

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) January 23, 2025



**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 January 23, 2025, LSI Industries Inc. (“LSI” or the “Company”) issued a press release announcing operating results for the fiscal quarter ending December 31, 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 January 23, 2025, 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](http://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	<a href="#">LSI Press Release dated January 23, 2025</a>
99.2	<a href="#">Conference Call Presentation</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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## 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: January 23, 2025



## LSI INDUSTRIES REPORTS FISCAL 2025 SECOND QUARTER RESULTS AND DECLARES QUARTERLY CASH DIVIDEND

**CINCINNATI, January 23, 2025** – 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 the fiscal 2025 second quarter ended December 31, 2024.

### **FISCAL 2025 SECOND QUARTER RESULTS**

- Net sales of \$147.7 million, + 36% y/y
- Organic net sales +14% y/y
- Net income of \$5.6 million, or \$0.18 per diluted share
- Adjusted Net Income \$8.0 million or \$0.26 per diluted share
- EBITDA of \$11.5 million; Adjusted EBITDA of \$13.3 million
- Free cash flow of \$8.8 million
- Ratio of net debt to TTM Adjusted EBITDA of 0.6x

LSI delivered significant year-over-year growth in sales and profitability in the fiscal second quarter, driven by broad-based demand strength across its vertical markets. Fiscal second quarter results benefitted from solid organic growth within the Display Solutions segment, together with contributions from the EMI acquisition completed in April 2024.

The Company reported net sales of \$147.7 million in the fiscal second quarter, an increase of 36% versus the prior year period. Net sales, excluding contributions from the EMI acquisition, increased 14% versus the fiscal second quarter of 2024.

LSI reported net income of \$5.6 million, or \$0.18 per diluted share, in the second quarter, while adjusted net income was \$8.0 million, or \$0.26 per diluted share. The Company generated adjusted EBITDA of \$13.3 million or 9.0% of net sales, an increase of more than 20% versus the year-ago period. A reconciliation of GAAP and non-GAAP financial results is included in this press release.

The Company generated free cash flow of \$8.8 million in the second quarter, or nearly \$41.4 million on a trailing twelve-month basis. Given continued strength in cash generation, LSI reduced its ratio of net debt to trailing twelve-month Adjusted EBITDA to 0.6x, down from 1.3x at the time of the EMI acquisition in April 2024. At the end of the second quarter, LSI had cash and availability on its credit facility totaling \$67 million.

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The Company declared a regular cash dividend of \$0.05 per share payable on February 11, 2025, to shareholders of record on February 3, 2025.

## **MANAGEMENT COMMENTARY**

“LSI delivered 14% organic sales growth in the fiscal second quarter, supported by strong demand across our core refueling, c-store, and grocery verticals,” stated James A. Clark, President and Chief Executive Officer of LSI. “Including contributions from our most recent acquisition of EMI, which continues to perform ahead of initial expectations, LSI generated total sales growth of 36% in the second quarter, while adjusted net income, adjusted EBITDA and free cash flow generation all increased on-a-year-over-year basis.

“Our integrated, solutions-based model is gaining significant traction in the marketplace, positioning us for a solid start to our fiscal third quarter,” continued Clark. “Second quarter order rates increased versus the prior year, resulting in a 12% year-over-year increase in backlog entering the fiscal third quarter. Display Solutions segment orders increased 25% on a year-over-year basis in the second quarter driven by balanced growth across all major verticals. We anticipate that order rates will remain positive into the second half of our fiscal year, given current and projected customer activity across our vertical markets.

“Our Display Solutions segment generated organic sales growth of 50% in the second quarter, driven by increased sales across product categories and vertical markets. We continue to execute on a significant backlog of multi-year contracts with large national and international refueling/c-store customer programs where our integrated solutions remain in high demand. Notably, second quarter sales to refueling/c-store customers increased by more than 60%, when compared to the year-ago period. We enter the third quarter with an increased backlog and expect strong sales growth to continue into the fiscal second half.

“The grocery vertical generated sales growth over 50% in the quarter driven by the resurgence in refrigerated and non-refrigerated display case demand,” stated Clark. “Termination of the proposed merger between two large grocery industry participants was announced in December 2024. Uncertainty over the proposed merger caused the industry to defer both maintenance and key program investments over the last eighteen months. We began to experience a resurgence in demand during the fiscal first quarter, which accelerated in the second quarter, as expectations that a judicial decision was imminent.

“In the fiscal second quarter, we successfully managed the Department of Energy legislation requiring end of life production for refrigerated display cases utilizing the current R448 technology at calendar year-end, with conversion to R290 and other technologies effective January 1, 2025. We worked closely with our customers to proactively plan and adopt the technology transition, including the launch of our new R290 product line. We are well positioned to capitalize on increased demand levels for display case products throughout the calendar year.

“EMI delivered a solid performance in the second quarter, contributing to the over 100% total sales growth for Display Solutions. EMI sales were \$23.4 million, substantially above what is historically a softer period for store renovations as our customers focus on the critical holiday shopping season. Sales were driven by favorable performance in the QSR, refueling/c-store and Grocery verticals.

“Within the Lighting segment, overall sales were lower year-over-year against a challenging prior year comparison. Last year, we had several large lighting projects, including a multi-million-dollar installation at a new EV battery plant complex, that did not recur in the current year. While small project activity levels were healthy during the second quarter, those projects were not sufficient to offset softness in large project activity, resulting in a 10% year-over-year decline in Lighting segment sales.

“Importantly, Lighting segment project quote activity remains above prior-year levels, contributing to a segment book-to-bill of 1.1 exiting the second quarter which, on a historical basis, is elevated entering a seasonally slower period for our construction markets. While our Lighting segment backlog was 6% above the prior year exiting the second quarter, we expect order rates to accelerate as we enter the second half of our fiscal year.

“Innovation and new product vitality remains a central focus for our business. Over the last four years, we’ve launched more than 30 new products each year. In fiscal 2025, we anticipate more than 40 new product launches and refreshes, consistent with an innovation roadmap created to exceed specific customer requirements across each vertical market. During the second quarter, we launched multiple commercial programs designed to further accelerate adoption of our recent product launches, including our V-LOCITY series of outdoor area lights, new continuous indoor Linear fixtures, and Zone High Bay for sports court applications. Enhanced training and marketing programs for our sales force, agency partners, and customers have led to accelerated adoption of new products, consistent with our commercial strategy.”

Clark concluded, “LSI remains well positioned to drive continued, profitable growth entering the second half of our fiscal year 2025. Order rates and backlog remain strong; demand conditions across most end-markets are robust; and we’re capitalizing on favorable, multi-year secular opportunities where our vertically integrated, solutions-based model is uniquely suited to support our growing base of customers. We also continue to prioritize a combination of organic and inorganic growth, as outlined within our *Fast Forward* strategy, while maintaining our disciplined, returns-driven approach toward capital deployment.”

## **FISCAL 2025 SECOND 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](http://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.

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

To listen to a replay of the teleconference, which subsequently will be available through November 21, 2024

**Domestic Replay:** 844-512-2921  
**International Replay:** 412-317-6671

**Conference ID:** 13751021

## **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, millwork, metal and refrigerated products, and custom displays, are engineered to elevate brands in competitive markets. With a workforce of approximately 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](http://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**

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720.778.2415  
[LYTS@vallumadvisors.com](mailto:LYTS@vallumadvisors.com)

Three Months Ended December 31		<i>(Unaudited)</i> <i>(In thousands, except per share data)</i>	Six Months Ended December 31	
2024	2023		2024	2023
\$ 147,734	\$ 109,005	Net sales	\$ 285,829	\$ 232,446
112,804	77,438	Cost of products sold	217,147	163,943
69	-	Expense on step-up basis of acquired lease	136	-
-	31	Severance costs and restructuring costs	38	378
34,861	31,536	Gross profit	68,508	68,125
1,669	849	Long-term performance based compensation	2,853	2,174
-	4	Severance costs and restructuring costs	22	10
1,408	1,190	Amortization expense of acquired intangible assets	2,816	2,380
-	-	Acquisition costs	48	-
81	-	Consulting expense: commercial growth initiatives	81	19
23,244	21,674	Selling and administrative costs	45,098	44,695
8,459	# 7,819	Operating Income	17,590	# 18,847
382	(29)	Other (income) expense	322	67
728	453	Interest expense, net	1,603	1,019
7,349	7,395	Income before taxes	15,665	17,761
1,702	1,489	Income tax	3,336	3,827
\$ 5,647	\$ 5,906	Net income	\$ 12,329	\$ 13,934
<b>Weighted Average Common Shares Outstanding</b>				
29,930	29,024	Basic	29,761	28,890
30,876	30,043	Diluted	30,709	29,949
<b>Earnings Per Share</b>				
\$ 0.19	\$ 0.20	Basic	\$ 0.41	\$ 0.48
\$ 0.18	\$ 0.20	Diluted	\$ 0.40	\$ 0.47



	<i>(amounts in thousands)</i>	
	December 31 2024	June 30, 2024
<b>Current assets</b>	<b>\$ 163,405</b>	<b>\$ 162,499</b>
<b>Property, plant and equipment, net</b>	<b>31,534</b>	<b>32,959</b>
<b>Other assets</b>	<b>149,606</b>	<b>153,342</b>
<b>Total assets</b>	<b>\$ 344,545</b>	<b>\$ 348,800</b>
<b>Current maturities of long-term debt</b>	<b>\$ 3,571</b>	<b>\$ 3,571</b>
<b>Other current liabilities</b>	<b>74,977</b>	<b>75,636</b>
<b>Long-term debt</b>	<b>34,615</b>	<b>50,658</b>
<b>Other long-term liabilities</b>	<b>14,267</b>	<b>14,580</b>
<b>Shareholders' equity</b>	<b>217,115</b>	<b>204,355</b>
	<b>\$ 344,545</b>	<b>\$ 348,800</b>

### **Three Months Ended December 31, 2024 Results**

Net sales for the three months ended December 31, 2024, were \$147.7 million representing an increase of 36% compared to the three months ended December 31, 2023, net sales of \$109.0 million. Lighting Segment net sales of \$58.2 million decreased 10% and Display Solutions Segment net sales of \$89.5 million increased 103% from last year's second quarter net sales. Net income for the three months ended December 31, 2024, was \$5.6 million, or \$0.18 per share, compared to \$5.9 million or \$0.20 per share for the three months ended December 31, 2023. Earnings per share represents diluted earnings per share.

### **Six Months Ended December 31, 2023 Results**

Net sales for the six months ended December 31, 2024, were \$285.8 million representing a 23% increase from the six months ended December 31, 2023, net sales of \$232.4 million. Lighting Segment net sales of \$116.6 million decreased 12% and Display Solutions Segment net sales of \$169.2 million increased 69% from last year's net sales. Net income for the six months ended December 31, 2024, was \$12.3 million, or \$0.40 per share, compared to \$13.9 million or \$0.47 per share for the six months ended December 31, 2023. Earnings per share represents diluted earnings per share.

### **Balance Sheet**

The balance sheet at December 31, 2024, included current assets of \$163.4 million, current liabilities of \$78.5 million and working capital of \$84.9 million, which includes cash of \$4.7 million. The current ratio was 2.1 to 1. The balance sheet also included shareholders' equity of \$217.1 million and long-term debt of \$34.6 million. It is the Company's priority to continuously generate sufficient cash flow, coupled with an approved credit facility, to adequately fund operations.

### **Cash Dividend Actions**

The Board of Directors declared a regular quarterly cash dividend of \$0.05 per share in connection with the second quarter of fiscal 2025, payable February 11, 2025, to shareholders of record as of the close of business on February 3, 2025. 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 six months ended December 31, 2024, and 2023. Operating income, net income, and earnings per share, which exclude the impact of long-term performance based compensation expense, the amortization expense of acquired intangible assets, commercial growth opportunity expense, acquisition costs, the lease expense on the step-up basis of acquired leases, and restructuring and severance costs, are non-GAAP financial measures. We further note that while the amortization expense of acquired intangible assets is excluded from the measures, the revenue of the acquired companies is reflected in the measures and the acquired assets contribute to revenue generation. We exclude these items because we believe they are not representative of the ongoing results of the 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, Free Cash Flow, and organic sales growth. 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, Net Debt to Adjusted EBITDA, and organic sales growth.

Three Months Ended December 31			(Unaudited)  (In thousands, except per share data)	Six Months Ended December 31		
2024	2023	% Change		2024	2023	% Change
\$ 147,734	\$ 109,005	36%	Net sales	\$ 285,829	\$ 232,446	23%
8,459	7,819	8%	Operating income as reported	17,590	18,847	-7%
1,669	849		Long-term performance based compensation	2,853	2,174	
81	-		Consulting expense: commercial growth initiatives	81	19	
-	-		Acquisition costs	48	-	
1,408	1,190		Amortization expense of acquired intangible assets	2,816	2,380	
69	-		Expense on step-up basis of acquired lease	136	-	
-	35		Severance costs and Restructuring costs	60	388	
\$ 11,686	\$ 9,893	18%	Operating income as adjusted	\$ 23,584	\$ 23,808	-1%
\$ 5,647	\$ 5,906	-4%	Net income as reported	\$ 12,329	\$ 13,934	-12%
\$ 7,996	\$ 7,249	10%	Net income as adjusted	\$ 15,977	\$ 16,859	-5%
\$ 0.18	\$ 0.20	-7%	Earnings per share (diluted) as reported	\$ 0.40	\$ 0.47	-14%
\$ 0.26	\$ 0.24	7%	Earnings per share (diluted) as adjusted	\$ 0.52	\$ 0.56	-8%

Three Months Ended December 31				(In thousands, except per share data)	Six Months Ended December 31			
2024		2023			2024		2023	
Diluted EPS		Diluted EPS		Reconciliation of net income to adjusted net income	Diluted EPS		Diluted EPS	
\$ 5,647	\$ 0.18	\$ 5,906	\$ 0.20		Net income as reported	\$ 12,329	\$ 0.40	\$ 13,934
1,294	0.04	625	0.02	Long-term performance based compensation	2,161	\$ 0.07	1,599	0.05
1,090	0.04	885	0.03	Amortization expense of acquired intangible assets	2,132	\$ 0.07	1,755	0.06
62	-	-	-	Consulting expense: commercial growth initiatives	62	\$ -	13	-
-	-	34	-	Severance costs and Restructuring costs	45	\$ -	290	0.01
-	-	-	-	Acquisition costs	50		-	-
53	-	-	-	Expense on step-up basis of acquired lease	103	\$ 0.01	-	-
(150)	-	(201)	(0.01)	Tax rate difference between reported and adjusted net income	(905)	\$ (0.03)	(732)	(0.03)
\$ 7,996	\$ 0.26	\$ 7,249	\$ 0.24	Net income adjusted	\$ 15,977	\$ 0.52	\$ 16,859	\$ 0.56

Three Months Ended December 31			(Unaudited; In thousands)		Six Months Ended December 31		
			Net Income to Adjusted EBITDA				
2024	2023	% Change			2024	2023	% Change
\$ 5,647	\$ 5,906		Net income as reported		\$ 12,329	\$ 13,934	
1,702	1,489		Income tax		3,336	3,827	
728	453		Interest expense, net		1,603	1,019	
382	(29)		Other (income) expense		322	67	
\$ 8,459	\$ 7,819	8%	Operating Income as reported		\$ 17,590	\$ 18,847	-7%
3,018	2,357		Depreciation and amortization		5,958	4,728	
\$ 11,477	\$ 10,176	13%	EBITDA		\$ 23,548	\$ 23,575	0%
1,669	849		Long-term performance based compensation		2,853	2,174	
81	-		Consulting expense: commercial growth initiatives		81	19	
-	-		Acquisition costs		48	-	
69	-		Expense on step-up basis of acquired lease		136	-	
-	35		Severance costs and Restructuring costs		60	388	
\$ 13,296	\$ 11,060	20%	Adjusted EBITDA		\$ 26,726	\$ 26,156	2%
9.0%	10.1%		Adjusted EBITDA as a percentage of sales		9.4%	11.3%	

Three Months Ended December 31			(Unaudited; In thousands)		Six Months Ended December 31		
			Free Cash Flow				
2024	2023	% Change			2024	2023	% Change
\$ 9,891	\$ 9,276	7%	Cash flow from operations		\$ 21,737	\$ 19,868	9%
(1,066)	(1,956)		Capital expenditures		(1,825)	(3,349)	
\$ 8,825	\$ 7,320	21%	Free cash flow		\$ 19,912	\$ 16,519	21%

Net Debt to Adjusted EBITDA Ratio (amounts in thousands)		December 31	June 30
		2024	2024
Current maturity of debt	\$	3,571	\$ 3,571
Long-term debt		34,615	50,658
Total debt	\$	38,186	\$ 54,229
Less: cash		(4,712)	(4,110)
Net debt	\$	33,474	\$ 50,119
Adjusted EBITDA - trailing twelve months	\$	52,006	\$ 51,436
Net debt to adjusted EBITDA ratio		0.6	1.0

Organic compared to Inorganic Sales	Q2 2024	Q2 2025	% Variance
Lighting Segment	\$ 64,796	\$ 58,210	-10%
Display Solutions Segment			
- Comparable Display Solutions Sales	\$ 44,209	\$ 66,133	50%
- EMI	\$ -	\$ 23,391	
Total Display Solutions Sales	\$ 44,209	\$ 89,524	103%
Total net sales	\$ 109,005	\$ 147,734	36%
Less:			
EMI	-	23,391	
Total organic net sales	\$ 109,005	\$ 124,343	14%

**Reconciliation of net income to adjusted net income - Six quarter view**

	FY 2024			
	Q1 2024	Diluted EPS	Q2 2024	Diluted EPS
<b>Net income reported</b>	<b>\$ 8,028</b>	<b>\$ 0.27</b>	<b>\$ 5,906</b>	<b>\$ 0.20</b>
Consulting expense: commercial growth initiatives	13	-	-	-
Amortization expense of acquired intangible assets	870	0.03	885	0.03
Severance costs/Restructuring costs	256	0.01	34	-
Long-term performance based compensation	974	0.03	625	0.02
Tax rate difference between reported and adjusted net income	(531)	(0.02)	(201)	(0.01)
<b>Net income adjusted</b>	<b>\$ 9,610</b>	<b>\$ 0.32</b>	<b>\$ 7,249</b>	<b>\$ 0.24</b>
<b>Adjusted net income %</b>	<b>7.8%</b>		<b>6.7%</b>	

	FY 2024			
	Q3 2024	Diluted EPS	Q4 2024	Diluted EPS
<b>Net income reported</b>	<b>\$ 5,375</b>	<b>\$ 0.18</b>	<b>\$ 5,668</b>	<b>\$ 0.19</b>
Acquisition costs	-	-	722	0.02
Amortization expense of acquired intangible assets	888	0.03	1,028	0.04
Severance costs/Restructuring costs	101	-	5	-
Long-term performance based compensation	767	0.03	906	0.03
Tax rate difference between reported and adjusted net income	-	-	(25)	-
<b>Net income adjusted</b>	<b>\$ 7,131</b>	<b>\$ 0.24</b>	<b>\$ 8,304</b>	<b>\$ 0.28</b>
<b>Adjusted net income %</b>	<b>6.6%</b>		<b>6.4%</b>	

	FY 2025			
	Q1 2025	Diluted EPS	Q2 2025	Diluted EPS
<b>Net income reported</b>	<b>\$ 6,682</b>	<b>\$ 0.22</b>	<b>\$ 5,647</b>	<b>\$ 0.18</b>
Acquisition costs	36	-	-	-
Consulting expense: commercial growth initiatives	-	-	62	-
Amortization expense of acquired intangible assets	1,042	0.03	1,090	0.04
Lease expense on the step-up basis of acquired leases	50	-	53	-
Severance costs/Restructuring costs	45	-	-	-
Long-term performance based compensation	881	0.03	1,294	0.04
Tax rate difference between reported and adjusted net income	(755)	(0.02)	(150)	-
<b>Net income adjusted</b>	<b>\$ 7,981</b>	<b>\$ 0.26</b>	<b>\$ 7,996</b>	<b>\$ 0.26</b>
<b>Adjusted net income %</b>	<b>5.8%</b>		<b>5.4%</b>	



Fiscal Second Quarter  
2025 Results  
Conference Call  
January 23, 2025

# 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. 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 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.

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 Second Quarter 2025 Results



## Organic revenue growth +14% on broad-based demand across vertical markets, continued profitable growth

Q2FY25 Adj. EBITDA of \$13.3 million, +20% y/y

Strength in Display Solutions net of transient softness in Lighting

Strength in grocery, c-store and QSR supported improved order rates, with backlog +12% y/y entering Q3FY25

Free cash flow of \$8.8 million, +21% y/y drove net leverage to 0.6x, down from 1.3x following acquisition of EMI in April 2024



**Strong commercial execution, improved organic revenue growth**  
Q2FY25 sales 36% above PY driven by strong performance in Refueling/C-Store, QSR, and JSI. Organic sales increased 14% due to continued strength in Refueling/C-Store/QSR and rebound in grocery.



**Delivered sustained Adjusted EBITDA growth, continued focus on margin expansion**  
Delivered 20% y/y growth in Adjusted EBITDA; lower Lighting sales and EMI impacted margin realization in Q2FY25, as expected; EMI on pace to achieve margin targets through planned revenue and cost synergies.



**Consistent free cash flow generation supports balance sheet optionality**  
Free cash flow increased 21% y/y in Q2FY25; TTM free cash flow generation of more than \$41 million through the end of Q2FY25; prioritizing capital allocation toward debt reduction, organic growth and strategic investments.



**Recovery in grocery vertical contributes to inflection in Display Solutions demand**  
Organic Display Solutions revenue increased 50% y/y in Q2FY25, driven by broad-based growth in refueling and c-store verticals, together with a recovery in grocery; Grocery vertical revenue increased +60% y/y in Q2FY25.



**Solid quoting activity, backlog solid entering Q2FY25**  
Display Solutions expected to realize y/y growth in Q3FY25 driven by new and existing programs. Continuing to drive synergies with EMI. Lighting large project quote activity improving, orders expected to increase in FY25 2H.



**Executing on Fast Forward value creation initiative**  
Business transformation continues to focus on organic & complementary inorganic growth; building a solutions-based growth platform; prioritizing investments in high-value, growing vertical markets; emphasis on profitable growth; disciplined, returns-driven capital management.



# CONSOLIDATED FINANCIAL RESULTS

Integrated, Solutions-Based Offering Gaining Momentum in Targeted Vertical Markets



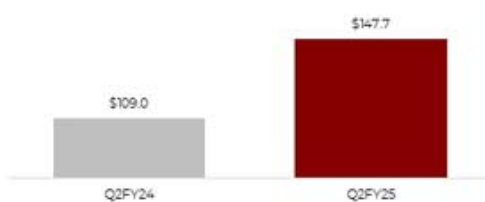
## Vertical market strategy supports balanced organic growth

Display Solutions, generated more than 50% organic sales growth, supported by increased sales across product categories and vertical markets

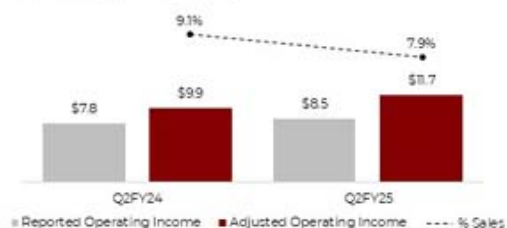
Within Lighting, challenging prior-year comparisons, slower large project activity contributed to 10% y/y sales decline

Solid margin realization, but below PY, given less favorable sales mix, EMI impact

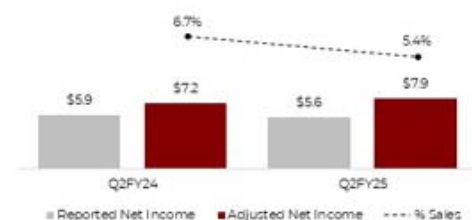
Total Net Sales (\$M)



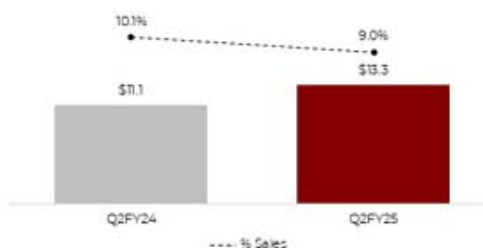
Operating Income (\$M)



Net Income (\$M)



Non-GAAP Adjusted EBITDA (\$M)



# DISPLAY SOLUTIONS SEGMENT UPDATE

Year-Over-Year Growth Across Product Applications and Vertical Markets



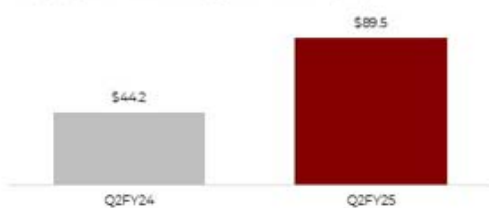
Display Solutions segment delivered 50% organic sales growth, supported by rebound in grocery, continued demand strength in refueling, c-store and QSR

EMI continued solid performance contributing to total DS sales more than double PY

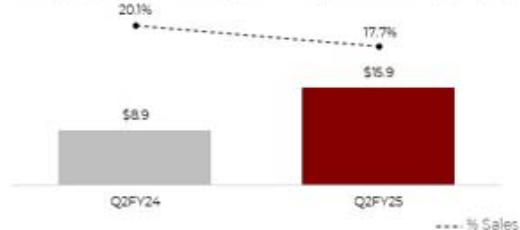
Display Solutions segment orders +25% y/y in Q2FY25, driven by balanced growth across major verticals

Grocery vertical sales growth +60% in Q2FY5 driven by new programs. Manufacturing team did an excellent job supporting the stair-step increase in demand

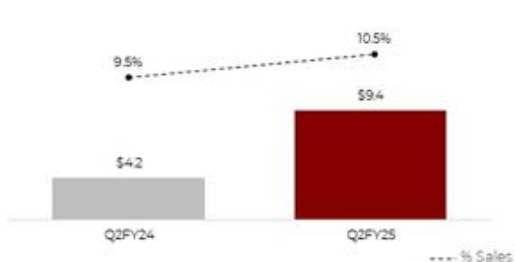
Display Solutions Segment Sales (\$M)



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



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



Display Solutions Segment Adjusted EBITDA (\$M)



# LIGHTING SEGMENT UPDATE

Anticipate an Acceleration in Demand Entering 2H Fiscal 2025; Backlog +6% Versus PY



Lighting segment sales down 10% y/y given challenging prior-year comparison

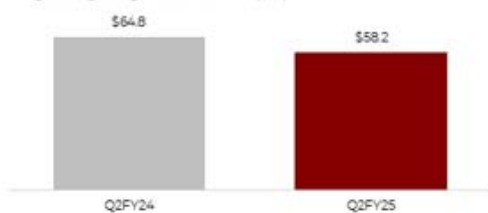
Small project activity remains healthy, while large project activity requiring longer quote-to-conversion

Successful market adoption of V-LOCITY series of area lights, the largest new program launch in eight years

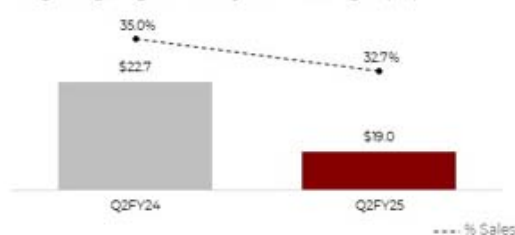
Project quote activity remains above PY levels, backlog 6% above PY entering Q3FY25. Expect order rates to accelerate in 2H FY25

Business fundamental sound; pricing remains steady, material inputs modestly favorable, effective supply chain, high service levels

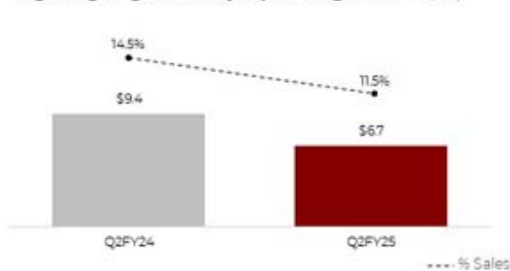
Lighting Segment Sales (\$M)



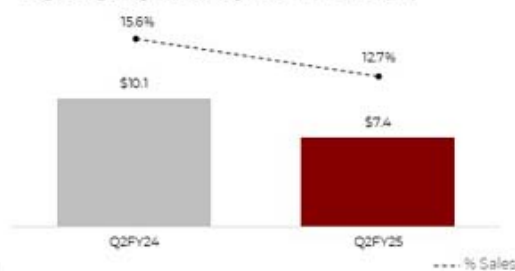
Lighting Segment Adj. Gross Margin (\$M)



Lighting Segment Adj. Operating Income (\$M)



Lighting Segment Adjusted EBITDA (\$M)



# STRONG CASH GENERATION, BALANCE SHEET DISCIPLINE

Allocating Free Cash Generation Toward Debt Reduction, High-Return Investments

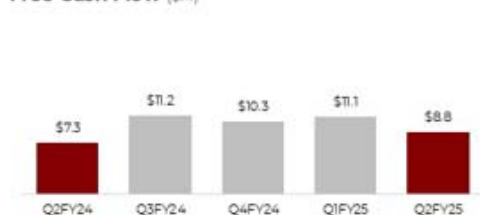


Generated free cash flow of \$8.8 million, +21% y/y; TTM free cash flow through Q2FY25 of more than \$41 million

Reduced net debt by \$7 million in Q2FY25, resulting in net leverage ratio of 0.6x at 12/31/24, down from 1.3x following the acquisition of EMI in April 2024

Anticipate continued growth free cash flow throughout FY25; prioritizing reinvestment in the core business, together with opportunistic acquisition of complementary assets that accelerate our *Fast Forward* strategy

Free Cash Flow (\$M)<sup>(1)</sup>



TTM Free Cash Flow (\$M)<sup>(1)</sup>



Net Debt Outstanding (\$M)<sup>(2)</sup>



(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

# DISCIPLINED WORKING CAPITAL MANAGEMENT

Continue to Align Inventory Levels with Anticipated Demand Conditions Entering 2H FY25



Disciplined working capital management supporting strong free cash generation

Working capital and inventory levels remain steady with days of WC and DIO declining, as increased volume leverage increased turns

Supply Chain stable as east coast dock worker situation resolved. Contingency plans in place for any major tariff actions in coming months/quarters

Total Working Capital (\$M)



Total Inventory (\$M)





## 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 periods ending December 31, 2023, and December 31, 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, 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. 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.

# NON-GAAP RECONCILIATION



LSI Industries	Q2 2024	Q2 2005
Net Sales	109,005	147,734
Gross Margin	31,536	34,861
Lease expense on the step-up basis of acquired leases		69
Severance costs/Restructuring costs	30	-
<b>Adjusted Gross Margin</b>	<b>31,566</b>	<b>34,930</b>
<b>Adjusted Gross Margin %</b>	<b>29.0%</b>	<b>23.6%</b>

Lighting Segment	Q2 2024	Q2 2005
Net Sales	64,796	58,210
Gross Margin	22,698	19,033
Severance costs/Restructuring costs	-	-
<b>Adjusted Gross Margin</b>	<b>22,698</b>	<b>19,033</b>
<b>Adjusted Gross Margin %</b>	<b>35.0%</b>	<b>32.7%</b>

Display Solutions Segment	Q2 2024	Q2 2005
Net Sales	44,209	89,524
Gross Margin	8,838	15,820
Lease expense on the step-up basis of acquired leases		69
Severance costs/Restructuring costs	30	-
<b>Adjusted Gross Margin</b>	<b>8,868</b>	<b>15,889</b>
<b>Adjusted Gross Margin %</b>	<b>20.1%</b>	<b>17.7%</b>



# NON-GAAP RECONCILIATION



LSI Industries	Q2 2024	Q2 2025
Net Sales	109,005	147,734
Operating Income	7,819	8,459
Consulting expense: commercial growth initiatives	-	81
Amortization expense of acquired intangible assets	1,190	1,408
Lease expense on the step-up basis of acquired leases	-	69
Severance costs/Restructuring costs	35	-
Long-term performance based compensation	849	1,669
Adjusted Operating Income	9,893	11,686
Adjusted Operating %	-	7.9%
Depreciation expense	1,166	1,610
Adjusted EBITDA	11,059	13,296
Adjusted EBITDA %	10.1%	9.0%

Lighting Segment	Q2 2024	Q2 2025
Net Sales	64,796	58,210
Operating Income	8,857	5,972
Amortization expense of acquired intangible assets	603	603
Severance costs/Restructuring costs	4	-
Long-term performance based compensation	(43)	140
Adjusted Operating Income	9,421	6,715
Adjusted Operating %	14.5%	11.5%
Depreciation expense	689	677
Adjusted EBITDA	10,110	7,392
Adjusted EBITDA %	15.6%	12.7%

Display Solutions Segment	Q2 2024	Q2 2025
Net Sales	44,209	89,524
Operating Income	3,296	8,127
Amortization expense of acquired intangible assets	587	804
Lease expense on the step-up basis of acquired leases	-	69
Severance costs/Restructuring costs	30	-
Long-term performance based compensation	276	358
Adjusted Operating Income	4,189	9,358
Adjusted Operating %	9.5%	10.5%
Depreciation expense	401	851
Adjusted EBITDA	4,590	10,209
Adjusted EBITDA %	10.4%	11.4%

Effective in the first quarter of fiscal 2025, LSI will include the amortization expense related to acquired intangible assets as an add-back to its non-GAAP reconciliation. Prior quarter non-GAAP reconciliations have been adjusted accordingly.

# NON-GAAP RECONCILIATION



LSI Industries	Q1 2024	Diluted EPS	Q2 2024	Diluted EPS	Q3 2024	Diluted EPS	Q4 2024	Diluted EPS
<b>Net Income Reported</b>	<b>\$ 8,028</b>	<b>\$ 0.27</b>	<b>\$ 5,906</b>	<b>\$ 0.20</b>	<b>\$ 5,375</b>	<b>\$ 0.18</b>	<b>\$ 5,668</b>	<b>\$ 0.19</b>
Acquisition costs	-	-	-	-	-	-	722	0.02
Consulting expense: commercial growth initiatives	13	-	-	-	-	-	-	-
Amortization expense of acquired intangible assets	870	0.03	885	0.03	888	0.03	1,028	0.04
Lease expense on the step-up basis of acquired leases	-	-	-	-	-	-	-	-
Severance costs/Restructuring costs	256	0.01	34	-	101	-	5	-
Long-term performance based compensation	974	0.03	625	0.02	767	0.03	906	0.03
Tax rate difference between reported and adjusted net income	(531)	(0.02)	(201)	(0.01)	-	-	(25)	-
<b>Net Income Adjusted</b>	<b>\$ 9,610</b>	<b>\$ 0.32</b>	<b>\$ 7,249</b>	<b>\$ 0.24</b>	<b>\$ 7,131</b>	<b>\$ 0.24</b>	<b>\$ 8,304</b>	<b>\$ 0.28</b>
<b>Adjusted Net Income %</b>	<b>7.8%</b>		<b>6.7%</b>		<b>6.6%</b>		<b>6.4%</b>	

LSI Industries	Q1 2025	Diluted EPS	Q2 2025	Diluted EPS
<b>Net Income Reported</b>	<b>\$ 6,682</b>	<b>\$ 0.22</b>	<b>\$ 5,647</b>	<b>\$ 0.18</b>
Acquisition costs	36	-	-	-
Consulting expense: commercial growth initiatives	-	-	62	-
Amortization expense of acquired intangible assets	1,042	0.03	1,090	0.04
Lease expense on the step-up basis of acquired leases	50	-	53	-
Severance costs/Restructuring costs	45	-	-	-
Long-term performance based compensation	881	0.03	1,294	0.04
Tax rate difference between reported and adjusted net income	(755)	(0.02)	(150)	-
<b>Net Income Adjusted</b>	<b>\$ 7,981</b>	<b>\$ 0.26</b>	<b>\$ 7,996</b>	<b>\$ 0.26</b>
<b>Adjusted Net Income %</b>	<b>5.8%</b>		<b>5.4%</b>	

Effective in the first quarter of fiscal 2025, LSI will include the amortization expense related to acquired intangible assets as an add-back to its non-GAAP reconciliation. Prior quarter non-GAAP reconciliations have been adjusted accordingly.

# NON-GAAP RECONCILIATION



LSI Industries	Q2 2024	Q2 2025
<b>Net Income Reported</b>	<b>\$ 5,906</b>	<b>\$ 5,647</b>
Income tax	1,489	1,702
Interest expense, net	453	728
Other expense (income)	(29)	382
<b>Operating Income as Reported</b>	<b>7,819</b>	<b>8,459</b>
Depreciation and amortization	2,357	3,018
<b>EBITDA</b>	<b>\$ 10,176</b>	<b>\$ 11,477</b>
Consulting expense: commercial growth initiatives	-	81
Lease expense on the step-up basis of acquired leases	-	69
Severance costs/Restructuring costs	35	-
Long-term performance based compensation	849	1,669
<b>Adjusted EBITDA</b>	<b>\$ 11,060</b>	<b>\$ 13,296</b>
<b>Adjusted EBITDA as a percentage of Sales</b>	<b>10.1%</b>	<b>9%</b>

# NON-GAAP RECONCILIATION



Free Cash Flow	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Cash flow from operations	\$ 9,276	\$ 12,429	\$ 11,096	\$ 11,846	\$ 9,891
Less: Capital expenditures	\$ (1,956)	\$ (1,277)	\$ (762)	\$ (759)	\$ (1,066)
Free cash flow	\$ 7,320	\$ 11,152	\$ 10,334	\$ 11,087	\$ 8,825

Net Debt Outstanding and Leverage Ratio	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Total debt	21,521	16,354	54,229	47,689	38,186
Less: cash	(2,660)	(7,175)	(4,110)	(6,969)	(4,712)
Net debt	\$ 18,861	\$ 9,179	\$ 50,119	\$ 40,720	\$ 33,474
Adjusted EBITDA - trailing twelve months	\$ 51,489	\$ 51,496	\$ 51,436	\$ 49,770	\$ 52,006
Net leverage ratio	0.4	0.2	1.0	0.8	0.6

Organic Compared to Inorganic Sales	Q2 2024	Q2 2025	% Variance
Lighting Segment	\$ 64,796	\$ 58,210	-10%
Display Solutions Segment			
- Comparable Display Solutions Sales	\$ 44,209	\$ 66,133	50%
- EMI	\$ -	\$ 23,391	
Total Display Solutions Sales	\$ 44,209	\$ 89,524	103%
Total net sales	\$ 109,005	\$ 147,734	36%
Less:			
EMI	-	23,391	
Total organic net sales	\$ 109,005	\$ 124,343	14%



For Additional Questions,  
Please Contact 720.778.2415

Thank you,

**LSI Investor Relations**