercial Growth Initiatives			-	-
Severance costs/Restructuring costs	13		6	-
Long-Term Performance Based Compensation	771	0.03	906	0.03
Tax Rate Difference between reported and adjusted net income	(402)	(0.01)	(24)	-
Net Income Adjusted	\$ 8,797	\$ 0.30	\$ 7,278	\$ 0.24
Adjusted Net Income %	7.1%		5.6%	

	Full Year			
	Diluted		Diluted	
	FY 23	EPS	FY 24	EPS
	\$ 25,762	\$ 0.88	\$ 24,977	\$ 0.83
	\$ -	\$ -	\$ 735	\$ 0.02
	707	0.02	-	-
	51	-	396	0.01
	2,879	0.10	3,272	0.11
	(402)	(0.01)	(755)	(0.03)
	\$ 28,997	\$ 0.99	\$ 28,625	\$ 0.94
	5.8%		6.1%	

NON-GAAP RECONCILIATION



LSI Industries	Q4 2023	Q4 2024	Full Year	
			FY 23	FY 24
Net Income Reported	8,415	5,668	25,762	24,977
Income Tax	1,130	2,219	7,564	8,122
Interest Expense, net	764	1,003	3,687	2,156
Other expense (Income)	(72)	121	15	262
Operating Income as Reported	10,237	9,011	37,028	35,517
Depreciation and amortization	2,369	2,856	9,664	9,999
EBITDA	12,606	11,867	46,692	45,516
Acquisition Costs	-	982	-	1,001
Consulting Expense: Commercial Growth Initiatives	-	-	864	-
Severance costs/Restructuring costs	20	10	66	539
Long-Term Performance Based Compensation	1,477	1,185	3,998	4,380
Adjusted EBITDA	14,103	14,044	51,620	51,436
Adjusted EBITDA as a percentage of Sales	11.4%	10.9%	10.4%	11.0%

NON-GAAP RECONCILIATION



Free Cash Flow	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 24
Cash Flow from Operations	17,038	10,592	9,276	12,429	11,096	43,393
Less: Capital Expenditures	(1,454)	(1,393)	(1,956)	(1,277)	(762)	(5,388)
Free Cash Flow	15,584	9,199	7,320	11,152	10,334	38,005

Net Debt Outstanding and Leverage Ratio	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Total Debt	35,200	28,669	21,521	16,354	54,229
Less: Cash	(1,828)	(3,533)	(2,660)	(7,175)	(4,110)
Net Debt	33,372	25,136	18,861	9,179	50,119
Adjusted EBITDA - Trailing Twelve Months	51,620	53,408	51,489	51,496	51,451
Net Leverage Ratio	0.6	0.5	0.4	0.2	1.0

Organic Sales	Q4 2023	Q4 2024	% Variance
Lighting Segment	71,377	65,095	-8.8%
Display Solutions Segment	52,259	63,912	22.3%
Total Net Sales	123,636	129,007	4.3%
Less:			
EMI	-	18,074	
Total Organic Net Sales	123,636	110,933	-10.3%



For Additional Questions,
Please Contact 720.778.2415

Thank you,

LSI Investor Relations