



## **Lakeland Fire + Safety**

### **Fiscal Fourth Quarter and Full Year 2026 Financial Results Conference Call**

**April 16, 2026**

#### **C O R P O R A T E   P A R T I C I P A N T S**

**James Jenkins**, *President, Chief Executive Officer & Executive Chairman*

**Cameron Stokes**, *Chief Commercial Officer*

**Barry Phillips**, *Chief Revenue Officer*

**Kevin Rae**, *Executive Vice President, EMEA Fire Sales*

**Calven Swinea**, *Chief Financial Officer*

#### **C O N F E R E N C E   C A L L   P A R T I C I P A N T S**

**Gerard Sweeney**, *Roth Capital Partners*

**Michael Shlisky**, *D.A. Davidson*

**Alex Sturnieks**, *Lake Street Capital Markets*

**Matthew Galinko**, *Maxim Group*

## PRESENTATION

### Operator

Good afternoon and welcome to the Lakeland Fire + Safety Fiscal Fourth Quarter and Full Year 2026 Financial Results Conference Call.

All lines have been placed on a listen-only mode, and the floor will be open for your questions following the presentation.

During today's call, we may make statements relating to our goals and objectives for future operations, including our goals for revenue and cash flow from operations for fiscal year 2027, financial and business trends, business prospects, and Management's expectations for future performance that constitute forward-looking statements under federal securities laws. Any such forward-looking statements reflect Management expectations based upon currently available information and are not guarantees of future performance and involve certain risks and uncertainties that are more fully described in our SEC filings. Our actual results, performance, or achievements may differ materially from those expressed in or implied by such forward-looking statements. We undertake no obligation to update or revise any forward-looking statements to reflect events or developments after the date of this call.

On this call, we will also discuss financial measures derived from our financial statements that are not determined in accordance with U.S. GAAP, including Adjusted EBITDA, Adjusted EBITDA excluding FX, Adjusted EBITDA margin, Adjusted EBITDA excluding FX margin, organic revenue, organic gross margin, and adjusted operating expenses. A reconciliation of each of the non-GAAP measures discussed on this call to the most directly comparable GAAP measure is presented in our earnings release and or the supplemental slides filed with our earnings release. A press release detailing these results was issued this afternoon and is available in the investment relations section of our Company's website, [ir.lakeland.com](http://ir.lakeland.com).

At this time, I would like to introduce your hosts for this call, Lakeland Fire + Safety's President, Chief Executive Officer and Executive Chairman, Jim Jenkins; Chief Financial Officer, Calven Swinea; Chief Commercial Officer, Global Industrials, Cameron Stokes; Chief Revenue Officer, Barry Phillips; and Executive Vice President of EMEA Fire Sales, Kevin Rae.

Mr. Jenkins, the floor is yours.

### James Jenkins

Thank you, Operator, and good afternoon, everyone. Thank you for joining us today to discuss the results of our fiscal 2026 fourth quarter and full year ended January 31, 2026.

Fiscal 2026 was a year of meaningful top-line growth and important strategic progress for Lakeland. Calven will walk through the financials in detail shortly, so I will provide you with a brief overview here. For the full year, net sales increased to \$25.4 million, or 15.2%, to \$192.6 million, driven by continued strength in fire services. In the fourth quarter, net sales were \$45.8 million, down \$800,000, or 1.7% from the prior period. U.S. sales increased 35.1% for the full year to \$81.6 million, and increased 7.1% in the fourth quarter to \$19.6 million. Europe also grew meaningful for the full year, increasing \$12.1 million, or 28.7%, while fourth quarter Europe sales were down \$2.4 million, due primarily to timing on LHD and Jolly Orders.

On profitability, Adjusted EBITDA, excluding FX, was \$7.2 million for the and \$1.3 million in the fourth quarter. Gross margin was 32.9% for the full year and 32.2% in the fourth quarter. Those results were below our expectations, and I want to be direct about why. We grew revenue at a strong rate, but we did not convert that growth into the earnings we expected. We view this as an execution issue, not a demand issue. The underlying demand environment across our core markets remains intact. We operated in a

ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.

1-888-562-0262 1-604-929-1352 <https://viaavid.com/>

volatile cost environment during fiscal 2026. Trade inflation, raw material, pressure, tariffs, and certification timing delays exposed weaknesses in our planning and pricing response that we are actively addressing.

Against that backdrop, I want to note something important. The fourth quarter generated approximately \$2 million of operating cash. Delivering that level of cash generation on lower revenue than the third quarter reflects improved discipline across the organization, stronger cost control, and better day-to-day execution. We are seeing early signs that the actions we have been taking are beginning to work.

Subsequent to the fiscal year-end, we completed the divestiture of our HPFR and Hi-Vis product lines to National Safety Apparel, generating approximately \$14 million of cash proceeds. This transaction simplifies the business and allows Management to concentrate fully on our core fire services and industrial protective product lines, where we see the greatest long-term opportunity.

On the product side, we achieved a significant milestone with numerous NFPA 1970-2025 certifications across our brand portfolio. Products including late construction turnout and proximity gear, meridian gloves, and fire particulate blocking hoods, Jolly boots, and Pacific helmets are now fully satisfied, enabling customers to order from a complete head-to-toe NFPA-certified range of products across Lakeland's brands. This certification was a meaningful commercial unlock, and we look forward to showcasing our portfolio at FDIC 2026 next week.

We strengthened the organization with several important appointments. Calven Sweeney was named Chief Financial Officer in February 2026, having served as interim CFO since December 2025. Kevin Rae was recently, just recently named executive vice president of EMEA Fire Sales. You will be hearing more from both of them shortly. We also welcome Lee Rideau to our Board of Directors in early April. Lee previously served as CEO of NASDAQ-listed TransCat, and his invaluable business and strategic M&A integration experience in the industrial markets, with a strong track of execution across both organic growth and acquisition-driven strategies, will be a valuable addition to our governance.

During the year, we completed the acquisitions of Arizona PPE and California PPE, expanding our U.S. fire services distribution and rental capabilities with ISP locations in Arizona, California, and soon Denver. California PPE also opened a new state-of-the-art facility in Fresno, providing compliant decontamination inspection and repair services to California fire departments. These recurring revenue service businesses strengthen our fire platform and build long-term customer relationships.

We also completed the \$6.1 million sale and partial leaseback of Decatur, Alabama warehouse property, generating an approximately \$4.3 million pre-tax gain and reducing our fixed cost exposure. Lakeland was added to the Russell 3000 and Russell 2000 indices in June of last year, reflecting our growing market profile.

Alongside these actions, we are working to further strengthen liquidity and flexibility through our pending ABL facility, which we expect to close soon, although there can be no assurance that the ABL facility will close on that timeline or at all. The Bank of America covenant waiver has been secured, and we anticipate to be in covenant throughout fiscal '27. Taken together, these steps reflect a Company that is not standing still, but that one is actively reshaping its operating model to support improved performance.

From a macro standpoint, fiscal 2026 was affected by tariff uncertainty, freight inflation, raw material cost pressure, and certification timing delays across both fire and industrial. Those factors pressured production efficiency, revenue timing, and gross margin. We also saw softer performance in select areas in the fourth quarter, but do not view the issues in front of us as demand destruction. We view them as timing, execution, and cost challenges that are addressable, and that is an important distinction.

As we move into fiscal 2027, we are encouraged by the progress already underway and continue to make structural improvements that we believe will strengthen the business over the long term. We are tightening forecasting, strengthening accountability, and putting more structure around sales and production planning.

As an example, inventory ended January at \$82.5 million and is down meaningfully from October as we continue to better align supply with demand.

We are entering fiscal 2027 with a simpler portfolio, improved internal discipline, and a pipeline that continues to build. We are now tracking modestly ahead of budget entering fiscal 2027, and our forecast is clear. Convert demand into more consistent, repeatable financial performance, improve forecasting, better align sales and operations, increase utilization, and drive stronger margins in cash flow.

Based on the foundation we have built, we are comfortable providing goalposts for fiscal 2027 of high single-digit revenue growth and a clear line of sight to positive cash flow from operations. Taken together, these steps reflect a Company that is not standing still, but one that is actively reshaping its operating model to support improved performance.

With that, I would like to pass the call to our Chief Commercial Officer, Cameron Stokes, to provide an update on our industrial and chemical critical environment businesses.

### **Cameron Stokes**

Thank you, Jim.

Turning to Industrial and Chemical Critical Environment, for the fourth quarter, Chemical revenue increased \$0.3 million to \$5 million, demonstrating continued strength in that product line. Disposables revenue decreased \$0.9 million, and wovens revenue decreased \$1 million in Q4, reflecting the macro headwinds Jim referenced, particularly softer performance in the North American industrial markets late in the quarter. For the full year, these three product lines combined represented approximately 49% of total revenue, with disposables at 27%, chemical at 11%, and wovens performing at 11%.

On the strategic side, the divestiture of our High-Performance FR and Hi-Vis product lines meaningfully simplifies the Industrial portfolio. These lines required significant management intention and resources that we are now redirecting towards higher margin, faster growing opportunities within Chemical Critical Environment and core Industrial protective apparel. The decision to divest was the right one, and it sharpens our focus on the product lines, where we have a competitive differentiation and credible path to improving profitability.

Within the business, we are seeing differentiated performance across our product lines so far in fiscal 2027. Chemical Critical Environment is outperforming, driven by continued demand from industrial and pharmaceutical end users, while wovens are tracking to plan with good visibility into the pipeline. Disposables face the most pressure during the year, driven by tariff-related cost increases and softness in select North American markets, and we have defined specific recovery initiatives underway at the account level to address that gap.

From a competitive standpoint, we are not seeing broad-based shifts across the market. The movement we are seeing remains limited and localized, and competitors have generally not responded with meaningful price action to date. At the same time, fuel and logistics instability has become a more relevant variable across the market than tariff uncertainty. That backdrop reinforces our focus on tighter channel discipline, better market segmentation, and more targeted execution by product line and end market.

Our strategy for growing these lines is straightforward. Continue to develop products and expand the range of certified High-Performance offerings, disciplined strategic pricing to protect and improve margins as cost pressures ease, reach a broader set of end users, and reduce distributor concentration while optimizing operations to drive better utilization at our manufacturing facilities.

I'd like to note that the Industrial segment tends to see its highest seasonal activity in the spring when scheduled maintenance shutdowns at nuclear, coal, oil, and gas, and chemical facilities drive meaningful

order activity. We are entering that period now, and our teams are positioned to execute on the incoming demand.

Looking ahead into fiscal 2027, our Industrial priorities are clear. We are tightening demand forecasting and improving the alignment between sales commitments and production planning. We are also actively pursuing pricing actions where cost increases warrant them. We are working to improve manufacturing utilization at our Mexico and Vietnam facilities as we consolidate our footprint and transition production from India into those sites. The tariff environment remains a factor, but we are working through mitigation strategies and believe we can manage the impact without structural disruption at our cost base or to our cost base. Overall, the Industrial and Chemical business is stable, and we are focusing on converting that stability into consistent, improving profitability throughout fiscal 2027.

I will now hand the call over to Chief Revenue Officer Barry Phillips to provide an update on our Fire Services business.

### **Barry Phillips**

Thank you, Cameron.

Turning to Fire Services, revenue for Q4 was \$21.7 million, an increase of \$0.5 million, or approximately 2%, compared to the prior year. For the full year, Fire Service revenue grew \$30.6 million, or 48.6%, to \$93.6 million. This is a significant milestone. Our Fire segment now represents approximately 49% of our total revenue, a significant transformation from where we stood just two years ago when it represented approximately 21%.

The full year growth was supported by contributions from Veridian, LHD, Jolly, and Pacific Helmets, as well as Arizona PPE and California PPE. These acquisitions have expanded our geographic reach, broadened our product offering, and positioned us as the head-to-toe provider in global fire protection, a platform we believe is unique in the market.

Fire demand is increasing as certification cycles are completed and tender timelines are tracking on schedule across multiple regions. These have been timing delays rather than structured demand issues. Opportunities remain in the pipeline and have simply shifted later than expected. Our tender pipeline is active globally, and we continue to see strong engagement from the fire departments and procurement agencies across the regions we serve.

We also saw meaningful international wins during the year, including significant emergency follow-on orders from the National Fire Department of Colombia, an order from the Fire and Rescue Department of Malaysia, and a fire equipment tender award from ANAC, Argentina's National Civil Aviation Administration. A particularly important milestone was receiving numerous NFPA 1970-2025 edition certifications across our portfolio, enabling customers to order a complete head-to-toe certified range across our brands for the first time. These certifications are a commercial unlock that we've been working toward, and we look forward to showcasing the full portfolio at FDIC 2026.

On decontamination and services, our ISP business is growing faster than initially projected, and the greenfielding and ISP M&A pipeline remain robust. California PPE's new Fresno location opened in January 2026, and our Denver location is expected to open in the summer of 2026. This recurring revenue model builds long-term customer relationships, generates predictable cash flow, and positions us well as the fire departments increasingly invest in gear maintenance and NFPA 1950 compliance.

Fire Service margins remain structurally sound. As volume normalizes and tenders convert, margins are expected to recover without requiring broad pricing actions. LHD Germany is stabilizing, and we expect a formal relaunch of the brand at INTERSCHUTZ 2026 in June this summer, and with leadership and Kevin Rae driving momentum across our EMEA brands.

Looking ahead into fiscal 2027, we have the strongest backlog in Lakeland Fire's history. We expect continued success with our head-to-toe offering and anticipated tender wins in Europe and the U.S. Our new NFPA product portfolio rollouts are well underway, and we look forward to showcasing our entire lineup at FDIC next week.

I'll now pass along the call to Executive Vice President of EMEA Fire, Kevin Rae, for an EMEA update.

### **Kevin Rae**

Thank you, Barry.

Before I begin, I'd like to provide you with a bit of my background. I've over 20 years of leadership experience in personal protective equipment and fire safety across the U.K. and EMEA. I joined Lakeland upon the acquisition of Eagle Technical Products, where I served as the Managing Director since 2013, and then Vice President of EMEA Fire and Global M&A integration from 2022 until just recently having been named Executive Vice President EMEA Fire Sales, helping to shape Lakeland's fire strategy across the region and integrate key acquisitions into a unified operating platform.

Turning to EMEA, Europe revenue for the fourth quarter was \$12.1 million, down \$2.4 million versus the prior year period. This was driven primarily by the timing of LHD and Jolly orders, as well as delayed government tenders and macroeconomic conditions across several markets. For the full year, Europe revenue grew \$12.1 million, or 28.7%, to \$54.2 million, a strong result that reflects the full year contribution of LHD and Jolly. The Q4 softness that we have discussed is a timing story. It's not a structural one. The tender pipeline is intact and underlying demand dynamics across the region remain supportive.

On LHD Germany specifically, conditions in that market have been challenging and we've been direct about that. We are actively restructuring the business to reduce the overhead and to right-size the cost base for the current conditions. Stabilization is underway and we are planning a formal relaunch of the LHD brand at INTERSCHUTZ '26. This is the largest fire industry event in the world, and it's only held every five years. This really is a significant commercial moment for us.

INTERSCHUTZ will serve as our EMEA platform launch for the combined Lakeland Fire + Safety brand. We intend to demonstrate our integrated head-to-toe offering to the European market at this event and show what our portfolio now looks like as an integrated head-to-toe offering. We view it as a pivotal opportunity for LHD Germany in particular and for our European fire brands broadly.

Our LHD Hong Kong and LHD Australia businesses secured new contracts during the year that solidify those operations and build a stronger foundation for future growth in the Asia-Pacific region. Late-stage tenders across the region are up and the quality of the pipeline has improved meaningfully. Integration across the acquired businesses is beginning to unlock access and scale that we could not operate these brands independently.

We are now seeing we estimate to be over \$5 million dollars of incremental business opportunities flow directly through intercompany collaboration within the group. These are cross referrals, shared supply chain economics and joint initiatives and that represents a growing of previously untapped sources of revenue. This dynamic is extending beyond the EMEA and beginning to manifest in Asia, Latin America and North America as well which speaks to the stability of the integrated platform.

Our objectives from here is clear, to improve the conversion across our late-stage pipeline, to convert intercompany opportunities into tangible recurring revenue and to continue building a more balanced and predictable tender pipeline across the region.

I'll now hand over to Calven to review the financials.

### **Calven Swinea**

ViaVid has made considerable efforts to provide an accurate transcription. There may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. This transcript is being made available for information purposes only.

1-888-562-0262 1-604-929-1352 <https://viaavid.com/>

Thank you, Kevin, and hello everyone.

I'll provide a brief overview of our fiscal '26 fourth quarter financials before diving into the details. Net sales were \$45.8 million for Q4 fiscal '26, a decrease of \$0.8 million or 1.7% compared to \$46.6 million for the fourth quarter fiscal '25. Adjusted gross profit for the fourth quarter fiscal '26 was \$15.4 million, a decrease of \$4.4 million or 22% compared to \$19.8 million for the fourth quarter fiscal '25. Adjusted gross margin was 33.5% in Q4 compared to 42.4% in the fourth quarter fiscal '25.

Adjusted operating expenses excluding FX was \$14 million up from \$13.7 million in the prior year. Net loss was \$16.2 million or \$0.61 per diluted share compared to a net loss of \$18.4 million or \$2.42 per diluted share in the fourth quarter fiscal '25. Adjusted EBITDA excluding FX was approximately \$1.3 million for the fourth quarter compared to \$6.1 million for the fourth quarter fiscal '25. Adjusted EBITDA excluding FX margin was 2.9%.

Turning to the full fiscal year, net sales were \$192.6 million for fiscal '26, an increase of \$25.4 million or 15.2% compared to \$167.2 million for fiscal '25. Adjusted gross profit was \$66.4 million for fiscal '26, a decrease of \$4.7 million or 6.6% compared to \$71.1 million for fiscal '25. Adjusted gross margin was 34.4% for the full year compared to 42.5% in fiscal '25.

Adjusted operating expenses excluding FX increased 10.2% to \$59.2 million for fiscal '26 from \$53.7 million for fiscal '25. Adjusted EBITDA excluding FX was approximately \$7.2 million for fiscal '26 compared to \$17.4 million for fiscal '25 with an Adjusted EBITDA excluding FX margin of 3.7%. Net loss was \$25.3 million or \$2.63 per diluted share compared to \$18.1 million or \$2.43 per diluted share for fiscal '25.

Looking at the fourth quarter in more detail, geographically U.S. revenue increased \$1.3 million or 7.1% to \$19.6 million for Q4. Europe revenue decreased \$2.4 million to \$12.1 million reflecting timing of order from LHT and Jolly. Asia revenue increased \$0.7 million or 19.4% to \$4.3 million. Latin America revenue was \$3.8 million down modestly versus the prior year period.

Adjusted EBITDA excluding FX for Q4 fiscal '26 was approximately \$1.3 million compared to \$6.1 million for the fourth quarter of fiscal '25. The decrease was primarily driven by the declining gross margin related to the factors I just mentioned. Adjusted operating expenses excluding FX were \$14 million in Q4 and it declined sequentially across the prior three quarters demonstrating that our expense system has held at the business scale.

The key driver of the year-over-year Adjusted EBITDA decline was gross profit compression, not expense growth. As gross margin recovers through utilization improvement, pricing discipline, mixed management, and supply chain optimization, EBITDA will follow with meaningful operating leverage.

Adjusted gross margin decreased to 33.5% in the fourth quarter fiscal '26 from 42.4% in the fourth quarter fiscal '25, a decrease of approximately 890 basis points. The primary driver for product mix shift as Fire Services grew as a proportion of revenues at lower initial margins, manufacturing underutilization in Mexico and Vietnam, raw material cost pressure, elevated inbound freight and duties, and execution gaps in production planning. Partially offsetting these headwinds, Q4 showed sequential improvement in freight and duties versus Q3 and a more favorable sales mix at the end of the quarter.

Adjusted EBITDA excluding FX decreased from approximately \$6.1 million in the fourth quarter fiscal '25 to approximately \$1.3 million in the fourth quarter fiscal '26, a decrease of \$4.8 million or 78%. Gross profit compression was the dominant driver. Operating expense changes were minimal year-over-year confirming that expense discipline has held. The path to EBITDA recovery was primarily through gross margin improvement, which we are addressing through utilization improvement, pricing discipline, mix management, and supply chain optimization.

For the full year, adjusted gross margin was 34.4% compared to 42.5% for fiscal '25, a decrease of approximately 810 basis points. The full year bridge reflects three primary themes. First, our Fire acquisitions entered the portfolio at lower gross margin profiles than our legacy Industrial lines, and as Fire grew to approximately 49% of revenues, blended margin came under structural pressure. Second, cost headwinds. Raw materials tariffs and elevated freight costs impacted the full year. Third, underutilization. With manufacturing capacity in Mexico and Vietnam, size for higher volumes and fixed cost de-leverage in a period of below target output was significant. We are addressing all three through manufacturing footprint consolidation, supply chain restructuring, and targeted pricing action.

Adjusted EBITDA excluding FX decreased from approximately \$17.4 million in fiscal '25 to approximately \$7.2 million in fiscal '26, a decrease of \$10.2 million or 59%. Gross profit compression was the primary driver.

Reviewing our revenue mix over the past three fiscal years, the transformation is clear on both the geographic and product basis. On the geographic side, Europe grew from approximately 13% of revenues in fiscal '24 to approximately 25% in fiscal '25 and approximately 28% in fiscal '26, a direct result of our LHD and Jolly acquisitions expanding our European Fire platform. The U.S. has remained at approximately 42% in fiscal '26, reflecting the growth of Resilient, Arizona PPE, and California PPE, offsetting softness in Industrial. This geographic diversification provides better exposure, broader exposure, to the global fire protection market.

On the product side, Fire went from approximately 21% of revenues in fiscal '24 to approximately 38% in fiscal '25 to approximately 49% in fiscal '26. To us, this is the clearest illustration of our strategic pivot for the higher margin, higher growth global fire protection sector. Disposables moderated from approximately 40% to 27% as Fire grew. The divestiture of HPFR and Hi-Vis has further simplified this picture heading into fiscal '27. As our acquired businesses integrate and Fire gross margins recover toward their structural potential, our growing Fire concentration should become a meaningful margin tailwind.

Now turning to the balance sheet, Lakeland ended the fiscal year with cash and cash equivalents of \$12.5 million and working capital of approximately \$96.5 million. This compares to \$17.5 million in cash and working capital of approximately \$101.6 million as of January 31, 2025. Cash decreased \$5 million versus the prior year, reflecting \$15.8 million of operating cash usage and \$1.2 million of net investing outflows, offset by \$12.5 million provided by financing activities.

As of January 31, 2026, we had total borrowings of \$32.3 million with \$28.5 million outstanding under the revolving credit facility with an additional \$11.5 million available credit under the revolver. Net investing activities included \$6.2 million for the Arizona PPE and California PPE acquisitions, offset by \$5.7 million proceeds from the Decatur warehouse sale. We applied 100% of those net proceeds to repay our revolving credit facility.

Importantly, Q4 generated approximately \$1.8 million of operating cash, demonstrating that our focus on cost discipline and working capital management is beginning to yield results. We are in advanced stages of negotiating an ABL facility, which we expect to close soon, although there can be no assurances that the ABL facility will close on that timeline or at all. Bank of America covenant waiver has been secured, and we anticipate to be in covenant throughout fiscal '27. We expect the ABL facility to further strengthen our financial flexibility and support growth initiatives in fiscal '27.

Subsequent to year-end, the divestiture of the HPFR and Hi-Vis product lines generated approximately \$14 million in additional cash proceeds that is not reflected in year-end cash balances, further reinforcing our liquidity position.

At the end of Q4, inventory was \$82.5 million, down approximately \$5.4 million from \$87.9 at the end of Q3, fiscal '26, and essentially flat on a year-over-year basis, despite revenue growing approximately 15%. That year-over-year stability reflects meaningful progress on our supply-demand alignment initiatives. The quarter-over-quarter decline in inventory is broad-based. Organic finished goods were \$36.3 million, down

from \$38.8 million in Q3. Organic raw materials were \$30.9 million, down from \$33 million in Q3. Reductions were also achieved across Veridian, LHD, and Jolly, as integration and planning processes improved.

Our immediate priorities have been in the U.S., industrial, Jolly, LHD, and Veridian, where we saw the greatest opportunity to align balances with demand and improve working capital efficiency. Inventory optimization is one of the key levers in our path to improved free cash flow generation. As inventory levels normalize further, carrying costs decrease, and working capital is released. This helps our business become more efficient operationally, and we see opportunities to continue this strategy to drive inventory lower in fiscal '27 in a disciplined, demand-driven manner.

With that, I'd like to turn the call back over to Jim before we begin to take questions.

### **James Jenkins**

Thank you, Calven.

Fiscal 2026 was a year of significant transformation. We grew revenue 15.2% to \$192.6 million, driven by a 48.6% growth in Fire Services, built a head-to-toe global fire protection platform through multiple strategic acquisitions, and made meaningful progress simplifying and strengthening the business, even as we navigated a challenging cost and operating environment. We are entering fiscal 2027 with key financial metrics filling sequential improvement over Q4 2026.

The fourth quarter demonstrated that our operational discipline is improving. We generated positive operating cash flow, held expenses essentially flat, and delivered Adjusted EBITDA despite lower revenue versus Q3. These are early but tangible signs of the operational improvement we've been working toward.

As we enter fiscal 2027, our priorities are clear. We will continue executing margin recovery actions across logistics, operations, and pricing, including manufacturing footprint consolidation. Continue efforts at cost containment across logistics and operations, including in the face of the Iran conflict and its potential impact on freight and supply chain costs. Tightening forecasting accountability and implementing a stronger structure around sales and production planning. Revise ERP rollout plan with our new implementation partner targeting the second half of fiscal 2027. Actively drive greenfielding and M&A pipeline within our ISP space. We opened our Fresno facility in January of this year, and Denver is expected to open in summer 2026, as Barry mentioned. Capitalize on the fire tender pipeline, including expected tender wins in Europe, and showcase our full NFPA-certified portfolio at FDIC 2026. Leverage our balance sheet to execute on our acquisition strategy focused on fire turnout gear, decontamination, rental, and services.

Today, as we are now almost through fiscal first quarter 2027, I'm very optimistic about our business trajectory, given the recent customer wins around the globe, the enhanced product development and differentiation with our new Fireflex Elite L-100 structural firefighting boot, and a recently achieved full head-to-toe range of NFPA 1970-2025 certified product offerings across our brand portfolio. Customer interest and demand is strong. Operationally, we are correctly positioned. The core team is in place, and we are ready to capitalize on an amazing opportunity that's on the horizon for Lakeland.

Based on these factors, we believe fiscal 2027 will see high single-digit revenue growth and a clear line of sight deposit cash flow from operations. We are grateful to our customers, distribution partners, and team members worldwide for their continued trust and commitment, and especially to those first responders around the world who risk their lives every single day to protect all of us.

With that, I will now open the call for questions. Operator?

### **Operator**

Thank you. We will now be conducting a question-and-answer session. If you would like to ask a question, please press star, one on your telephone keypad. A confirmation tone will indicate your line is in the question

queue. You may press star, two to remove yourself from the queue. For participants using speaker equipment, it may be necessary to pick up the handset before pressing the star keys. One moment, please, while we poll for questions.

Our first question comes from the line of Gerry Sweeney with Roth Capital Partners, LLC. Please proceed with your question.

**Gerard Sweeney**

Hey, Jim and team. Thanks for taking my call.

**James Jenkins**

Hey, Gerry.

**Gerard Sweeney**

One of the starts with the Fire side, I think given some of the prepared comments, the comment was largest pipeline in history. Some of this was definitely pushed out from 2025 due to government shutdown, NFPA standards, etc. I think we anticipated a building pipeline. But the question is how do we unlock this and maybe some more detail on the size of the pipeline and how does it flow through for this year?

**James Jenkins**

Yeah, so I think I'm going to have Barry, who's been working closely on that, respond to that, and then I'll chime in.

Sorry, Barry's maybe on mute.

**Barry Phillips**

Sorry just—putting you on mute. Yes, can everybody hear me?

**Gerard Sweeney**

Yes.

**Barry Phillips**

The comment was largest open orders for Lakeland Fire in the Company's history, so our open book of orders coming through, scheduled for production and obviously sale and invoice, that's the largest. The pipeline is the clearest view that we've been able to develop as we've been working through integrating our CRM software and program salesforce globally and our sales operations team, structuring it for a full view across the business. We now actually have over \$130 million in open pipeline that's visible to us, over \$22 million of that in higher probabilities over half, and we've got that view that we're working diligently with our teams to keep active.

What we're seeing now is the opening of the spigot, so to speak, with the certifications coming through. Departments have been waiting for that certification approval, and then they start to look and bring things through. The FDIC is the key component that's next week, where most of the NFPA push is through North and South America, and then we'll be rolling things out with the rest of the world on the big show in June, INTERSCHUTZ.

**Gerard Sweeney**

Did you say FDIC, which is next week? After that show, would you get orders at that show? Is that the type of opportunity?

### **Barry Phillips**

Generally, it's not an order-writing show, but it's a very visible show. It's Fire Department Instructors Conference. It's the longest-standing fire show in North America and one of the globe's largest ones, other than INTERSCHUTZ, which is once every five years and more global. Departments will come and, in a sense, kick the tires. Some of them have already started to have and put in for a field trial, user trial. Those sorts of things take place. Sometimes you'll get orders for the commodity items, whether it's helmets, boots, but if it's a larger department conversion, it's going to generally have some sort of a tender relationship or RFQ that will come into play or a wear trial.

### **Gerard Sweeney**

Got it. That's helpful. Then switching here slightly to the cleaning, the PPE opportunity. Obviously, you expanded in California. Arizona sounds like it's going well. You're going into Denver. How big is that business in terms of revenue today and how quickly can you grow that, or do you have a target that you want to go to over the next couple of years?

### **James Jenkins**

Gerry, I'll answer that. The goal is to get, in the services space, up to \$30 million by fiscal 2028. We are ramping up that rapidly, and I would be very disappointed if it wasn't much sooner than that at this point. I think when we acquired Cal PPE and Arizona PPE, Calven, correct me if I'm wrong, maybe \$4.8 million, \$4.7 million, I think, in annualized revenue, they have significantly ramped that up. They are winning customers. They're doing it the right way, and the reason we're opening in Denver isn't—I think I told you before that we're not going to just open it and hope they come. We have active customers who have said, we need you to do this for us, and we need you to do it quickly.

When we open Denver, we would expect several fire brigades to be providing services for the moment we open that up. Fresno, we've seen similar—what would happen with Fresno is that we had so much activity at our Riverside facility, it was busting at its seams. Having Fresno and Central California allowed us to shift some of those opportunities to Fresno while we were continuing to grow our opportunities in Southern California. While Fresno is working on that offload of capacity, they are also finding additional opportunities within Central California, adding to the Fresno mix. Arizona PPE, we're having a dialogue as a team now about expanding that footprint or increasing its warehouse capacity, because they're bursting at the seams right now.

As opposed to last year, Gerry, where we were pulling stuff in from quarters on the fire front, now we're trying to figure out how to make sure we can service it properly. Barry talks about the outstanding order flow that we have. That's driving us to do things. We have our North American manufacturing leader camped out right now at Veridian. Because Veridian was so slow last year, we had some personnel issues where we had to move on some sewing folks. We've since added capacity to that plant and individuals to that plant so that we can fulfill order flow for the first and second quarter. We've got visibility into order flow now into the second quarter and parts of the third quarter now.

The idea here is we went from three and a half weeks' worth of work at a place like Veridian to eight and a half or nine, and that has obviously created challenges for us, because we've got to make sure the customer gets that delivery in a timely way. That's how we differentiate. In some of these ways, some of this stuff happened very quickly, and we don't anticipate that momentum moving in the other direction. That's why we feel so optimistic, because for the first time, we have a production problem, not a sales problem.

### **Gerard Sweeney**

On your guidance, you said high single digits. I think on the chemical woven side of the commentary, it's stable. Is that high single digit guidance a function of the visibility you're seeing on the Fire side today?

**James Jenkins**

Yes. It's a combination of that and what we're also seeing on the—look the Industrial segment, I'll just give you an example in the United States. I get something called Cleveland Research. I get that from our partners at Line Drive. Cleveland Research is a survey of large industrial channel partners and regionals, and their take on where they think the market is going to be.

Cameron's philosophy has always been about trying to seal market share, which is really important in a business that's as mature as the Industrial business. I will say that what the Cleveland Research report historically has been saying to me was, half a percent growth in the industrial market in North America, maybe 1%, maybe 0.8%. Now it's five. The forecast is five. When you're racing and being the most nimble in a market, and you've now got the team in tow in your sales field that we didn't have historically, and regional leaders that we didn't have historically, that foments a lot of optimism on our front on the Industrial space as well.

Obviously, you couple that with what we see in Fire, both U.S. and globally. Kevin Rae's got his team in play in a lot of different opportunities that we would expect, we would expect to hear soon on several opportunities in Europe where I think we've got such close visibility to it. I'd be really shocked if we didn't win them. I look at places like the U.K. and Great Britain, I think we're in really good shape there.

**Gerard Sweeney**

One more quick question. I apologize. Can you do a quick margin bridge? It's around 32%. You were at 41% a year ago. You have a volume. You have costs around logistics, input costs, and then pricing. Can you just bucket those three out real quick as to how much of a downturn in margins each one has played?

**Calven Swinea**

The bulk of that is mix. It's the sales mix followed by your freight, duties and materials costs get you the rest of the way. The majority of it was the mix.

**Gerard Sweeney**

If you say mix, would that mean if Fire volumes improve that we should see an improvement? Or with the same mix you're saying that the pricing of the gear, the margins in the gear, are allowing you to up the price.

**Calven Swinea**

In terms of the Fire services, your higher margin is the turnout gear, and then you've got lower margin on boots, gloves, helmets.

**James Jenkins**

Gerry, we're currently in certification right now. We're working on getting certification from UL to be able to manufacture Veridian product in Mexico. I've talked about this for quite a while. UL has been backed up doing certifications for Fire. That backup I think has subsided. I would expect to hear from them sometime in the summer. Then I can start manufacturing Veridian product in Mexico. The Latin American market for Veridian is really their fastest growing.

I'm also looking for a certification for Lakeland product at Veridian so that where needed I can win where departments require made in the U.S. I'm now soon to be manufacturing LHD in China and I'm currently

manufacturing Eagle in China where we don't have issues with proximity to some regions in Europe where Kevin will still use third-party contractors. We would expect those margins to improve. As we garner critical mass in the services business, while those services businesses don't necessarily have great gross margins, their EBITDA margins are significant. That's why I have an urgent need to continue to drive growth in those businesses.

**Gerard Sweeney**

Got it. I'll jump back into it. I apologize. I had quite a few questions but thank you.

**James Jenkins**

No worries.

**Operator**

Thank you. Our next question comes from the line of Michael Shlisky with D.A. Davidson. Please proceed with your question.

**Michael Shlisky**

Yes. Hi. Good afternoon. Thanks for taking my questions. It was a little hard to tell about how you feel in any quarter to quarter about the organic growth rate throughout the year. Do you think it might start off the year on a slower than high single-digit rate and end up at a higher rate? Or it could be a somewhat smooth year organically throughout the four quarters?

**James Jenkins**

Historically, we started off a little slow in the first quarter of the year, and you'll see improvement as we move throughout the year, especially now as we're picking up the certifications. With picking up the certifications, you see the demand increase. That did not happen. That happened mid-first quarter, so it's going to take a little bit of time for those orders to come through.

**Michael Shlisky**

Got it. Got it. Thanks. On the ISP growth, it was interesting to see that you're opening in Denver. Maybe a sense as to maybe what was the start to finish, when did you first hear you should be opening in Denver? What was the time framing from when that point was to when you actually opened or are about to be opening? Are there any opportunities in other cities or states beyond Denver once that's open later on this year?

**James Jenkins**

Yes. Barry, you're at the heart of the Denver opportunity right now. Why don't you answer that one?

**Barry Phillips**

Yes. The Denver opportunity came to light just a few months ago. Our team and the leaders of our ISPs, Mike Glaze, is very well connected and known across the country. He used to be with Cal Fire. He ran their PPE program for many years before retiring and opening up California PPE. We're well connected. We know who's doing what and where. We were aware of an opportunity because a major competitor pulled out of the region. We know some of the technology providers because we have partnerships with them for the cleaning gear that drives our high efficacy ratings. We found departments in that area that were looking for us and actually spoke to Mike in particular about coming in and taking care of their products for them.

We've acted quickly. We've hired the leader for that site. She comes with strong background and experience in the industry and we're in process of getting things up and running. Our Fresno site, for example, has a footprint. We use that as a template to build out our cookie cutter franchise type of thought on it is how to quickly ramp up. We did that in about a month and a half. The longest lead item is first is securing the site. Then after that, it's getting UL certification. The other part is we know what to do, where to set it up, how to set it up, how to set the flow in the process, and what sort of resources we need to fulfill it.

**James Jenkins**

Mike, to the other part of that...

**Barry Phillips**

Oh, sorry. Go ahead, Jim.

**James Jenkins**

I was going to say we've got several other opportunities that we're looking at from a greenfield perspective that we're doing some market research on. Mike is checking out some opportunities in the southeast. He's got a few meetings. Actually, he's leaving FDIC for a meeting in the Southeast to look at opportunity there. Obviously, we want to be in the Midwest. What I would envision over the course of the next year would be probably another three to five add-ons in a perfect world for greenfield. We'd have another three to five between greenfield and acquired companies. As I said, these acquisitions are much lower cost, much higher rate of return just from a pure synergy perspective because they drive themselves. They can scale quite nicely.

Mike knows how to scale them and knows how to identify the people within a region to help drive that growth. He's already got a business plan on that front to help drive that. I would envision three to five additional ones beyond Denver in North America. Kevin Rae has reached out to me. He wants one in Germany. I think it would make sense for us to do that. I think three to five in North America is probably for the next 12 months what I'd be focusing on though.

**Michael Shlisky**

Great. Maybe one last quick one for me. Kevin, welcome. I see you've got a head of EMEA Fire. What's the structure of the sales organization globally? Is there someone that's going to be head of North America soon that's going to be hiring? I want to get to this leadership structure.

**James Jenkins**

Yeah, we have a North American sales leader. We have that already. He reports into Barry. Everybody reports, other than Kevin, everyone reports up through Barry. Barry is ultimately responsible for our global strategy. He and Kevin work together on the European side. I brought Kevin on board formally because, frankly, de facto, he'd been a member of the Management team for at least the last year where he was helping integrate the Jolly and LHD brands.

**Michael Shlisky**

Okay. Just clarifying. Thank you so much. I'll pass it along. Thank you.

**Operator**

Our next question comes from the line of Mark Smith with Lake Street Capital Markets. Please proceed with your question.

**Alex Sturnieks**

Yeah. Hi, guys. You got Alex Sturnieks on the line from Mark Smith today. Thanks for taking my questions. First one for me, gross margins have been under pressure all year. Walking into fiscal year '27, what are the biggest drivers of margin improvement there? What's the sequencing kind of look like? What gets better first versus what takes longer to come through?

**Calven Swinea**

I think that it's really going to be the sales mix that's going to drive that. What we see is with the increased demand on the Fire side, especially in the higher value products, we'll see that starting really, you'll start to see that in maybe late Q1, but most likely Q2 is where it really starts to see an improvement.

**James Jenkins**

You add that to some of the synergies we're driving with manufacturing for people like Eagle, products like Eagle, for products like LHD in China, as opposed to utilizing third-party manufacturers. The move of Veridian's Fire manufacturing for Latin America into Mexico, and we think that along with the selling more turnout gear on the fire front really adds to the margin.

**Alex Sturnieks**

Yeah, that's helpful. Then last one for me, the High-Performance and Hi-Vis sale brought in about \$14 million. It sounds like the balance sheet's the priority there for those proceeds, but is any of that a set aside for bolt-on deals or any additional color on M&A would be great?

**Calven Swinea**

Balance sheet.

**James Jenkins**

Yeah, the M&A opportunities we'll have, one of the reasons why we're looking at an ABL, because we're in good shape either way, but one of the reasons we're looking at the ABL is we'd like a little more availability to do some of these smaller acquisitions. But whether we go that route or others, I mean, it's—we'll find a way to do it, and as I said, they're not expensive deals.

**Alex Sturnieks**

Perfect. Thanks for taking my questions.

**Operator**

Thank you. Our next question comes from the line of Matthew Galinko with Maxim Group. Please proceed with your question.

**Matthew Galinko**

Hey, thanks for taking my questions. I think you mentioned \$5 million intercompany sales activity. I'm wondering how you expect that to evolve now that you have the head to toe search on and kind of what do you expect from it in the next fiscal year?

**James Jenkins**

We expect it to grow significantly. We've got, we've got an NFPA boot now for Jolly that we are going to—we just got certified, so we'll be rolling that out. Boots and gloves and helmets and hoods, it's very nice to say are, they're in stock products that we need to have. The reception on the helmets right now is significant and has exceeded our expectations in the U.S. markets, so that is something that we think will continue to grow. The boots, I think, were very well received in the wear trials, so we'll see some pickup from that.

Kevin has only recently started to drive the sales teams within the Eagle—well, not so much with Eagles. I think he's been doing it with Eagle, but more with LHD and with Jolly, sort of the cross-selling of the brands within the other markets. Jolly has been very well received in the Latin American market, and now that we have an NFPA boot where Latin America does like, to have the choice of an NFPA offering, we would envision an ability to be able to sell into that market as well. Do I have a dollar amount on that? I don't, but I would expect it to be, we would be—it's going to be really, from my perspective, very easy to be able to drive some of the growth in brands within a market like the U.S. that until these certifications were standardized and finalized, we were not able to sell.

### **Kevin Rae**

I think it's also fair to say across the globe that the brand is getting brand recognition. Lakeland Fire + Safety in the last 12, 18 months is becoming a much higher profile brand. It's gained credibility across all the categories that we supply. We're seeing more inquiries of a higher quality because of that.

### **Barry Phillips**

Right. To add to that, these brands that were regional manufacturers that worked through distribution globally with limited sales resources now have the full Lakeland sales team around the globe representing them. They're getting in front of—it's getting the sub-brands under the umbrella brand into end users and to key channel partners that they didn't have the opportunity in the past, and that's where it's growing.

### **Matthew Galinko**

Great. Thank you.

### **Operator**

Thank you. We have reached the end of our question-and-answer session. Therefore, I would like to turn the call back over to Mr. Jenkins for his closing remarks.

### **James Jenkins**

Thank you, Operator.

Thank you all for joining us for today's call and thank you to our customers and distributor partners worldwide for trusting us with your lives and safety. Lakeland continues to be well positioned for long-term growth and look forward to sharing our continued progress on the next call.

We will also be attending FDIC 2026 in Indianapolis from April 20 to April 25, so please stop by and say hello if you're there. If we were unable to answer any of your questions today, please reach out to our IR firm, MZ Group, who will be more than happy to assist.

### **Operator**

This concludes today's conference and you may disconnect your lines at this time. Thank you for your participation.