



Fiscal 2016 Second Quarter  
Conference Call Presentation  
November 3, 2015

# SAFE HARBOR

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# QUARTERLY SUMMARY

(\$ in millions)	FY16 – Q2	FY15 – Q2*	QTR CHANGE FAV (UNFAV)
Revenue	\$ 15.7	\$ 13.4	17.4%
Gross Margin %	18.5%	11.8%	56.8%
Operating Expenses	\$ 6.5	\$ 7.8	16.7%
Operating Income (Loss)	\$ (3.6)	\$ (6.2)	41.9%
Net Income (Loss)	\$ (3.6)	\$ (6.2)	41.9%
Earnings (Loss) per share	\$ (0.13)	\$ (0.28)	53.6%
EBITDA	\$ (2.5)	\$ (5.1)	51.0%

## FISCAL 2016 – SECOND QUARTER

- Total revenues grew 17% year-over-year to \$15.7 million, and gross margins expanded 678 basis points year-over-year, to 18.5%.
- Revenue from LED lighting systems increased 104% to \$10.6 million for FY16Q2, and reached 72% of total lighting product revenue.

\* See Non-GAAP Reconciliation in Appendix

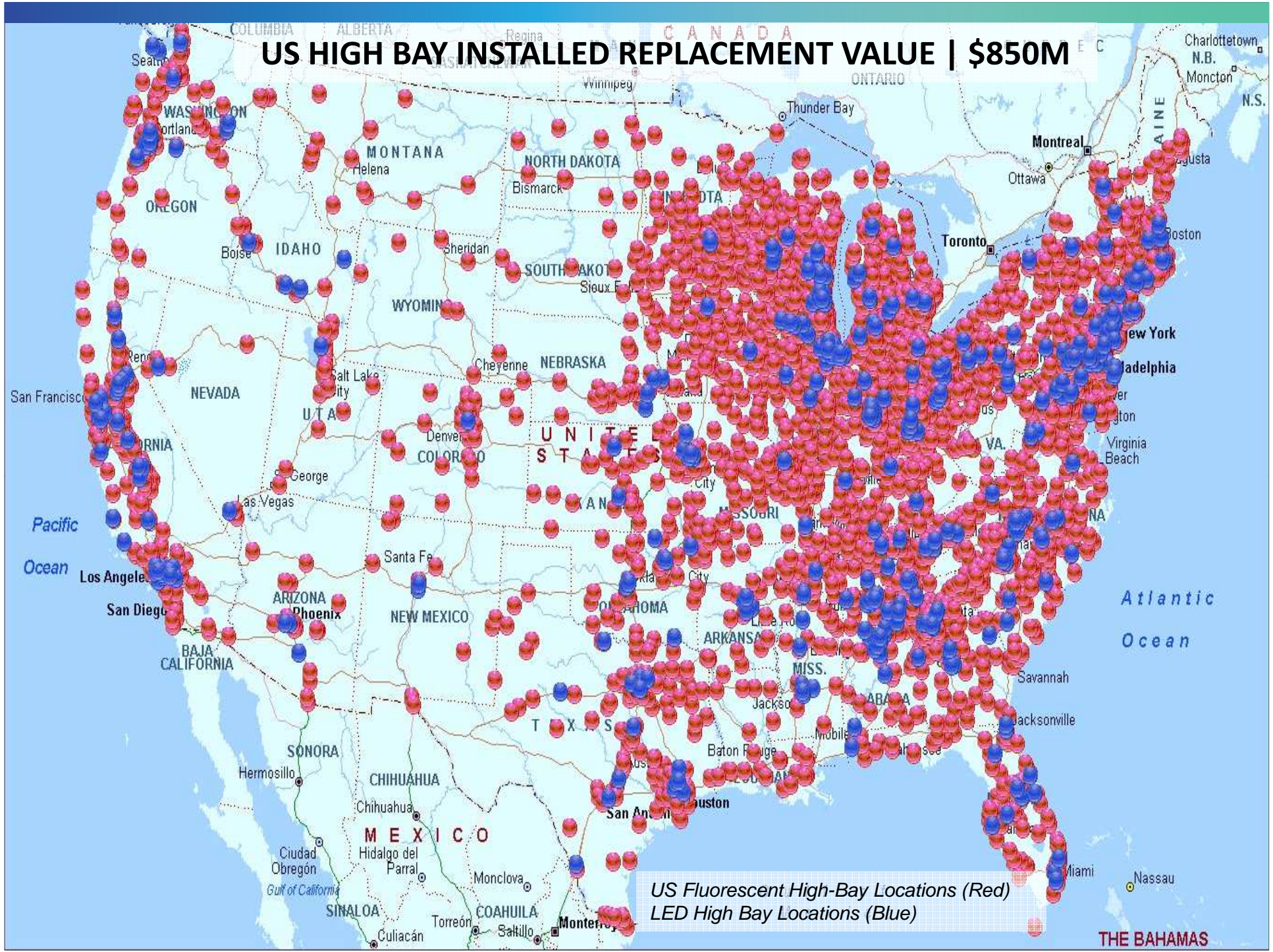
## 2016 ROADMAP

**CONTINUE TO GROW LED SALES**

**DRIVE INNOVATION**

**IMPROVE MARGINS**

# US HIGH BAY INSTALLED REPLACEMENT VALUE | \$850M



US Fluorescent High-Bay Locations (Red)  
LED High Bay Locations (Blue)

THE BAHAMAS

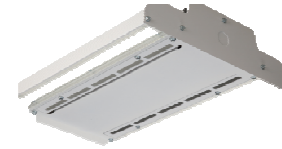
# ORION HIGH BAY VS. MARKET TOP PERFORMERS



orion  
**ISON 179 LPW**



152 LPW



134 LPW



orion  
**APOLLO 152 LPW**



105 LPW



103-120 LPW



orion  
**HARRIS 148 LPW**



117 LPW



117 LPW

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# BALANCE SHEET AND CASH FLOW

(\$ in millions)	BALANCE SHEET AS OF 9/30/15	BALANCE SHEET AS OF 3/31/15	(\$ in millions)	CASH FLOW SIX MONTHS ENDING 9/30/15	CASH FLOW SIX MONTHS ENDING 9/30/14
Cash	\$ 13.4	\$ 20.0	Net (loss) income	\$ (7.3)	\$ (22.7)
Short-term investments	\$ 0.0	\$ 0.0	ITDA	\$ (2.4)	\$ (2.2)
Total inventory	\$ 15.9	\$ 14.3	EBITDA*	\$ (4.9)	\$ (8.4)
Total current assets	\$ 46.6	\$ 55.0	Cash flow from operations	\$ (5.3)	\$ (5.1)
Total debt	\$ 4.4	\$ 5.1	Cash flow from investing	\$ (0.2)	\$ (0.1)
Total liabilities	\$ 18.9	\$ 23.3	Cash flow from financing	\$ (1.0)	\$ (1.2)
			Net cash flow	\$ (6.6)	\$ (6.4)

\* See Non-GAAP Reconciliation in Appendix



## 2016 BENCHMARKS

- Significant year-over-year revenue growth in FY 2016
- Significant year-over-year gross margin improvement in FY 2016
- Significant improvement in GAAP EPS, including positive GAAP EPS in the second-half of FY 2016
- Achieve TTM EBITDA profitability by FY Q1 2017 (quarter ended 6/30/2016)
- Achieve positive cash flow from operations by FY Q1 2017 (quarter ended 6/30/2016)

# APPENDIX

# NON-GAAP RECONCILIATION

(\$ in millions)	QTR 9/30/15 GAAP	QTR 9/30/14 GAAP	ADJUSTMENT	QTR 9/30/14 Non-GAAP
Revenue	\$ 15.7	\$ 13.4	\$ -	\$ 13.4
Gross Profit \$	\$ 2.9	\$ (10.6)	\$ 12.1*	\$ 1.5
Gross Profit %	18.5%	(78.8)%	-	11.8%
Operating Loss	\$ (3.6)	\$ (18.3)	\$ 12.1*	\$ (6.2)
Diluted Shares	27.6	21.8	21.8	21.8
EPS	\$ (0.13)	\$ (0.84)	\$ (0.56)	\$ (0.28)
	EBITDA RECONCILIATION	EBITDA RECONCILIATION	ADJUSTMENT	EBITDA RECONCILIATION
Operating Loss	\$ (3.6)	\$ (18.3)	\$ 12.1*	\$ (6.2)
Depreciation & Amortization	\$ 1.1	\$ 1.1	\$ -	\$ 1.1
Total EBITDA	\$ (2.5)	\$ (17.2)	\$ 12.1*	\$ (5.1)
EBITDA %	(15.9%)	(128.4%)	-	(38.3%)

\* Elimination of the impairment charge related to wireless controls

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