



Fiscal Second Quarter 2026 Financial Results Conference Call

September 9, 2025

NASDAQ: LAKE



Safe Harbor & Non-GAAP Statements

“Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995

This presentation contains estimates, predictions, opinions, goals and other “forward-looking statements” as that phrase is defined in the Private Securities Litigation Reform Act of 1995. Such statements include, without limitation, references to the Company's predictions or expectations of future business or financial performance as well as its goals and objectives for future operations, financial and business trends, business prospects, and management's expectations for earnings, revenues, expenses, inventory levels, capital levels, liquidity levels, or other future financial or business performance, strategies or expectations, including without limitation our M&A strategy and tariff mitigation. All statements, other than statements of historical facts, which address Lakeland's expectations of sources or uses for capital, or which express the Company's expectation for the future with respect to financial performance or operating strategies can be identified as forward-looking statements. Forward-looking statements involve risks, uncertainties and assumptions as described from time to time in press releases and Forms 8-K, presentations, registration statements, quarterly and annual reports and other reports and filings filed with the Securities and Exchange Commission or made by management. As a result, there can be no assurance that Lakeland's future results will not be materially different from those described herein as “believed,” “projected,” “planned,” “intended,” “anticipated,” “can,” “estimated” or “expected,” or other words which reflect the current view of the Company with respect to future events. We caution readers that these forward-looking statements speak only as of the date hereof. With respect to our guidance for revenue and Adjusted EBITDA, such metrics are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management; actual results will vary, and those variations may be material. The Company hereby expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which such statement is based, except as may be required by law.

Non-GAAP Financial Measures

To supplement its consolidated financial statements, which are prepared and presented in accordance with Generally Accepted Accounting Principles (GAAP), the Company uses the following non-GAAP financial measures in this presentation: Adjusted Gross Profit, Adjusted Gross Margin, Organic Adjusted Gross Profit, Organic Adjusted Gross Margin, Inorganic Adjusted Gross Profit, Inorganic Adjusted Gross Margin, Adjusted Operating Expenses, Organic Adjusted Operating Expenses, Inorganic Adjusted Operating Expenses, Adjusted EBITDA excluding FX, Adjusted EBITDA excluding FX margin, Organic Adjusted EBITDA excluding FX, Organic Adjusted EBITDA excluding FX margin, Inorganic Adjusted EBITDA excluding FX and Inorganic Adjusted EBITDA excluding FX margin. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. The Company uses these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. The Company believes that these measures provide useful information about operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making. The non-GAAP financial measures used by the Company in this presentation may be different from the methods used by other companies.

For more information on the non-GAAP financial measures, please see the Reconciliation of GAAP to non-GAAP Financial Measures tables in this presentation. These accompanying tables include details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures.

Agenda:

COMPANY UPDATES

FINANCIAL RESULTS

KEY TAKEAWAYS

Q&A

CLOSING SUMMARY

On the Call Today:



James M. Jenkins

**President, Chief Executive Officer and
Executive Chairman**



Roger D. Shannon

**Chief Financial Officer and
Secretary**

Q2 2026 Operational & Business Updates

- Net sales increased \$14.0 million, or 36%, to a record \$52.5 million, led by a 113% increase in Fire Services products
- U.S. net sales increased 78% to \$22.1 million, and Europe net sales increased 113% to \$15.1 million
- Adjusted EBITDA excluding FX was \$5.1 million, an increase of \$2.4 million, or 89%, compared with \$2.7 million for the comparable year ago period; Sequential increase of \$4.5 million, or 740%
- Adjusted Gross profit as a percentage of net sales decreased to 37.4% from 41.1% for the comparable year ago period; Sequential increase of 220bps from 35.2% last quarter
- Shipment of a \$3.1 million order through its Jolly Scarpe brand for fire intervention boots from the Italian Ministry of the Interior - Firefighters Department
- Completed a \$6.1 million sale and partial leaseback of the Decatur, Alabama, warehouse property
- Announced the closures of the warehouse facility in Hull, England and a Veridian manufacturing facility in Quitman, Arkansas
- Added to the broad-market Russell 3000® and Russell 2000® Indices

■ Tariff Environment

- Q2'26 reflected the impact of tariff uncertainty and associated mitigation strategies to build inventory
- Evolving global tariff certainty and tapering in mitigation strategies position the company for sequential growth in gross margin and adjusted EBITDA excluding FX in Q3'26
- Tariff uncertainties resulted in delayed purchasing decisions in the Latin American industrial space, where margins typically exceed the company average
- Inventories on July 31, 2025, totaled \$90.2 million, partially due to inventory build ahead of imposed tariffs, as well as U.S. sales initiatives

■ Looking Ahead

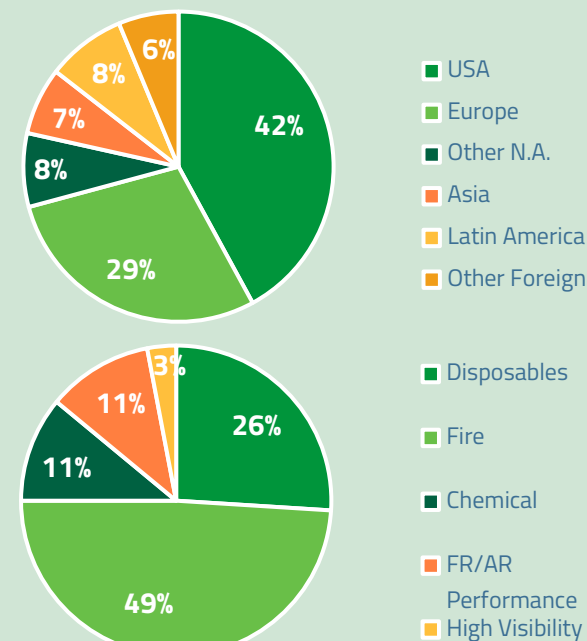
- M&A pipeline remains strong and actively engaged in discussions aligned with our decontamination, rental and services growth strategy, and activity is expected in the second half of the fiscal year
- Maintaining a strong balance sheet with a focus on inventory, cost reductions, and financial and operational agility
- FY 2026 revenue and adjusted EBITDA excluding FX guidance updated

Q2 2026 FINANCIAL RESULTS

Financial Highlights

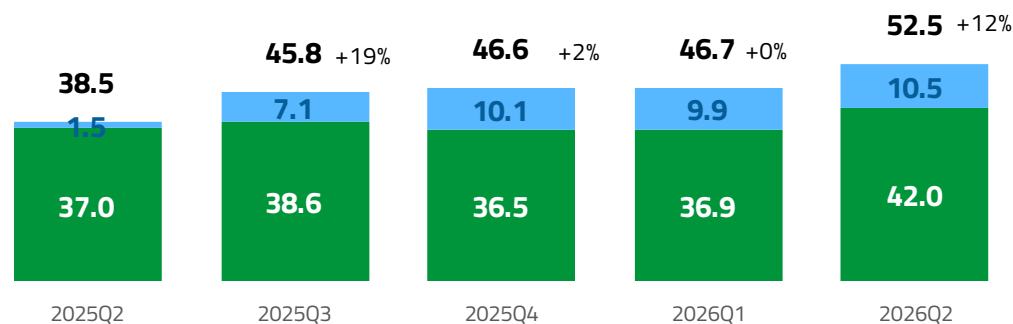
\$ in Million	Three Months Ended Jul. 31	
	2025	2024
Revenue	\$52.5	\$38.5
Adjusted Gross Margin ¹	37.4%	41.1%
Adjusted Operating Expenses ¹	14.6	13.2
Net Income (Loss)	0.8	(1.4)
Adjusted EBITDA excluding FX ¹	5.1	2.7
Adjusted EBITDA excluding FX Margin ¹	9.6%	6.9%
	Jul. 31, 2025	Jan. 31, 2025
Cash & Cash Equivalents	\$17.7	\$17.5

Q2-FY26 Revenue by Product and Geography



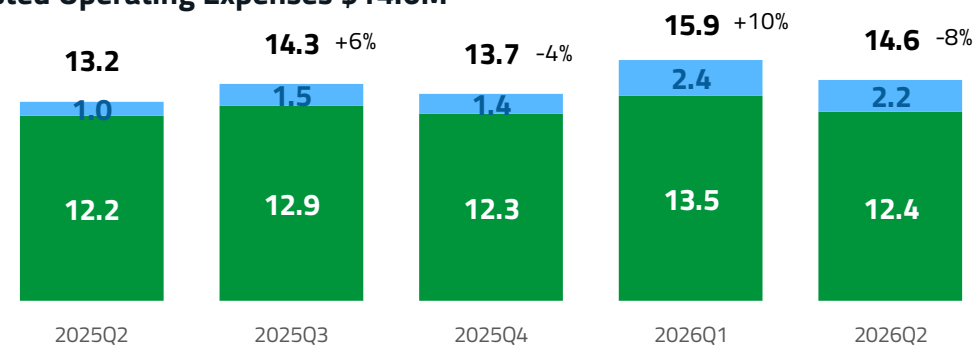
Q2 2026 Financial Highlights

Sales revenue \$52.5M



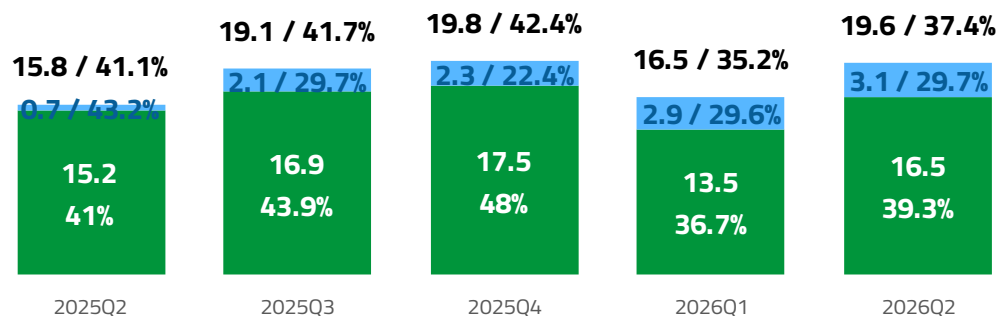
- Strong performances in the US Industrial and Fire segments, Asia, and LHD Australia
- Rebounds in Europe, India and significant recovery in Canada

Adjusted Operating Expenses \$14.6M



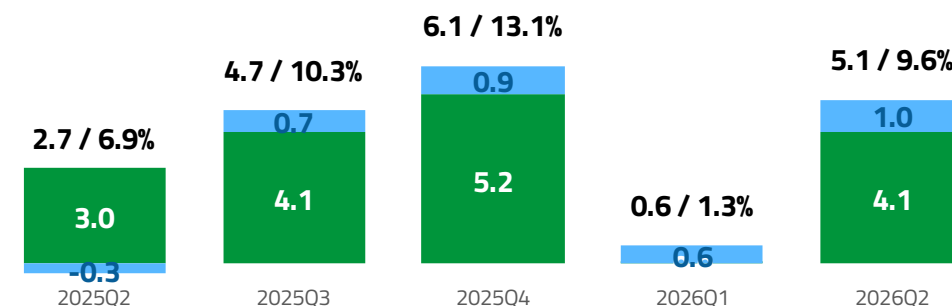
- OpEx as a percentage of sales improved significantly for both organic and inorganic
- Focus on expense savings initiatives with \$1.3M sequential OpEx reduction

Adjusted Gross Profit \$19.6M and Adjusted Gross Margin 37.4%



- Increased Adjusted Gross Profit benefited from organic sales growth of \$5M
- Sequential increase in Adjusted Gross Margin due to partial reversal of purchase variance

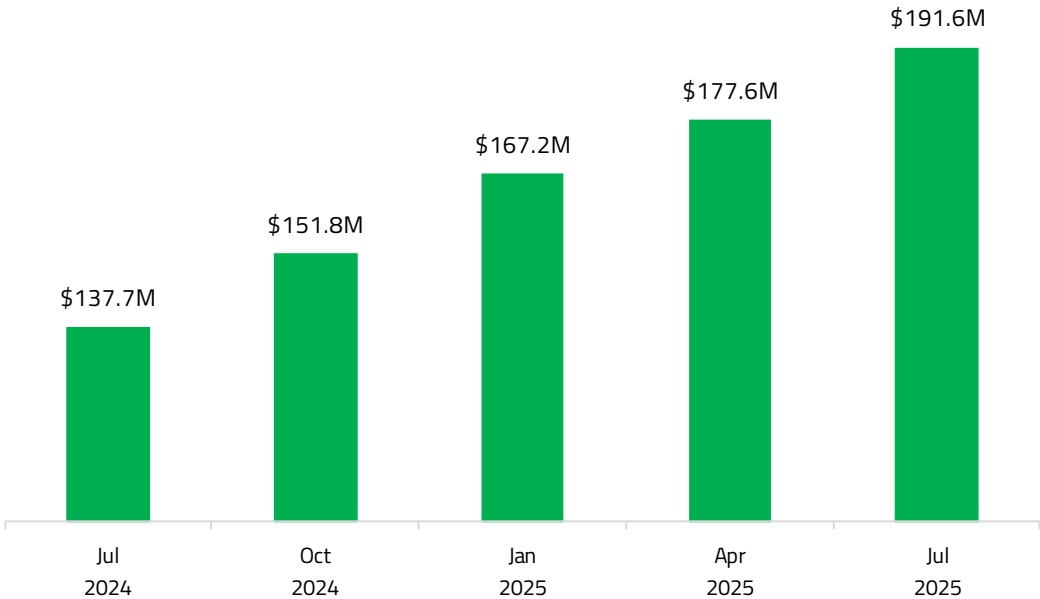
Adjusted EBITDA excluding FX \$5.1M and Adjusted EBITDA excluding FX Margin 9.6%



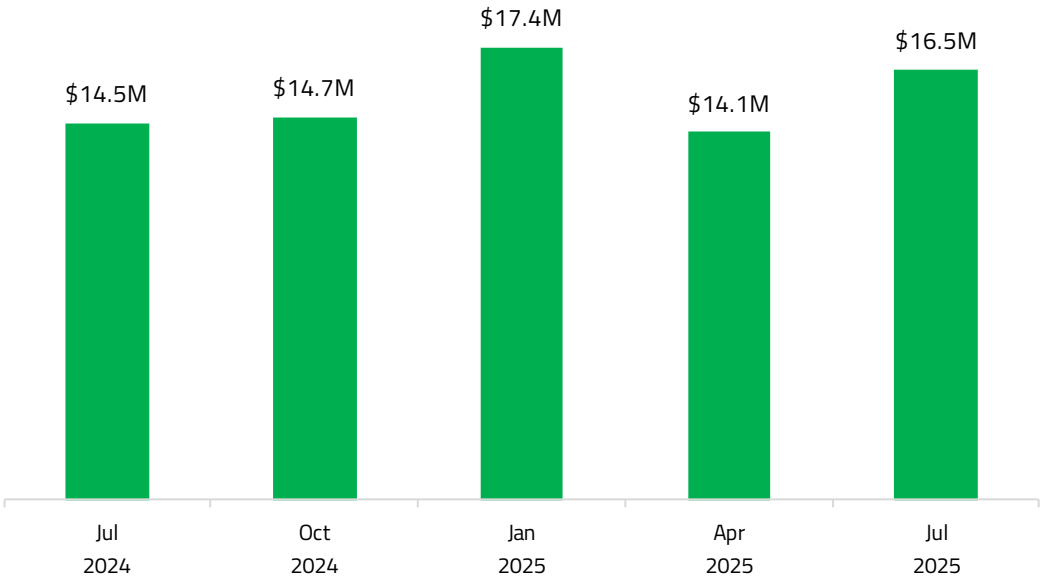
- Significant increase resulting from record revenue
- Gross Margin and Operating Expense improvements contributed to sequential growth

TTM Revenue and Adjusted EBITDA excluding FX

REVENUE



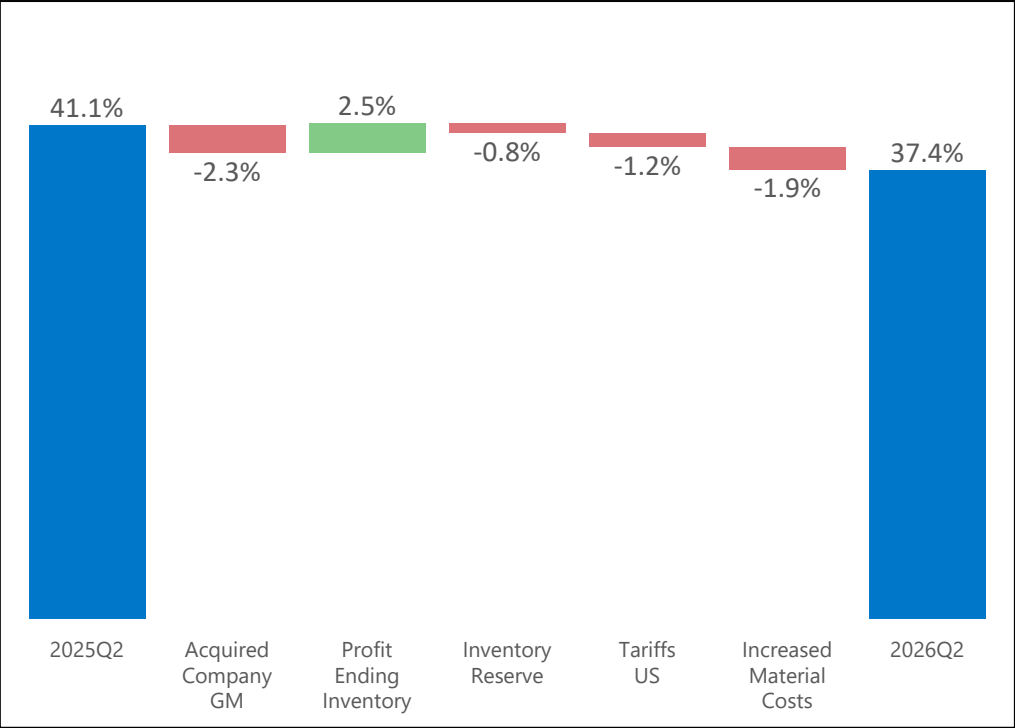
ADJUSTED EBITDA excluding FX



Gross Margin and EBITDA Bridge.

Q2-FY26 vs Q2-FY25

ADJUSTED GROSS MARGIN %

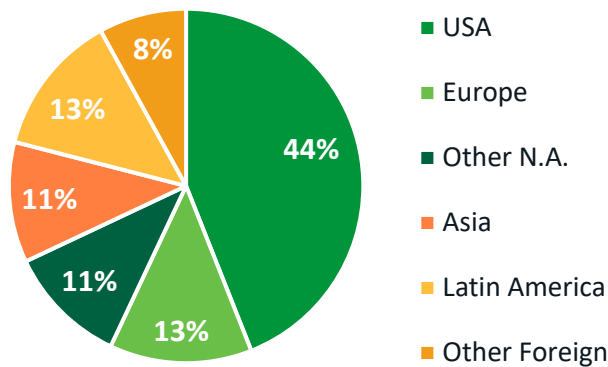


ADJUSTED EBITDA excluding FX

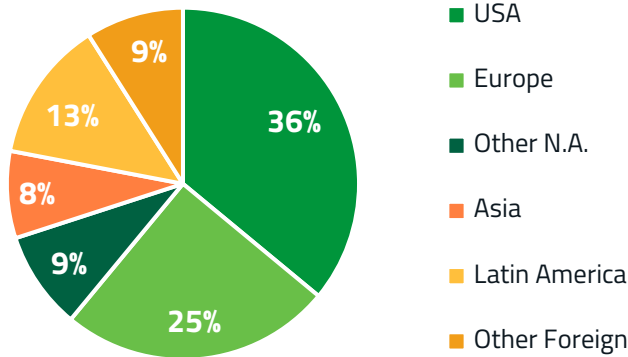


Revenue Mix – YTD FY26 and Historical

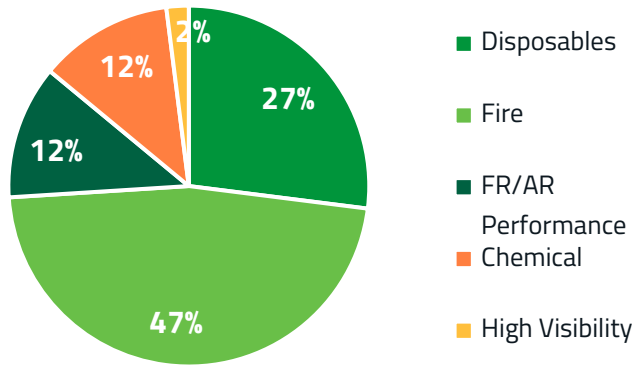
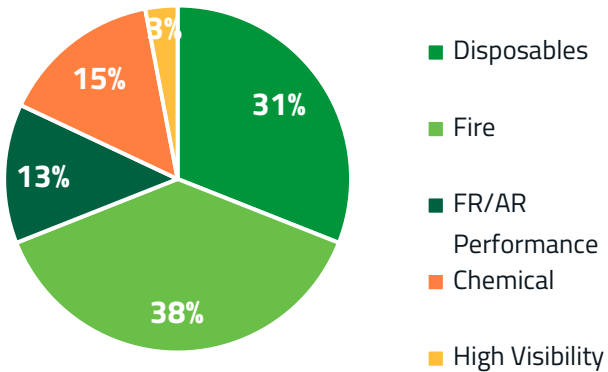
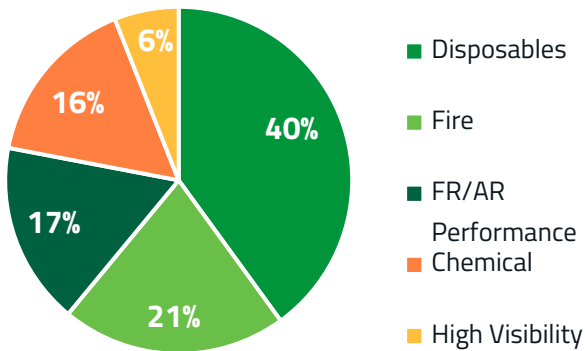
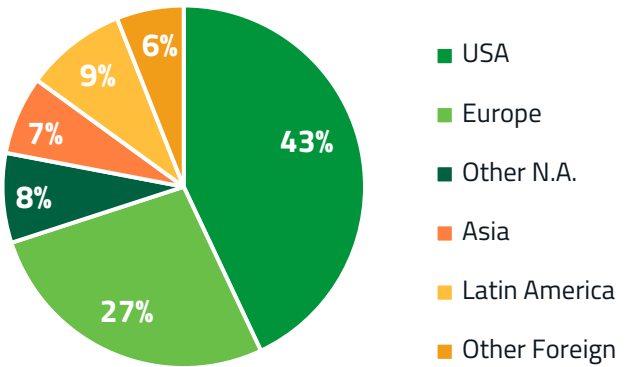
Lakeland FY24



Lakeland FY25



Lakeland Q2-FY26 YTD



Q2 2026 Balance Sheet and Cash Flow

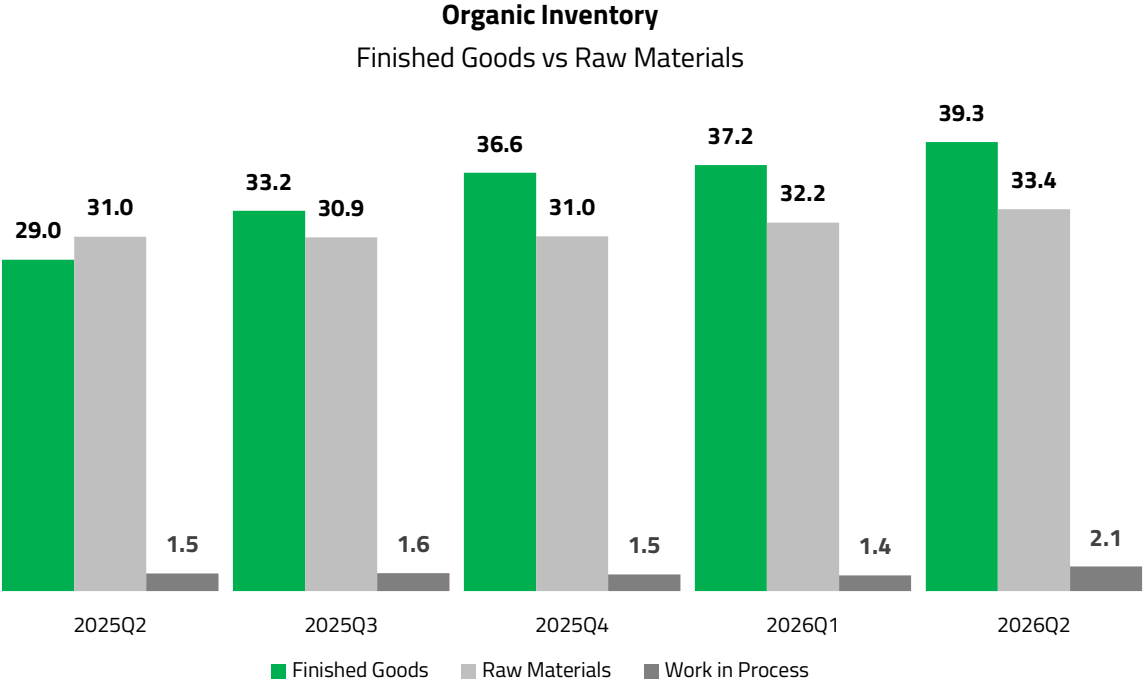
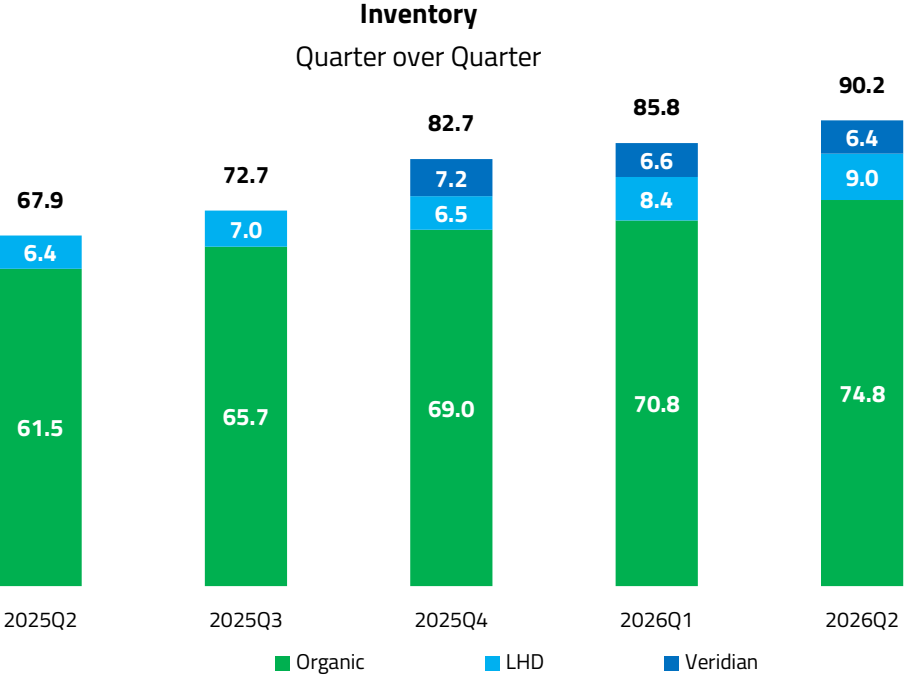
Balance Sheet

	7/31/2025	1/31/2025	Variance
Cash and cash equivalents	17.7	17.5	0.2
Accounts Receivable	30.9	27.6	3.3
Inventories	90.2	82.7	7.5
Other Current Assets	8.2	2.6	5.6
Current Assets	147.1	136.5	10.6
Non Current Assets	79.2	76.0	3.2
Assets	226.3	212.5	13.8
Accounts Payable	18.1	15.7	2.4
Accrued Compensation, Benefits & Expenses	15.5	12.6	2.9
Other Current Liabilities	6.6	6.5	0.1
Current liabilities	40.2	34.9	5.3
Deferred Income Taxes	1.6	3.9	(2.3)
Long Term Portion of Debt	28.1	16.4	11.7
Long-Term Portion of Operating Lease Liability	9.1	10.7	(1.6)
Non Current Liabilities	38.8	31.0	7.8
Liabilities	79.0	65.9	13.1
Equity	147.3	146.6	0.7
Liabilities and Stockholders Equity	226.3	212.5	13.8

Cash Flow

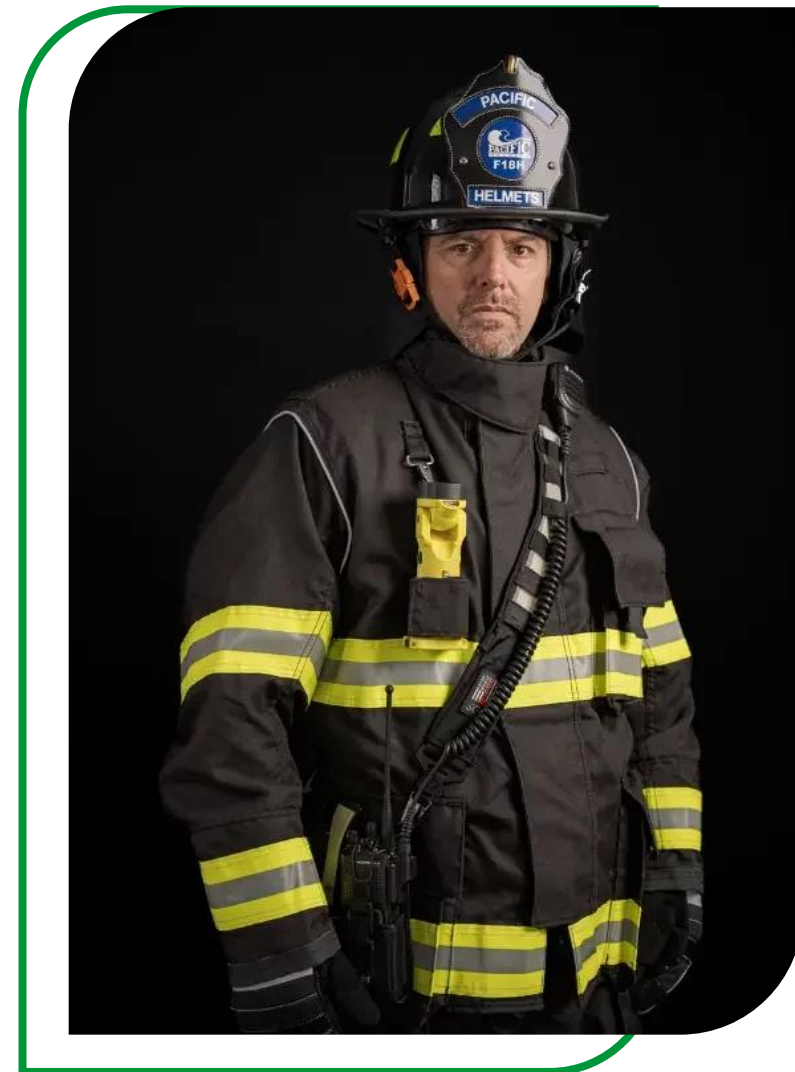
	2026Q2	2025Q2	Variance
Adjustments to reconcile to net (loss) income	(4.9)	1.9	(6.8)
Accounts receivable	(2.6)	0.5	(3.1)
Inventories	(6.2)	(4.3)	(1.9)
Prepaid VAT and other taxes	1.2	(5.0)	6.2
(Increase) decrease in operating assets	(7.6)	(8.8)	1.2
Accounts payable	1.8	7.1	(5.3)
Other operating liabilities	0.9	(4.2)	5.1
Increase (decrease) in operating liabilities	2.8	2.9	(0.1)
Net cash (used in) provided by operating activities	(9.7)	(4.1)	(5.6)
Net cash (used in) provided by investing activities	(2.1)	(24.4)	22.3
Credit Facility Borrowings & Term loan borrowings	15.9	31.2	(15.3)
Credit Facility Repayments & Term loan payments	(4.1)	(3.4)	(0.7)
Other financing activities	(0.9)	(0.7)	(0.2)
Net cash provided by (used in) financing activities:	10.9	27.0	(16.1)
Effect of exchange rate changes on cash and cash equivalents	1.1	1.1	-
Net increase (decrease) in cash and cash equivalents	0.3	(0.3)	0.6
Cash and cash equivalents at beginning of year	17.5	25.2	(7.7)
Cash and cash equivalents at end of period	17.7	24.9	(7.2)

Q2 2026 Inventory Trends



Closing Summary

- **Record Q2-FY26 Net Sales Growth** - Increased 36% to \$52.5 million
- **Near Term Strategy**
 - Navigating the continued challenges from evolving tariff environment
 - Growing top-line revenue in fire services and industrial verticals
 - Implementing operating and manufacturing efficiencies to achieve higher margins
 - Maintaining a strong balance sheet and financial and operational agility
 - Executing on a robust M&A pipeline, and actively engaging in discussions aligned with our decontamination, rental and services growth strategy
- **Inventory** - Initiated a series of targeted actions to optimize inventory levels
- **Cost reductions** – Executing on initiatives to realize up to \$4 million in cash savings, excluding Veridian consolidation
- **Outlook** – FY 2026 Revenue Guidance Range at the lower end of \$210 to \$220 million and Adjusted EBITDA Excluding FX of \$20 to \$24 million





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Non-GAAP Reconciliation – Gross Profit and Margin

	2026Q2	2026Q1	2025Q4	2025Q3	2025Q2
<u>Adjusted Gross Profit</u>					
Gross Profit	\$18,818	\$15,644	\$18,694	\$18,560	\$15,235
Depreciation and amortization	306	320	1,074	505	599
Amortization of Step-up in Inventory	406	447	-	-	-
ERP Project	100	49	-	-	-
Adjusted Gross Profit	\$19,630	\$16,460	\$19,768	\$19,065	\$15,835
Inorganic - Adjusted Gross Profit	3,132	2,947	2,261	2,122	664
Organic - Adjusted Gross Profit	16,498	13,514	17,507	16,943	15,170
<u>Adjusted Gross Margin</u>					
Adjusted Gross Profit	\$19,630	\$16,460	\$19,768	\$19,065	\$15,835
Divided by net sales	52,496	46,746	46,628	45,761	38,512
Adjusted Gross Margin	37.4%	35.2%	42.4%	41.7%	41.1%
Organic - Adjusted Gross Profit	\$16,498	\$13,514	\$17,507	\$16,943	\$15,170
Organic - Divided by net sales	41,959	36,784	36,513	38,622	36,973
Organic - Adjusted Gross Margin	39.3%	36.7%	47.9%	43.9%	41.0%
Inorganic - Adjusted Gross Profit	\$3,132	\$2,947	\$2,261	\$2,122	\$664
Inorganic - Divided by net sales	10,536	9,962	10,115	7,139	1,539
Inorganic - Adjusted Gross Margin	29.7%	29.6%	22.3%	29.7%	43.2%

(\$000's Except Share Information)

Non-GAAP Reconciliation – Operating Expenses

	2026Q2	2026Q1	2025Q4	2025Q3	2025Q2
<u>Adjusted Operating Expenses</u>					
Operating Expenses	\$19,283	\$20,278	\$18,839	\$17,753	\$16,826
Depreciation and amortization	(962)	(817)	(682)	(722)	(546)
Equity Compensation	(1,411)	(329)	(476)	(455)	(428)
Earnout Revaluation	-	-	-	-	-
Monterrey	(499)	(626)	(352)	(447)	(183)
Acquisition Expenses	(525)	(946)	(1,528)	(497)	(712)
Severance and restructuring	(402)	(623)	(847)	(654)	(745)
PFAS Litigation	(182)	(189)	(122)	(177)	(194)
ERP Project	(685)	(110)	(174)	-	-
FX	(44)	(778)	(1,000)	(462)	(843)
Adjusted Operating Expenses	\$14,574	\$15,859	\$13,658	\$14,339	\$13,176
Inorganic - Adjusted Operating Expenses	2,150	2,352	1,353	1,467	978
Organic - Adjusted Operating Expenses	12,423	13,507	12,305	12,871	12,198

(\$000's Except Share Information)

Non-GAAP Reconciliation – EBITDA

	2026Q2	2026Q1	2025Q4	2025Q3	2025Q2
<u>EBITDA to Adjusted EBITDA excluding FX</u>					
EBITDA	\$841	(\$3,390)	\$1,716	\$1,950	(\$281)
Amortization of step-up in inventory basis	406	447	-	-	-
Stock Compensation	1,411	329	476	455	428
Other Income	(38)	(106)	(105)	84	(165)
Monterrey	499	626	352	447	183
Acquisition Expenses	525	946	1,528	497	712
Severance and restructuring	402	624	848	655	745
PFAS Litigation	182	189	122	177	194
ERP Project	785	160	174	-	-
FX	44	778	1,000	462	843
Adjusted EBITDA excluding FX	\$5,056	\$602	\$6,110	\$4,726	\$2,659
Inorganic - Adjusted EBITDA excluding FX	981	595	907	655	(314)
Organic - Adjusted EBITDA excluding FX	4,075	7	5,202	4,072	2,972

(\$000's Except Share Information)

Non-GAAP Reconciliation – EBITDA Margin excluding FX

	2026Q2	2026Q1	2025Q4	2025Q3	2025Q2
<u>Adjusted EBITDA Margin excluding FX</u>					
Adjusted EBITDA excluding FX	\$5,056	\$602	\$6,110	\$4,726	\$2,659
Divided by net sales	52,496	46,746	46,628	45,761	38,512
Adjusted EBITDA excluding FX Margin	9.6%	1.3%	13.1%	10.3%	6.9%
Organic - Adjusted EBITDA excluding FX	\$4,075	\$7	\$5,202	\$4,072	\$2,972
Organic - Divided by net sales	41,959	36,784	36,513	38,622	36,973
Organic - Adjusted EBITDA excluding FX Margin	9.7%	0.0%	14.2%	10.5%	8.0%
Inorganic - Adjusted EBITDA excluding FX	\$981	\$595	\$907	\$655	(\$314)
Inorganic - Divided by net sales	10,536	9,962	10,115	7,139	1,539
Inorganic - Adjusted EBITDA excluding FX Margin	9.3%	6.0%	9.0%	9.2%	-20.4%

(\$000's Except Share Information)