

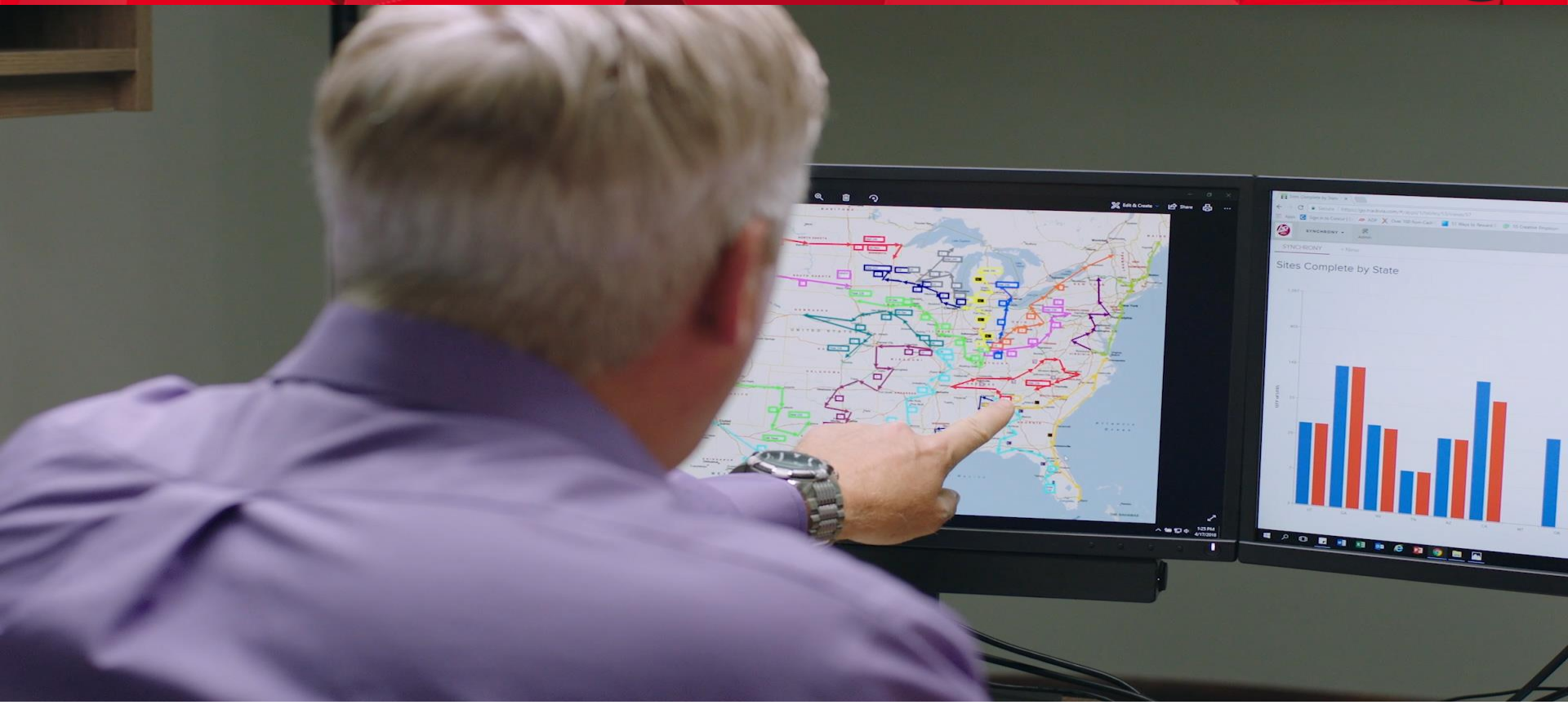
LSI Industries, Inc.

cg/Canaccord Genuity Capital Markets

Growth Conference

August 7-8, 2019

Forward Looking Statements



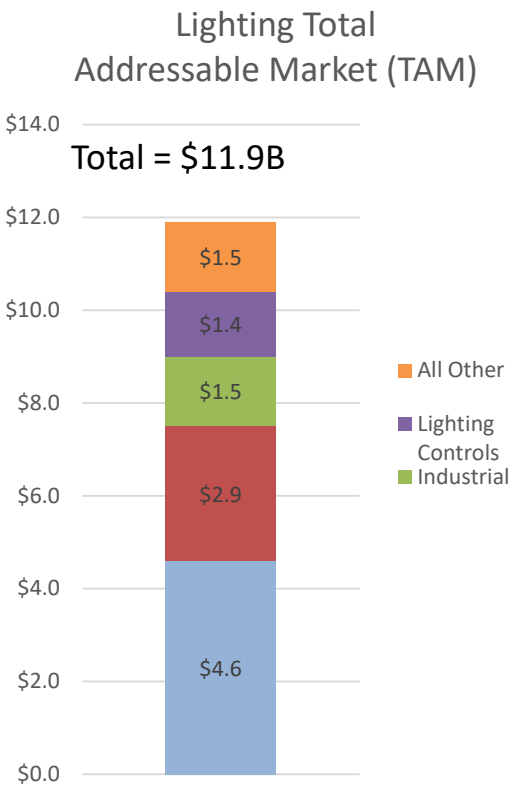
For details on the uncertainties that may cause our actual results to be materially different than those expressed in our forward-looking statements, visit http://www.lsi-industries.com/fls as well as our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q which contain risk factors.

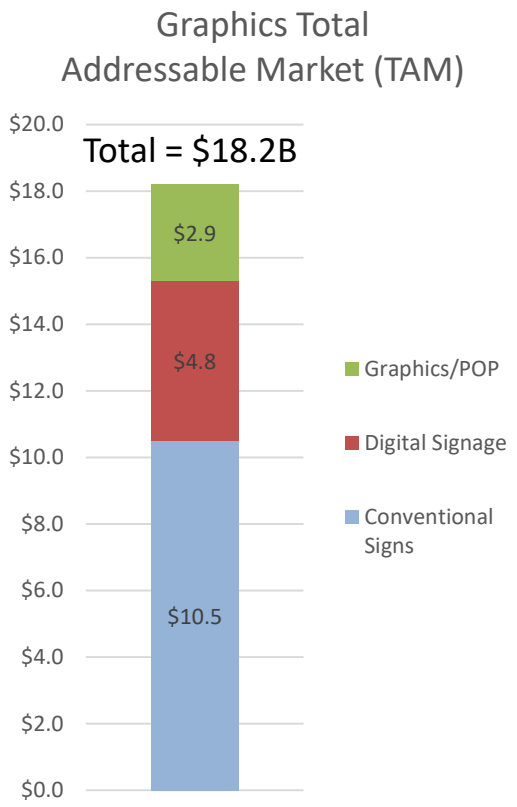
The Path Forward: Positioning the business for improved success

- The Opportunity (our markets)
- Focus on Target Market Verticals
- Strengthen Agency and Distributor Partnerships
- Market Driven New Product Innovation and Solutions
- Leverage Operations and Supply Chain capabilities
- Performance Outlook



Market Opportunity





Large, diverse, application driven market requires focused approach

Vertical Market Focus

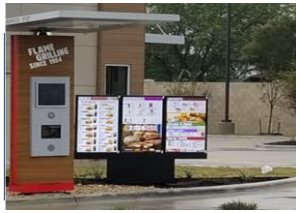
Vertical Markets



Petroleum / C-Sores



Automotive



Quick Serve Restaurants (QSR)



Retail (Grocery & Pharmacy)



Parking & Area Light



Warehouse

Market Access

Projects
Quote/Bid Process

Direct
C-Suite, specifications, architects, other

Stock and Flow
Local Distributor Stock Availability

Become experts in the markets we serve
Package products, technology and services to provide an innovative solution

Market Dynamics are Changing



By 2020, customer experience will overtake price and product as key brand differentiator

Our Products and Solutions

Lighting

Indoor

- Downlighting
- Industrial
- Ambient
- Surface mount
- Troffer
- Retro Fit Kits

Outdoor

- Architectural
- Parking & Area
- Sports
- Floodlighting
- Specialty

Controls

- Wireless
- Daylight Harvesting
- Occupancy
- Energy Conservation

Graphics & Digital

- Printed Graphics
- Structural Graphics
- Facades and cladding
- Digital Signage
- Menu Board Systems
- Customer Engagement
- Illuminated Architectural Elements

Turnkey Capabilities

- Creative Services
- Site Surveys and Specifications
- Permitting
- Construction and Installation Management (Adapt)
- Rebrands and Change-outs
- Content Management
- Post Implementation Services

For Vertical Market Applications



Petroleum / C-Sores



Automotive



Quick Serve Restaurants (QSR)



Retail (Grocery & Pharmacy)



Parking & Area Light



Warehouse

Account and geographic expansion

- Strong relationships with large US oil customers, strengthen next tier
- Expansion into Mexico leveraging existing relationships for Graphics and Lighting
- New relationships with foreign oil companies e.g. Valero, Respol
- C-store is major profit generator for owner; launched new Vertex lighting product, providing solution to lighting transition area from canopy to c-store. Product utilizes symmetric throw optic.



First ExxonMobil site in Queretaro, MX



Before



After

Petroleum: Over 470 Mexico Expansion Site Completions

(275 turnkey, 195 product only)



Reuters Market News
March 12, 2018 / 11:36 PM / a year ago
Repsol to open 200 fuel stations in 2018 in Mexico, spend $430 mln in coming years

Repsol joins a growing list of companies, including Royal Dutch Shell, BP and Exxon Mobil, that have flocked to Mexico's fuel sector, seeking to take advantage of a government liberalization of gasoline prices and the retail fuel sector.

LSI Gráficas E Iluminación

Exterior

- Established relationships, viewed as the lighting consultant to the auto dealership industry
- Energy savings is important, achieve total coverage with less fixtures, reduced project costs
- Design for uniformity is growing requirement
- High application of wireless control technology
- CarMax retrofit and new stores, contract $5m annually





Interior

- Car buying experience changing, informed buyers, major consumer investment
- Customer showroom experience is critically important
- Service area represents important revenue/profit generator for dealer. Skilled service technicians value workplace environment. Trend is more consumer visibility to service experience.
- Our vapor tight product mounted at 45 degree angle provides for full car exposure

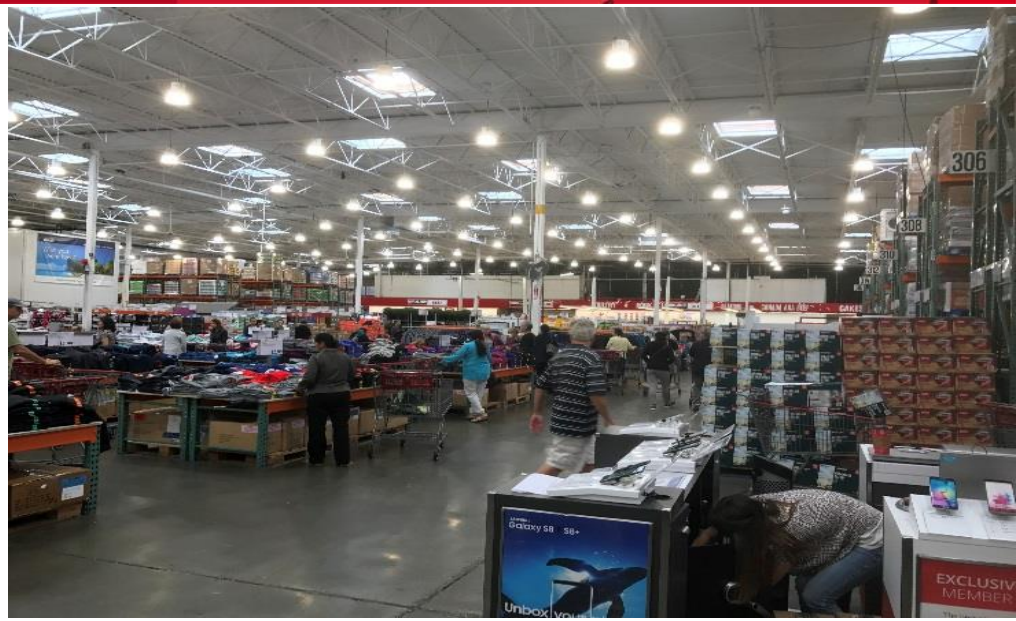


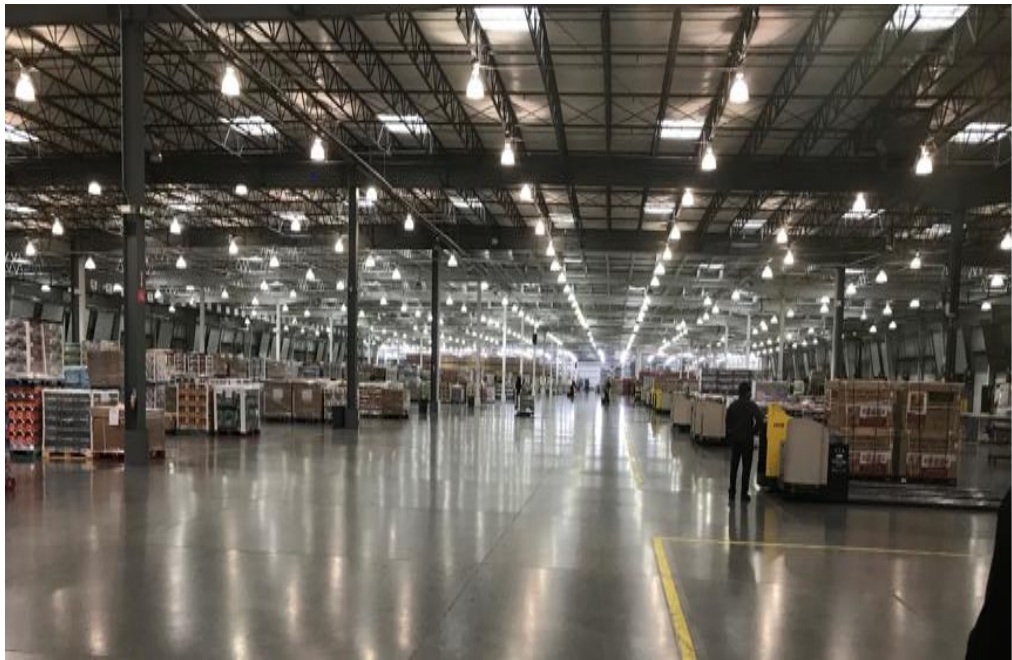


Focus on Vertical Markets: Warehouse

Retail environments and supply centers

- Retail environment such as Costco require symmetrical distribution as retail layouts shift throughout the year. Solution includes round highbay product
- Significant application for wireless controls to optimize daylight harvesting and after hours utilization
- Current trends include aisle lighters and up lighting for high rack levels in supply center applications





Focus on Vertical Markets: Grocery and Pharma

Customer shopping priorities and experiences are changing, requiring new décor and image programs

- Organic offering and information awareness
- Digital Deli and QSR type “to go” capabilities
- External customer pick-up areas
- Companies such as Ahold-Stop and Shop looking for bundled solution







Ahold Delhaize

Focus on Vertical Markets: Quick Serve Restaurants (QSR)

Technology used to improving customer experience and revenue management

- Integral solution with digital graphics, installation, content management, monitoring service
- Key national account model to provide scalable solution to hundreds or thousands of locations
- Panda started with 10 test sites and have expanded to over 1000 locations in the past 4 years





Strengthen Agency and Distributor Partnerships

- Invest in expanding sales organization, increase visibility to partners
- Working collaboratively, ongoing training programs
- Shared commitment and reward
- Superior Service, particularly in Stock and Flow channel
- Expand resources in growing Renovation vertical









- **75+ Agency Partners**
- **300+ Distributors**

REXEL

RCI
Rice-Christ, Inc.
Manufacturer's Representative

Locke SUPPLY CO.
Character. Customer Service. Employee Owned

Market Driven New Product Innovation

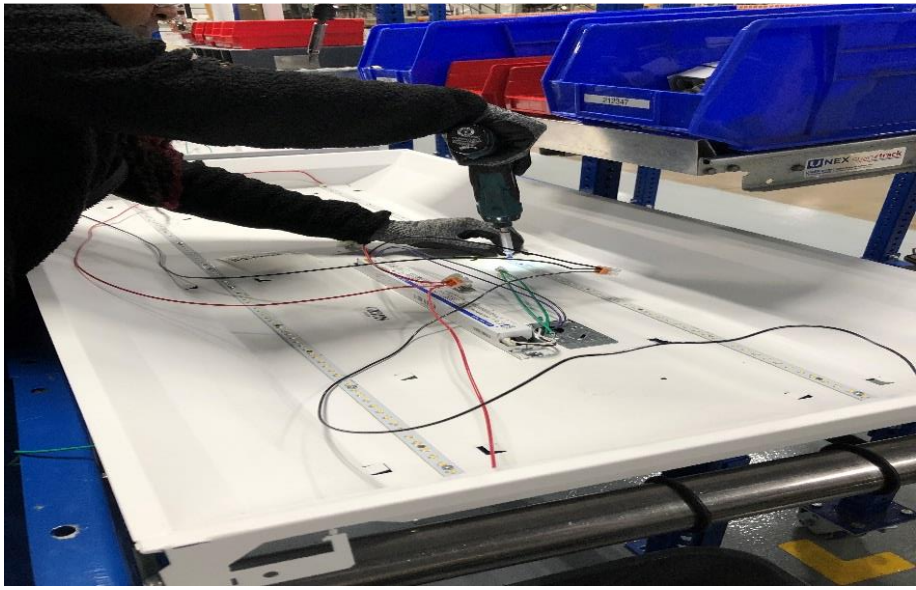
- Vertical market application specific expertise
- Solution orientation, understand customer objective, market pull versus technology push
- Product, technology and turnkey capability all part of innovation process

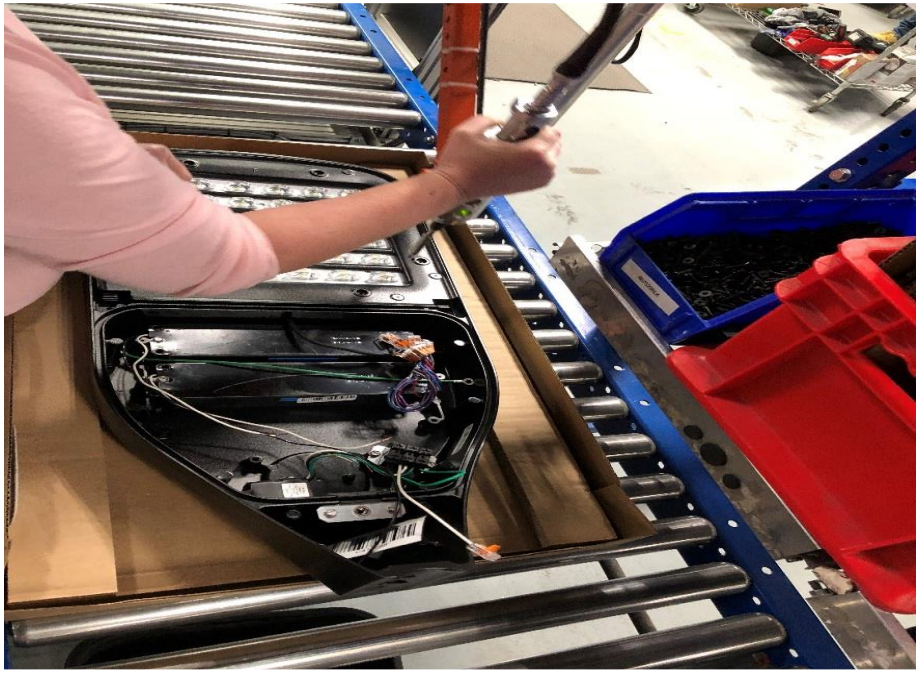




Operations and Supply Chain Alignment

- Strong modification and custom competency
- Improved capacity utilization; closure of New York facility
- Leverage global sourcing capabilities; make/buy combination
- Delivery performance: 95% + with aggressive lead-times
- Continuous improvement mindset with formal Kaizen structure
- Generate successful RONA by key vertical





Energy Efficiency

- Compelling ROI
- Carbon footprint
- Application of Technology

Health & Productivity

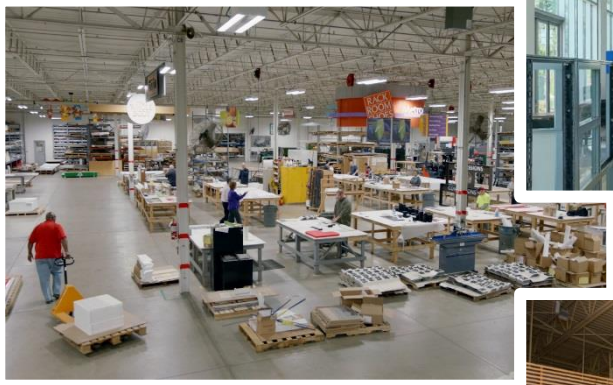
- Comfortable workspace
- Employee satisfaction

Brand & Image Awareness

- Customer of customer touchpoints & engagement
- Custom signature elements
- Program implementation





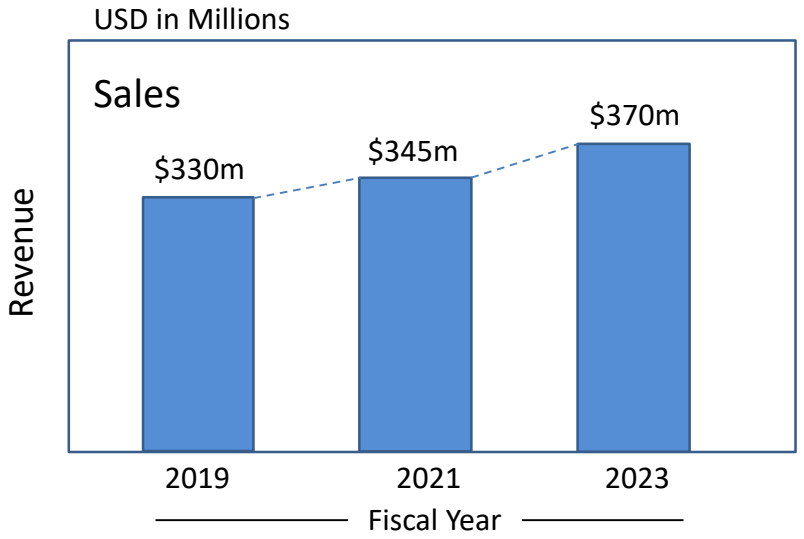


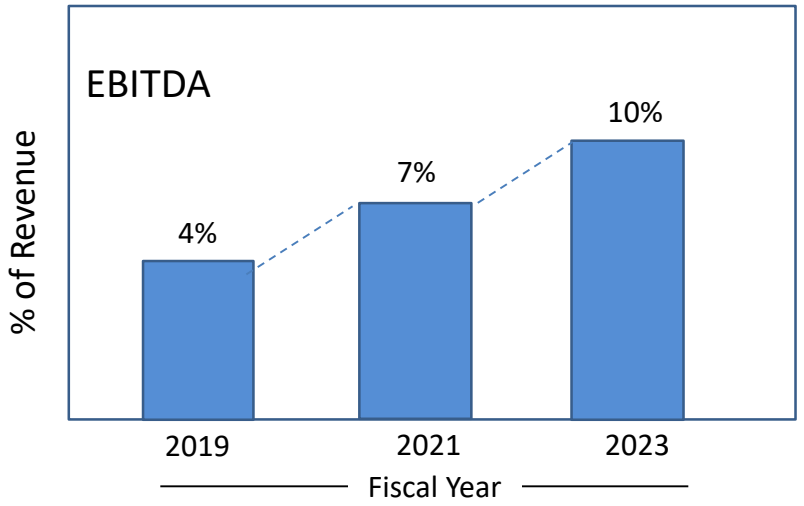




Performance / Growth Path

- Significant mix shift with focus on quality of sales versus quantity over the next 12-24 months
- Target vertical market focus, both sales and innovation
- Increase market share within target vertical markets
- EBITDA improvement driven by higher value-add sales and cost alignment
- Improved model and foundation serves as catalyst for expanding growth into other market verticals







Thank You