

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 22, 2026



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 22, 2026, LSI Industries Inc. (“LSI” or the “Company”) issued a press release announcing operating results for the fiscal quarter ended December 31, 2025. 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 22, 2026, 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 January 22, 2026
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: January 22, 2026



LSI INDUSTRIES REPORTS FISCAL 2026 SECOND QUARTER RESULTS AND DECLARES QUARTERLY CASH DIVIDEND

CINCINNATI, January 22, 2026 – 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 2026 second quarter ended December 31, 2025.

FISCAL 2026 SECOND QUARTER RESULTS

- Net Sales of \$147.0 million
- Net Income \$6.3 million; Adjusted Net Income \$8.4 million
- Diluted EPS of \$0.20; Adjusted Diluted EPS of \$0.26
- EBITDA of \$12.1 million; Adjusted EBITDA of \$13.4 million
- Free Cash Flow of \$23.3 million
- Ratio of net debt to TTM Adjusted EBITDA of 0.4x

LSI reported sales of \$147.0 million, even with the prior year period, successfully offsetting the impact of fiscal 2025 results which included elevated, event driven sales related to disruption in the grocery vertical. Demand in the grocery vertical returned to seasonal levels in the second quarter of fiscal 2026, which supports higher seasonal activity quarters moving forward.

The Company reported net income of \$6.3 million, or \$0.20 per diluted share in the second quarter, while adjusted net income was \$8.4 million or \$0.26 per adjusted diluted share. Fiscal second quarter adjusted EBITDA was \$13.4 million or 9.1% of net sales, an increase versus the prior-year period, as improved productivity, price optimization, and disciplined expense management combined to offset raw materials cost inflation.

The Company generated strong free cash flow of \$23.3 million in the fiscal second quarter, driven by profitability and sustained working capital discipline. LSI reduced its total debt outstanding by \$22.7 million in the fiscal second quarter, resulting in a ratio of net debt to trailing twelve-month adjusted EBITDA of 0.4x as of December 31, 2025. LSI exits the second quarter with cash and availability on its credit facility totaling \$103.4 million

The Company declared a regular cash dividend of \$0.05 per share payable on February 10, 2026, to shareholders of record on February 2, 2026.

MANAGEMENT COMMENTARY

“The strength of our diversified, solutions-based model was evident in the second quarter, enabling LSI to deliver solid performance despite a challenging prior-year comparison”, stated James A. Clark, President and Chief Executive Officer of LSI. “Double-digit sales growth within our Lighting segment, continued execution of large project activity in Display Solutions, sustained profitability, and strong free cash generation, underscore the durability and resiliency of our operating model,” continued Clark.

“We exit the fiscal second quarter with an extremely healthy balance sheet. Free cash flow for the quarter was \$23.3 million, reducing our leverage ratio to 0.4x. Our strong balance sheet provides the financial support required to achieve our 2028 *Fast Forward* strategic plan, supporting critical planned investments in organic growth, while also providing the ability to evaluate future acquisition opportunities.

“Margin management remains a priority for us, with a strong focus on project pricing, productivity, and cost discipline. These actions combined to offset cost inflation in the quarter, resulting in modest improvement in net income and diluted earnings per share, while positioning us to maintain EBITDA margin in what is seasonally one of slowest quarters of the year.

“Within our Lighting segment, our team delivered a strong quarter, with sales growth of 15%, together with seventy basis points of adjusted EBITDA margin expansion, when compared to the prior-year period. The 15% second quarter sales growth follows 18% growth in the first quarter, with several factors contributing to our improving momentum, including the increased number of large project shipments, which doubled from the second quarter last year. Furthermore, our increased emphasis on national account opportunities continues to generate new customers and sustainable business. One specific account conversion resulted in a multi-million-dollar initial order to be fulfilled in the fiscal third quarter.

“Within the Display Solutions segment, we continue to maintain a high level of project execution across large, multi-year customer programs in the refueling/c-store and QSR verticals. Market activity in Mexico, which has been soft for several quarters, improved considerably in the second quarter, and is expected to remain at elevated levels into fiscal 2027.

“In the refueling/c-store vertical we recently onboarded multiple mid-sized projects with new customers, as we expand our service radius beyond larger programs, an approach we expect will contribute to more stable growth over time. Progress around new customer acquisitions is the result of recent investments we’ve made within targeted sales and marketing initiatives, actions that we anticipate will result in further market penetration.

“Importantly, our grocery vertical continues to stabilize, with demand patterns returning to seasonal levels after two years of significant disruption,” continued Clark. We continue to collaborate with customers on programs in the planning phase, to be released throughout the next eighteen months, the scope including both refrigerated and non-refrigerated product requirements.

“Customers continue to recognize the value of our broad service capabilities. For example, at one of our refueling/c-store customers, we are currently active at a record 140 sites, effectively positioning us as an extension of their organization. By bringing an integrated solutions offering to our customers, LSI is embedding its products – and technical service capabilities – which strengthens long-term customer relationships and accelerates the potential for cross-selling synergies.

“Entering the second half of fiscal 2026, we anticipate continued year-over-year revenue growth in our Lighting segment, together with resumption of growth within our Display Solutions segment. Exiting the fiscal second quarter, Lighting segment orders were 10% above prior year, resulting in a book-to-bill ratio above 1.0x. For Display Solutions, total orders increased 8%, supporting an improved backlog entering the fiscal third quarter. Specifically, grocery orders increased double-digits in the second quarter versus the prior year quarter reflecting a more normalized release of planned programs.

Clark concluded, “We remain confident in the secular growth outlook for our key vertical markets, while continuing to position LSI for above-market growth through a differentiated, solutions-based value proposition. During periods of fluctuating industry demand, we’ve demonstrated an ability to drive improved margin realization and remain committed to that focus. Moreover, we continue to retain significant balance sheet flexibility in support of our profitable growth objectives outlined within our *Fast Forward* plan, utilizing a return-centric approach to capital deployment.”

FISCAL 2026 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. 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 February 5, 2026:

Domestic Replay:	844-512-2921
International Replay:	412-317-6671
Conference ID:	13758040

ABOUT LSI INDUSTRIES

Headquartered in Cincinnati, LSI is a publicly held company traded over the NASDAQ Stock Exchange under the symbol LYTS. The company manufactures advanced lighting, graphics, and display solutions across strategic vertical markets. The company’s American-made products, which include non-residential indoor and outdoor lighting, print graphics, digital graphics, refrigerated and custom displays, help create value for customer brands and enhance the consumer experience. LSI also provides comprehensive project management services in support of large-scale product rollouts. The company employs approximately 2,000 people at 19 manufacturing plants in the U.S. and Canada. 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

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Three Months Ended December 31		<i>(Unaudited)</i> <i>(In thousands, except per share data)</i>	Six Months Ended December 31	
2025	2024		2025	2024
\$ 147,002	\$ 147,734	Net sales	\$ 304,251	\$ 285,829
109,495	112,804	Cost of products sold	226,534	217,147
68	69	Expense on step-up basis of acquired lease	136	136
5	-	Severance costs and restructuring costs	(130)	38
37,434	34,861	Gross profit	77,711	68,508
1,002	1,669	Long-term performance based compensation	2,284	2,853
(5)	-	Severance costs and restructuring costs	59	22
1,558	1,408	Amortization expense of acquired intangible assets	3,112	2,816
200	-	Acquisition costs	420	48
-	81	Consulting expense: commercial growth initiatives	-	81
25,814	23,244	Selling and administrative costs	51,999	45,098
8,865	8,459	Operating Income	19,837	17,590
(103)	382	Other (income) expense	427	322
573	728	Interest expense, net	1,320	1,603
8,395	7,349	Income before taxes	18,090	15,665
2,047	1,702	Income tax	4,478	3,336
\$ 6,348	\$ 5,647	Net income	\$ 13,612	\$ 12,329
Weighted Average Common Shares Outstanding				
31,157	29,930	Basic	30,803	29,761
32,004	30,876	Diluted	31,685	30,709
Earnings Per Share				
\$ 0.20	\$ 0.19	Basic	\$ 0.44	\$ 0.41
\$ 0.20	\$ 0.18	Diluted	\$ 0.43	\$ 0.40

	<i>(amounts in thousands)</i>	
	December 31 2025	June 30, 2025
Current assets	\$ 187,259	\$ 194,166
Property, plant and equipment, net	30,372	31,154
Other assets	178,675	171,042
Total assets	\$ 396,306	\$ 396,362
Current maturities of long-term debt	\$ -	\$ 3,571
Other current liabilities	87,175	93,778
Long-term debt	27,939	44,986
Other long-term liabilities	33,095	23,305
Shareholders' equity	248,097	230,722
	\$ 396,306	\$ 396,362

Three Months Ended December 31, 2025 Results

Net sales for the three months ended December 31, 2025, were \$147.0 million compared to \$147.7million the three months ended December 31, 2024. Lighting Segment net sales of \$66.7 million increased 15% and Display Solutions Segment net sales of \$80.3 million decreased 10% from last year's second quarter net sales. Net income for the three months ended December 31, 2025, was \$6.3 million, or \$0.20 per share, compared to \$5.6 million or \$0.18 per share for the three months ended December 31, 2024. Earnings per share represents diluted earnings per share.

Six Months Ended December 31, 2025 Results

Net sales for the six months ended December 31, 2025, were \$304.3 million representing a 6% increase from the six months ended December 31, 2024, net sales of \$285.8 million. Lighting Segment net sales of \$135.7 million increased 16% and Display Solutions Segment net sales of \$168.5 million decreased less than 1 percent from last year's net sales. Net income for the six months ended December 31, 2025, was \$13.6 million, or \$0.43 per share, compared to \$12.3 million or \$0.40 per share for the six months ended December 31, 2024. Earnings per share represents diluted earnings per share.

Balance Sheet

The balance sheet at December 31, 2025, included current assets of \$187.3 million, current liabilities of \$87.2 million and working capital of \$100.1 million, which includes cash of \$6.4 million. The current ratio was 2.2 to 1. The balance sheet also included shareholders' equity of \$248.1 million and long-term debt of \$27.9 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 2026, payable February 10, 2026, to shareholders of record as of the close of business on February 2, 2026. 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, 2025, and 2024. 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		
2025	2024	% Change		2025	2024	% Change
\$ 147,002	\$ 147,734		Net sales	\$ 304,251	\$ 285,829	6%
8,865	8,459	5%	Operating income as reported	19,837	17,590	13%
1,002	1,669		Long-term performance based compensation	2,284	2,853	
-	81		Consulting expense: commercial growth initiatives	-	81	
200	-		Acquisition costs	420	48	
1,558	1,408		Amortization expense of acquired intangible assets	3,112	2,816	
68	69		Expense on step-up basis of acquired lease	136	136	
-	-		Severance costs and Restructuring costs	(71)	60	
\$ 11,693	\$ 11,686	-	Operating income as adjusted	\$ 25,718	\$ 23,584	9%
\$ 6,348	\$ 5,647	12%	Net income as reported	\$ 13,612	\$ 12,329	10%
\$ 8,438	\$ 7,996	6%	Net income as adjusted	\$ 18,169	\$ 15,977	14%
\$ 0.20	\$ 0.18	8%	Earnings per share (diluted) as reported	\$ 0.43	\$ 0.40	7%
\$ 0.26	\$ 0.26	2%	Earnings per share (diluted) as adjusted	\$ 0.57	\$ 0.52	10%

Three Months Ended December 31				(In thousands, except per share data)	Six Months Ended December 31			
2025	Diluted EPS	2024	Diluted EPS		2025	Diluted EPS	2024	Diluted EPS
\$ 6,348	\$ 0.20	\$ 5,647	\$ 0.18	Reconciliation of net income to adjusted net income				
				Net income as reported	\$ 13,612	\$ 0.43	\$ 12,329	\$ 0.40
713	0.02	1,294	0.04	Long-term performance based compensation	1,667	\$ 0.05	2,161	0.07
1,159	0.04	1,090	0.04	Amortization expense of acquired intangible assets	2,276	\$ 0.07	2,132	0.07
-	-	62	-	Consulting expense: commercial growth initiatives	-	\$ -	62	-
-	-	-	-	Severance costs and Restructuring costs	(53)	\$ -	45	-
142	\$ -	-	-	Acquisition costs	307	\$ 0.01	50	-
48	-	53	-	Expense on step-up basis of acquired lease	99	\$ -	103	0.01
28	-	-	-	Foreign currency transaction loss on intercompany loan	354	\$ 0.01	-	-
-	\$ -	(150)	-	Tax rate difference between reported and adjusted net income	(93)	\$ -	(905)	(0.03)
\$ 8,438	\$ 0.26	\$ 7,996	\$ 0.26	Net income adjusted	\$ 18,169	\$ 0.57	\$ 15,977	\$ 0.52

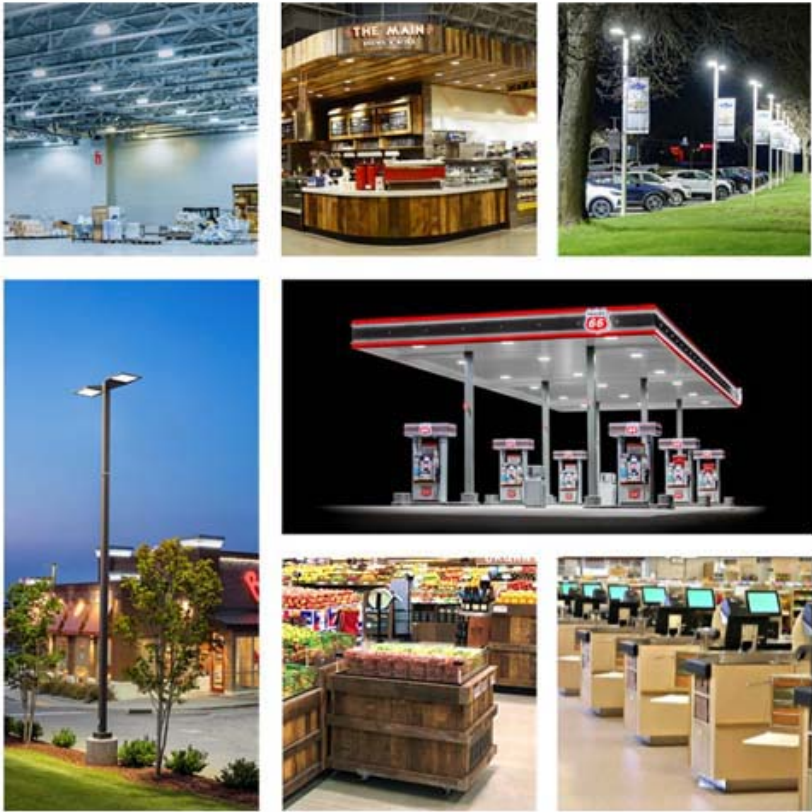
The foreign currency transaction loss on intercompany loan relates to an intercompany loan established as a result of the acquisition Canada's Best Holdings as a method to repatriate cash generated in Canada to the Unites States without being subject to a withholding penalty.

Three Months Ended December 31			(Unaudited; In thousands)	Six Months Ended December 31		
2025	2024	% Change		2025	2024	% Change
\$ 6,348	\$ 5,647		Net income as reported	\$ 13,612	\$ 12,329	
2,047	1,702		Income tax	4,478	3,336	
573	728		Interest expense, net	1,320	1,603	
(103)	382		Other (income) expense	427	322	
\$ 8,865	\$ 8,459	5%	Operating Income as reported	\$ 19,837	\$ 17,590	13%
3,227	3,018		Depreciation and amortization	6,427	5,958	
\$ 12,092	\$ 11,477	5%	EBITDA	\$ 26,264	\$ 23,548	12%
1,002	1,669		Long-term performance based compensation	2,284	2,853	
Consulting expense: commercial growth initiatives						
-	81			-	81	
200	-		Acquisition costs	420	48	
68	69		Expense on step-up basis of acquired lease	136	136	
-	-		Severance costs and Restructuring costs	(71)	60	
\$ 13,362	\$ 13,296	0%	Adjusted EBITDA	\$ 29,033	\$ 26,726	9%
9.1%	9.0%		Adjusted EBITDA as a percentage of sales	9.5%	9.4%	

Three Months Ended December 31			(Unaudited; In thousands)		Six Months Ended December 31		
2025	2024	% Change	Free Cash Flow		2025	2024	% Change
\$ 24,984	\$ 9,891	153%	Cash flow from operations		\$ 25,659	\$ 21,737	18%
(1,684)	(1,066)		Capital expenditures		(2,651)	(1,825)	
\$ 23,300	\$ 8,825	164%	Free cash flow		\$ 23,008	\$ 19,912	16%

Net Debt to Adjusted EBITDA Ratio (amounts in thousands)		December 31,	
		2025	2024
Current maturity of debt	\$	-	\$ 3,571
Long-term debt		27,939	34,615
Total debt	\$	27,939	\$ 38,186
Less: cash		(6,407)	(4,712)
Net debt	\$	21,532	\$ 33,474
Adjusted EBITDA - trailing twelve months	\$	57,286	\$ 52,006
Net debt to adjusted EBITDA ratio		0.4	0.6

Organic compared to Inorganic Sales	Second Quarter		% Variance
	Q2 2026	Q2 2025	
Lighting Segment	\$ 66,673	\$ 58,210	15%
Display Solutions Segment			
- Comparable Display Solutions Sales	74,001	89,524	-17%
- Canada's Best	6,328	-	
Total Display Solutions Sales	\$ 80,329	\$ 89,524	-10%
Total net sales	\$ 147,002	\$ 147,734	-
Less:			
Canada's Best Holdings	6,328	-	
Total organic net sales	\$ 140,674	\$ 147,734	-5%
Organic compared to Inorganic Sales	Year-to-Date		% Variance
	Q2 2026	Q2 2025	
Lighting Segment	\$ 135,726	\$ 116,646	16%
Display Solutions Segment			
- Comparable Display Solutions Sales	153,278	169,183	-9%
- Canada's Best	15,247	-	
Total Display Solutions Sales	\$ 168,525	\$ 169,183	-
Total net sales	\$ 304,251	\$ 285,829	6%
Less:			
Canada's Best Holdings	15,247	-	
Total organic net sales	\$ 289,004	\$ 285,829	1%



Fiscal Second Quarter
2026 Results
Conference Call
January 22, 2026

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 2026 Results



Q2FY26 sales and profitability successfully offset non-recurring demand surge in Q2FY25

Q2FY26 performance was noteworthy in view of an elevated prior-year comparison, during which the Display Solutions segment delivered 50% organic sales growth following an industry-wide surge in project activity



Strategic price and cost actions partially offset cost inflation, contributing to stable margin realization

Generated Q2FY26 adjusted EBITDA margin of 9.1%, +10 bps versus PY; strategic focus on project pricing, productivity, and cost discipline served to offset cost inflation in the second quarter; margin management remains a priority



Working capital efficiencies contributed to strong free cash flow in Q2FY26, continued debt reduction

Delivered \$23.3 million free cash flow in Q2FY26, or \$37.7 million on a TTM basis through Dec. 31, 2025; resulting in ratio of net debt to trailing twelve-month adjusted EBITDA of 0.4x



Lighting Segment: +15% organic revenue growth versus PY on market share gains, increased large project activity

Large project shipments within the Lighting segment doubled when compared to the prior-year period, while recent investments in our national account strategy have resulted in new customer conversions and project wins. Adj. Gross margin rate improved 190 bps



Display Solutions Segment: Improved order activity supports increased demand entering second half of fiscal 2026

Maintaining a high level of project execution across large, multi-year customer programs in the Refueling / C-Store vertical; QSR remains sluggish; Grocery vertical demand patterns returning to seasonal levels after two years of significant disruption, enabling improved productivity and customer service levels



Market activity encouraging entering fiscal third quarter 2026

Anticipate y/y growth in Q3FY26; Exiting Q2FY26, Lighting segment orders were 10% above prior-year levels, resulting in a book-to-bill ratio above 1.0x, while in the Display Solutions segment, orders in the Grocery vertical increased 20% above the prior year, supporting improved segment backlog

Strong free cash flow conversion, improved balance sheet optionality, improving demand conditions

CONSOLIDATED FINANCIAL RESULTS



Demonstrated Value of Diversified Model

Successful in offsetting elevated PY sales comps with growth in Lighting and continued large C-Store projects in Display

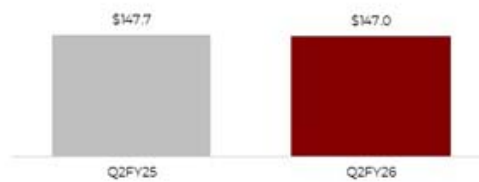
Stable Margin Realization Due to Price, Cost Actions

Q2FY26 adjusted operating margin of 7.9%; adjusted net income +6% y/y; adjusted EBITDA margin 9.1% +10 bps y/y

Positioned for Y/Y Growth Entering Q3FY26

Combination of increased order rates and backlog, new customer conversions, along with existing large program fulfillment support constructive outlook

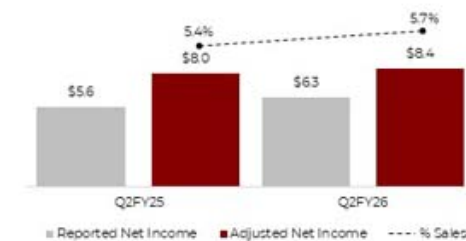
Total Net Sales (\$M)



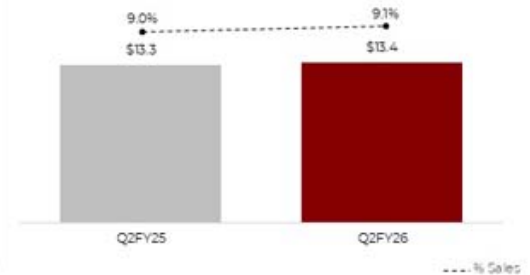
Operating Income (\$M)



Net Income (\$M)



Non-GAAP Adjusted EBITDA (\$M)





LIGHTING SEGMENT UPDATE

Strong Organic Growth, Margin Expansion

Delivered 15% y/y organic sales growth, represents the third consecutive quarter of double-digit growth. Adj. Gross Margin increased 190 bps

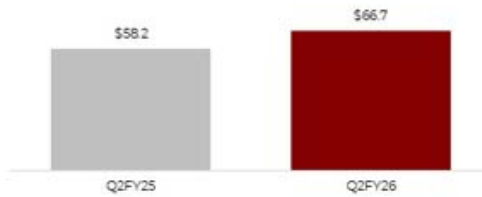
Continued Progress Prioritizing Key Vertical Markets

Volume of large project shipments doubled on a y/y basis; National Accounts strategy resulting in new customer acquisitions

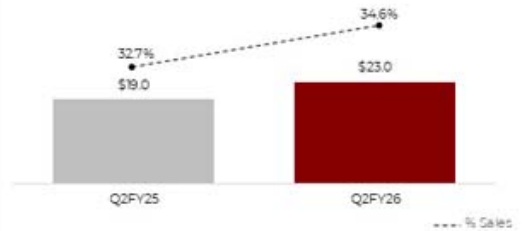
Solid Order Rates Support Positive Outlook

Lighting segment order +10% above PY; continued demand momentum across vertical markets entering Q3FY26

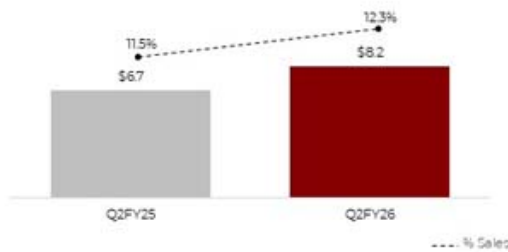
Lighting Segment Sales (\$M)



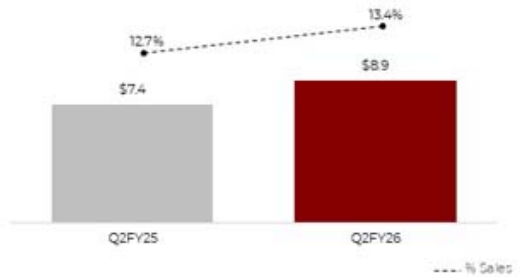
Lighting Segment Adj. Gross Margin (\$M)



Lighting Segment Adj. Operating Income (\$M)



Lighting Segment Adjusted EBITDA (\$M)



DISPLAY SOLUTIONS SEGMENT UPDATE



Strong Project Execution Across Multi-Year Programs

Sales impacted by event driven, elevated PY levels. Gross margin rate improved despite lower sales, reflecting more steady demand, improving productivity and service

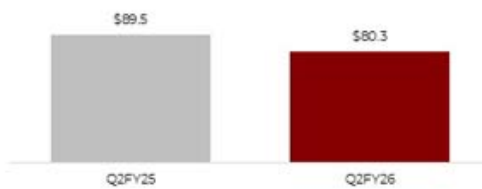
Improved Order Rate and Backlog for Grocery Vertical

Return to seasonal demand patterns generated grocery book-to-bill of 1.2 vs. below 1.0 last year; refueling/c-store steady at healthy level; QSR remains soft

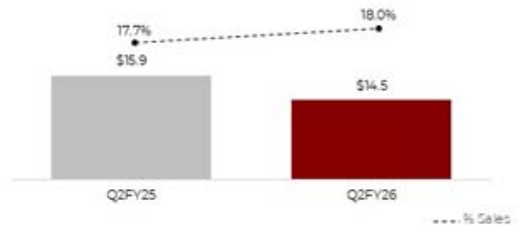
Expect Revenue Growth in 2nd Half Fiscal 2026

Favorable health of most key markets, along with expected project release activity supports growth opportunities for 2nd half FY26

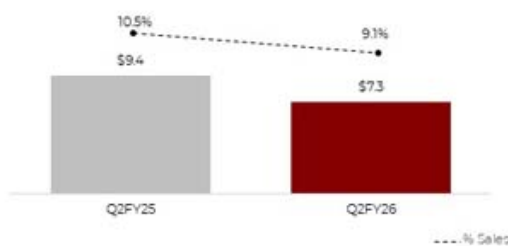
Display Solutions Segment Sales (\$M)



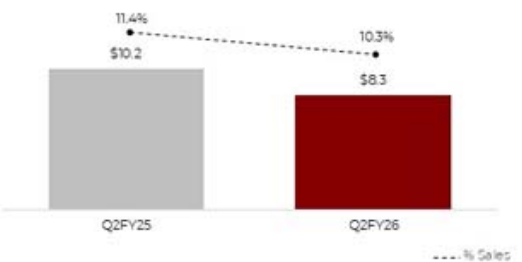
Display Solutions Segment Adj. Gross Margin (\$M)



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



Display Solutions Segment Adjusted EBITDA (\$M)



WORKING CAPITAL UPDATE



Working Capital Declined 11% Sequentially in Q2FY26

Cash conversion on expected AR reduction, disciplined inventory management contributed to \$12.2 million sequential decline in total working capital

Inventory Levels Remain Consistent With Current Demand Conditions

Effectively managing supply availability; y/y increased in inventory related to low PV levels after strong shipments quarter; addition of Canada's Best Holdings, and supporting expected Q3 sales

Total Working Capital (\$M)



Net Accounts Receivable (\$M)



Total Inventory (\$M)





BALANCE SHEET UPDATE

Significant Liquidity to Support Growth

More than \$103 million of cash and available liquidity under our \$125 million credit facility maturing in 2031

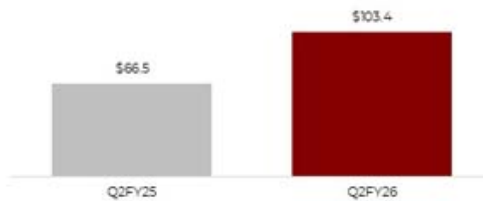
Strong Free Cash Flow Generation

Q2FY26 free cash flow \$23.3 million, on pace to deliver our fourth consecutive year of cash flow greater than \$30 million

Continued Debt Reduction, Net Leverage of 0.4x

After investing \$20+ million to acquire Canada's Best during Q3FY25, net leverage is below PY levels at 0.4x as of Dec. 31, 2025

Available Liquidity (\$M)



TTM 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 periods ending December 31, 2024, and December 31, 2025. Gross Margin, operating income, net income, and earnings per share, which exclude the impact of long-term performance-based compensation, severance costs, restructuring costs, lease expense on the step-up basis of acquired leases, the amortization expense of acquired intangible assets, consulting expenses supporting commercial growth initiatives, and acquisition costs are non-GAAP financial measures. We believe these non-GAAP measures will provide increased transparency to our core operating performance of the business. Also included in this presentation are non-GAAP financial measures, including Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA and Adjusted EBITDA), Free Cash Flow, Organic Sales Growth, and Net Debt. 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

Reconciliation of Reported Gross Margin to Adjusted Gross Margin



LSI Industries	Q2 2005	Q2 2026
Net Sales	147,734	147,002
Gross Margin	34,861	37,434
Lease expense on the step-up basis of acquired leases	69	68
Severance costs/Restructuring costs	-	5
Adjusted Gross Margin	34,930	37,507
Adjusted Gross Margin %	23.6%	25.5%

Lighting Segment	Q2 2005	Q2 2026
Net Sales	58,210	66,672
Gross Margin	19,033	23,037
Severance costs/Restructuring costs	-	(1)
Adjusted Gross Margin	19,033	23,036
Adjusted Gross Margin %	32.7%	34.6%

Display Solutions Segment	Q2 2005	Q2 2026
Net Sales	89,524	80,329
Gross Margin	15,820	14,402
Lease expense on the step-up basis of acquired leases	69	68
Severance costs/Restructuring costs	-	6
Adjusted Gross Margin	15,889	14,476
Adjusted Gross Margin %	17.7%	18.0%

NON-GAAP RECONCILIATION

Reconciliation of Reported Operating Income to Adjusted Operating Income



LSI Industries	Q2 2025	Q2 2026
Net Sales	147,734	147,002
Operating Income	8,459	8,865
Acquisition Costs	81	200
Amortization expense of acquired intangible assets	1,408	1,499
Lease expense on the step-up basis of acquired leases	69	68
Severance costs/Restructuring costs	-	-
Long-term performance based compensation	1,669	1,002
Adjusted Operating Income	11,686	11,634
Adjusted Operating %	7.9%	7.9%
Depreciation expense	1,610	1,728
Adjusted EBITDA	13,296	13,362
Adjusted EBITDA %	9.0%	9.1%

Lighting Segment	Q2 2025	Q2 2026
Net Sales	58,210	66,672
Operating Income	5,972	7,547
Amortization expense of acquired intangible assets	603	603
Severance costs/Restructuring costs	-	(1)
Long-term performance based compensation	140	81
Adjusted Operating Income	6,715	8,230
Adjusted Operating %	11.5%	12.3%
Depreciation expense	677	673
Adjusted EBITDA	7,392	8,903
Adjusted EBITDA %	12.7%	13.4%

Display Solutions Segment	Q2 2025	Q2 2026
Net Sales	89,524	80,329
Operating Income	8,127	6,076
Amortization expense of acquired intangible assets	804	896
Lease expense on the step-up basis of acquired leases	69	68
Severance costs/Restructuring costs	-	6
Long-term performance based compensation	358	254
Adjusted Operating Income	9,358	7,300
Adjusted Operating %	10.5%	9.1%
Depreciation expense	851	953
Adjusted EBITDA	10,209	8,253
Adjusted EBITDA %	11.4%	10.3%

Note: Effective in the first quarter of fiscal 2025, LSI began to 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

Reconciliation of Reported Net Income to Adjusted Net Income



LSI Industries	Q2 2025	Q2 2026
Net Income Reported	\$ 5,647	\$ 6,348
Income tax	1,702	2,047
Interest expense, net	728	573
Other expense (income)	382	(103)
Operating Income as Reported	8,459	8,865
Depreciation and amortization	3,018	3,227
EBITDA	\$ 11,477	\$ 12,092
Consulting expense: Commercial Growth Initiatives	\$ 81	\$ -
Acquisition Costs	-	200
Lease expense on the step-up basis of acquired leases	69	68
Severance costs/Restructuring costs	-	-
Long-term performance based compensation	1,669	1,002
Adjusted EBITDA	\$ 13,296	\$ 13,362
Adjusted EBITDA as a percentage of Sales	9.0%	9.1%

Note: Effective in the first quarter of fiscal 2025, LSI began to 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

Reconciliation of Cash Flow from Operations to Free Cash Flow



Free Cash Flow	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Cash flow from operations	\$ 9,891	\$ 6,882	\$ 9,499	\$ 675	\$ 24,984
Less: Capital expenditures	\$ (1,066)	\$ (690)	\$ (950)	\$ (967)	\$ (1,684)
Free cash flow	\$ 8,825	\$ 6,192	\$ 8,549	\$ (292)	\$ 23,300

Net Debt Outstanding and Leverage Ratio	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Total debt	38,186	55,360	48,557	50,676	27,939
Less: cash	(4,712)	(4,301)	(3,457)	(7,143)	(6,407)
Net debt	\$ 33,474	\$ 51,059	\$ 45,100	\$ 43,533	\$ 21,532
Adjusted EBITDA - trailing twelve months	\$ 52,006	\$ 52,024	\$ 54,982	\$ 57,308	\$ 57,286
Net leverage ratio	0.6	1.0	0.8	0.8	0.4

NON-GAAP RECONCILIATION

Organic Vs. Inorganic Sales Growth



Organic compared to Inorganic Sales	Second Quarter		% Variance
	Q2 2025	Q2 2026	
Lighting Segment	\$ 58,210	\$ 66,672	15%
Display Solutions Segment			
- Comparable Display Solutions Sales	89,524	74,001	-17%
- Canada's Best	-	6,329	-
Total Display Solutions Sales	\$ 89,524	\$ 80,330	-10%
Total net sales	\$ 147,734	\$ 147,002	-
Less:			
Canada's Best Holdings	-	6,328	-
Total organic net sales	\$ 147,734	\$ 140,674	-5%

Organic compared to Inorganic Sales	Year-to-Date		% Variance
	YTD 2025	YTD 2026	
Lighting Segment	\$ 116,646	\$ 135,726	16%
Display Solutions Segment			
- Comparable Display Solutions Sales	169,183	153,278	-9%
- Canada's Best	-	15,247	-
Total Display Solutions Sales	\$ 169,183	\$ 168,525	-
Total net sales	\$ 285,829	\$ 304,251	6%
Less:			
Canada's Best Holdings	-	15,247	-
Total organic net sales	\$ 285,829	\$ 289,004	1%



For Additional Questions,
Please Contact 720.778.2415

Thank You,

LSI Investor Relations