



Fiscal 2016 Third Quarter
Conference Call Presentation
February 9, 2016

SAFE HARBOR

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QUARTERLY SUMMARY

(\$ in millions)	FY15 – Q3	FY16 – Q3	QTR CHANGE FAV (UNFAV)
Revenue	\$ 26.1	\$ 16.8	(35.9)%
Gross Profit \$	\$ 3.8	\$ 4.7	23.1%
Gross Margin %	14.6%	28.1%	92.5%
Operating Expenses	\$ 8.5	\$ 6.7	21.5%
Operating Income (Loss)	\$ (4.7)	\$ (1.9)	58.3%
Net Income (Loss)	\$ (4.7)	\$ (2.0)	57.0%
Earnings (Loss) per share	\$ (0.21)	\$ (0.07)	66.7%
EBITDA*	\$ (3.7)	\$ (0.9)	75.0%

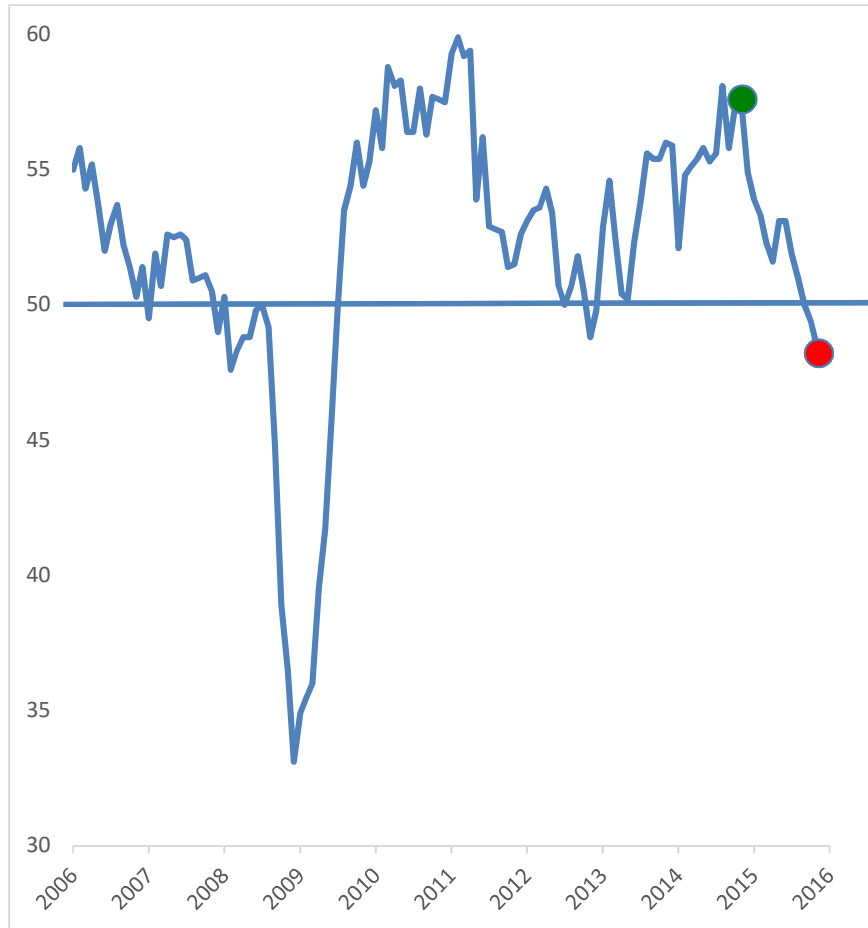
FISCAL 2016 – THIRD QUARTER HIGHLIGHTS

- LED product sales reaches 75% of total sales
- Gross profit reaches \$4.7 million an increase of 23% over the prior period last year
- Gross margin of 28.1% highest in eight quarters

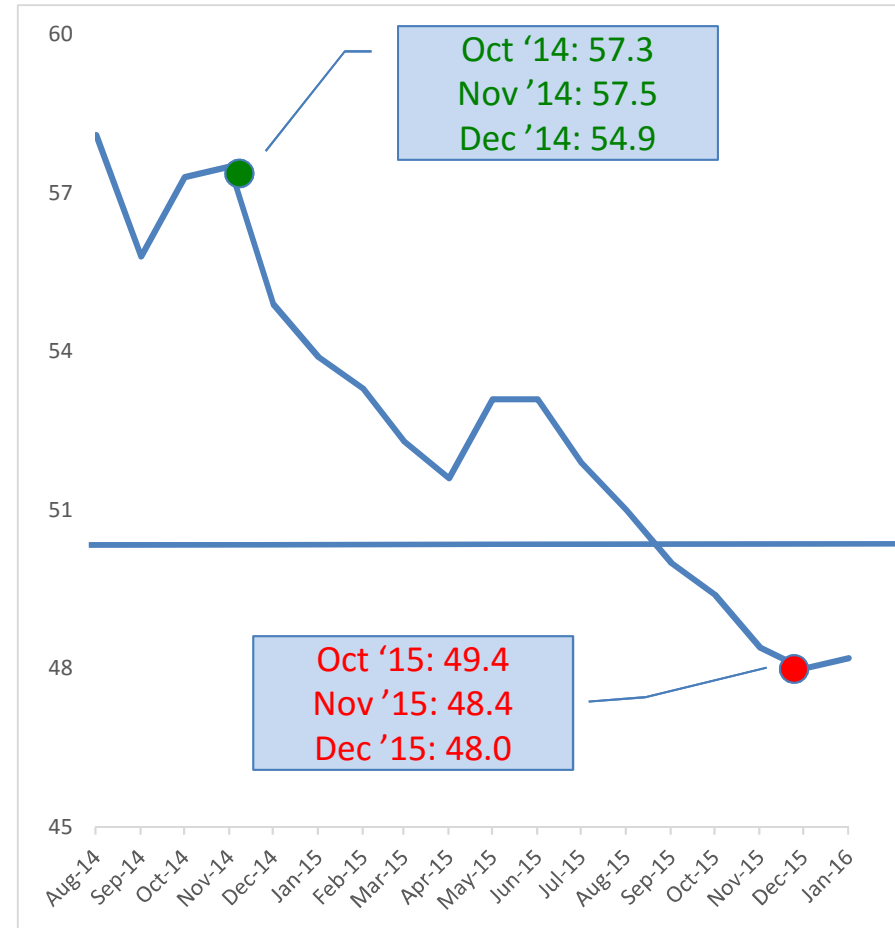
* See Non-GAAP Reconciliation in Appendix

PMI COMPOSITE INDEX

Current PMI Index at levels not seen since 2009



PMI Index year-over-year swing from one of the strongest point in years to one of the weakest



2016 ROADMAP

CONTINUE TO GROW LED SALES

DRIVE INNOVATION

IMPROVE MARGINS

EXPANDING DISTRIBUTION CHANNEL



HAWKINS
SALES OF OHIO



ORION HIGH BAY VS. MARKET TOP PERFORMERS

Competitors

PREMIUM PRICE
MOST OPTIONS



orion
ISON 179 LPW



151 LPW



137 LPW

MID PRICE
MANY OPTIONS



orion
APOLLO 152 LPW



120 LPW



103-108 LPW

LOW PRICE
FEW OPTIONS



orion
HARRIS 148 LPW



117 LPW



127 LPW

KNOWLEDGE LEADER

EXPERTISE DRIVES INNOVATION AND LEADERSHIP



UNIQUELY RETROFIT

- \$200B retrofit lighting market*
- Deep expertise in more than 12,000 projects



INNOVATION DRIVES IP

- Industry-leading breakthroughs
- 64 patents granted, 37 pending



MARKET LEADER

- Highest performing high bays
- Industry's first 1-2 minute LED troffer retrofit

* Estimated Orion replacement value for LED in Low/High Bay, Exterior and Troffer applications.

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BALANCE SHEET AND CASH FLOW

(\$ in millions)	BALANCE SHEET AS OF 3/31/15	BALANCE SHEET AS OF 12/31/15	(\$ in millions)	CASH FLOW NINE MONTHS ENDING 12/31/14	CASH FLOW NINE MONTHS ENDING 12/31/15
Cash	\$ 20.0	\$ 17.5	Net (loss) income	\$ (27.4)	\$ (9.3)
Total inventory	\$ 14.3	\$ 18.4	ITDA	\$ (3.2)	\$ (3.4)
Total current assets	\$ 55.0	\$ 51.1	EBITDA*	\$ (12.0)	\$ (5.8)
Total debt	\$ 5.1	\$ 6.5	Cash flow from operations	\$ (10.2)	\$ (3.3)
Total liabilities	\$ 23.3	\$ 23.9	Cash flow from investing	\$ (0.7)	\$ (0.3)
			Cash flow from financing	\$ (1.9)	\$ 1.1
			Net cash flow	\$ (12.8)	\$ (2.5)

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FY 2016 GUIDANCE

- FY 2016 revenues relatively flat year-over-year
- Significant year-over-year gross margin improvement in FY 2016; low-twenties for FY 2016
- Continued improvement in GAAP EPS in FY 2016
- TTM EBITDA profitability to trend positively

APPENDIX

NON-GAAP RECONCILIATION

(\$ in millions)	THREE MONTHS ENDED		NINE MONTHS ENDED	
	QTR 12/31/14 GAAP	QTR 12/31/15 GAAP	QTR 12/31/14 GAAP	QTR 12/31/15 GAAP
Revenue	\$ 26.1	\$ 16.8	\$ 52.8	\$ 49.1
Gross Profit \$	\$ 3.8	\$ 4.7	\$ (4.1)	\$ 11.4
Gross Margin %	14.6%	28.1%	(7.8)%	23.2%
Operating Loss	\$ (4.7)	\$ (1.9)	\$ (15.2)*	\$ (9.1)
Diluted Shares	21.9	27.7	21.8	27.6
EPS	\$ (0.21)	\$ (0.07)	\$ (0.70)*	\$ (0.34)
	EBITDA RECONCILIATION	EBITDA RECONCILIATION	EBITDA RECONCILIATION	EBITDA RECONCILIATION
Operating Loss	\$ (4.7)	\$ (1.9)	\$ (15.2)*	\$ (9.1)
Depreciation & Amortization	\$ 1.1	\$ 1.0	\$ 3.2	\$ 3.3
Total EBITDA	\$ (3.6)	\$ (.9)	\$ (12.0)*	\$ (5.8)
EBITDA %	(13.8%)	(5.4%)	(22.7%)*	(11.8%)

* Elimination of \$12.1 impairment charges related to wireless controls

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