

Investor Presentation | July 15, 2020

Protect Your People™

NASDAQ: LAKE

Charles D. Roberson, President and Chief Executive Officer

Allen E. Dillard, Chief Financial Officer



Safe Harbor Statement

With the exception of historical information, the statements set forth in this presentation include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risk and uncertainties. The company wishes to caution that a number of important factors could cause actual results to differ materially from those forward-looking statements. These and other factors could cause actual results to differ materially from those in any forward-looking statements which are discussed in this presentation. Please see Lakeland Industries' SEC filings on Forms 10-K and 10-Q for important information about the Company and related risks. The Company disclaims any obligation to update its forward-looking statements.

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: EBITDA, Adjusted EBITDA and Free Cash Flow. 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 they 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 tables in this presentation.

Key Statistics

Q1FY21 Results

- Net sales of \$45.6M, up 85% from 24.7M in Q1FY20
- Gross profit of \$22.1M, compared with 1Q20 of \$7.6M
- Gross margin of 48.6%, compared to 30.6% in 1Q20
- Opex of \$9.8M, up from \$7.9M in 1Q20
- Operating profit of \$12.4M, up from loss of \$(315,000) in 1Q20
- Net income of \$8.6M, up from loss of \$(465,000) in 1Q20
- EBITDA* of \$12.8M, compared with \$68,000 in 1Q20
- Cash of \$23.5M at 4/30/20, up 61% from \$14.6M at 1/31/20
- \$0.1M in short term debt as of 4/30/20, down from \$1.2M 1/31/20

Market Stats

| | |
|---|------------------|
| Share Price (as of 6/16/2020) | \$20.59 |
| 52-Week High / Low | \$28.00 / \$9.70 |
| Average Daily Volume (3M) | 1,005,000 |
| Diluted Shares Outstanding ¹ | 8.0 million |
| Market Capitalization ¹ | \$164.7 million |
| Debt (as of 4/30/2020) | \$0.1 million |
| Cash (as of 4/30/2020) | \$23.5 million |
| Enterprise Value | \$141.3 million |

Financials & Valuation

| | |
|-------------------------------|-----------------------|
| LTM Revenue ³ | \$128.7 million |
| LTM EBITDA ³ | \$20.3 million |
| LTM Net Income ³ | \$12.4 million |
| LTM Basic EPS ³ | \$1.55 |
| EV/LTM Revenue | 1.1x |
| EV/LTM EBITDA ³ | 7.0x |
| P/E (LTM) ³ | 13.3 |
| NOL Carryforward ³ | Approx. \$7.0 million |
| Book Value ³ | \$93.8 million |

One Year Stock Performance



Source: Etrade




¹ Treasury stock method

² Source: Bloomberg/Yahoo

³ As of 4/30/2020

* EBITDA is a non-GAAP figure with reconciliation provided herein.

Uniquely Positioned to Respond to Global Crises

| Crisis | Ebola | Bird Flu | COVID-19 (Coronavirus) |
|----------------------------|--|--|---|
| LAKE Revenue Impact | \$4.6 million (FY16) | \$4.1 million (FY16) | TBD (FY20/21) |
| LAKE Role | Supplied suits to the United Kingdom Government | Supplied protective clothing to DiVal Safety Equipment | Supplier to hospitals and industrial customers globally |
| Situation Timeline | <ul style="list-style-type: none"> August 8, 2014: Ebola declared an “international health emergency”; death toll reaches 1,000 September 11, 2014: LAKE announced increase in manufacturing capacity to meet demand for safety products | <ul style="list-style-type: none"> April 11, 2015: Avian Flu confirmed in a commercial chicken operation in WI April 20 – May 1, 2015: WI, MN, IA declared state of emergency May 5, 2015: US authorities approved \$330 million in emergency funds to fight spread | <ul style="list-style-type: none"> 2 weeks in 4Q20 = \$1M sales; 1Q21 = \$11.2M sales February 14, 2020: Asia 12-hour shifts; modified as needed March 13, 2020: Expanding sealed seam capacity by 30% April 15, 2020: Certain products contracted out through August |
| LAKE Product Use |  <p>LAKE Ebola Protection Suit</p> |  <p>LAKE Bird Flu Protection Suit</p> |  <p>LAKE GB medical certified suit</p> |

Coronavirus (COVID-19) Update

- **China Environment**

- Largely open for business; evaluating second wave of virus
- Logistics – ocean freight remains challenging but improving
- Raw materials available: prices are fluctuating

- **Global Environment**

- Demand shifting to Europe, Russia and Americas
- Logistics remain in focus

- **Lakeland Response**

- Service the emergency market only to the extent that we have capacity over and above our strategic growth plans based on normal operating conditions
- Added capacity; constant management of supply chain
- Utilize more expensive raw materials only to the extent that customers will accept that additional cost
- Preparing for second wave of virus, stockpiling requirements
- Potential for development of new market: Institutional Cleaning

Coronavirus (COVID-19) Impact

- **Revenue**
 - Impact will be spread over Q4FY20 and FY21
 - Selling through distribution limits transparency into application of sales
 - Non-COVID related products slowly resuming order growth with economies
- **Manufacturing**
 - China returned to work 4 days early and went to maximum operating schedule (start up was not delayed)
 - Weifang facility is operating normally under Lakeland control
 - Feb. 14, 2020: India and Vietnam ended curtailed operations and went to maximum schedules (12 hours/day; 7 days/week); modified as needed
 - Vietnam has returned to hiring
 - Accelerating sealed seam manufacturing capacity increase in Vietnam (30% increase in total company capacity) that went on-line through May 2020 rather than January 2021
- **Supply Chain**
 - Currently no supply issues although logistics can be challenging
 - Price increases from suppliers continues; use of multiple suppliers partially mitigates the impact of these increases

LAKE Product Examples



LAKE Cleanroom Suit



LAKE Homeland Security Suit








LAKE Disposable Suit



LAKE Chemical Protection Suit

Leading Protective Clothing Manufacturer

| | | | | | |
|-------------------------------|--|-----------------------|---------------|-------------------------|---------------|
| Product Offering: | <div>      </div> | | | | |
| | Disposables | Chemical Suits | Wovens | Fire/Reflectives | Gloves |
| % of Sales¹ | 50% | 21% | 11% | 15% | 3% |
| Sales by Geography: | <ul style="list-style-type: none"> Domestic: 52% of FY20 net sales International: 48% of FY20 net sales | | | | |
| Industries Served: | <ul style="list-style-type: none"> Chemical/petrochemical Basic industries: auto, steel, construction, electric & gas utilities Healthcare, food chain & high tech Government, fire department, public safety and public agencies including DoD, CDC & DEA | | | | |
| Employees: | <ul style="list-style-type: none"> 1,800 international employees (approx.) 120 domestic employees (approx.) | | | | |
| Founded: | <ul style="list-style-type: none"> 1982 | | | | |

¹ As of 1/31/2020.

Innovative Proprietary Products

LAKE utilizes proprietary textiles and designs targeted to market needs and demands

| | |
|---------------------------|---|
| New Product Focus: | <ul style="list-style-type: none">• Proprietary high margin products for stable and recurring end markets (e.g. utilities, pharmaceuticals) |
| Patents: | <ul style="list-style-type: none">• 20 patents & 1 patent in application¹• 56 trademarks and 6 trademarks in application¹ |
| Supply Chain: | <ul style="list-style-type: none">• LAKE maintains strong control of its supply chain including multi-sourcing raw materials and having cut/sew operations performed by employees instead of contractors• Owning our manufacturing, LAKE has control of supplier relationships |
| Certifications: | <ul style="list-style-type: none">• Products are certified under relevant standards and certificates domestically and abroad• Customers recognize certification as sign of quality |
| Manufacturing: | <ul style="list-style-type: none">• All established LAKE manufacturing facilities are ISO 9001 or ISO 9002 certified• New facilities in Vietnam and India• Manufacturing resilience based on footprint & supply |
| Testing: | <ul style="list-style-type: none">• Quality control lab in China and the USA• Chinese facility able to perform medical and industrial sterilizations• Installed test lab in Alabama facility |

¹ As of 1/31/2020.

Optimized Global Presence



- ★ Manufacturing Sites
- 🌳 Sales Presence



Decatur, AL Facility



Anqui (Weifang), China Facility

Manufacturing Sites

Decatur, AL (HQ)

Jerez, Mexico

Anqui (Weifang), China

Buenos Aires, Argentina

New Delhi, India

Nahm Dinh, Vietnam

Sales Presence

Beijing, China

Chongqing, China

Decatur, AL (HQ)

Europe (France, Germany, Netherlands, Poland, Spain, U.K.)

Jerez, Mexico

Melbourne, Australia

Moscow, Russia

New Delhi, India

Shanghai, China

South America (Argentina, Chile, Colombia, Ecuador, Peru)

Southeast Asia (Malaysia, Thailand, Vietnam)

Toronto, Canada

Ust-Kamenogorsk, Kazakhstan

Increasing Manufacturing Capacity

- ✓ Deploying capital investment in new manufacturing facilities to build growth capacity
- ✓ India and Vietnam locations are now online and close to targeted growth markets
- ✓ Low cost structures in new locations are accretive to gross margins
- ✓ COVID-19
 - Ability to increase staffing in Vietnam and India by estimated 50% for disposable garments
 - Accelerated previously planned expansion of normalized sealed seam capacity by 30% -- 9 months ahead of plan
 - Prioritizing manufacturing for regular industrial customers, allocating excess or additional capacity to COVID-related demand
 - Order backlog at 4/15/20 has filled manufacturing capacity through July/August for some products

Key Differentiator

LAKE is unique in owning its manufacturing facilities around the world and not relying on outsourced contractors

Anqui (Weifang), China Facility



Jerez, Mexico Facility



New Vietnam Facility



Pilot India Manufacturing Facility



Vietnam Manufacturing



Strong Business Model

| Business Area | Key Characteristic |
|---------------------------|---|
| Products | Proprietary / value-added / higher margin |
| COGS / Raw Materials | Multi-sourced, lower priced fabrics than DuPont |
| Gross Margin ¹ | 35.2% and expanding |
| Sales Channels | Distributors and Key End Users |
| Customer Breadth | Diversified |
| Number of Products | >800 |
| Sales Presence | 21 countries |
| Geographic Reach | Global |
| Manufacturing Locations | U.S., China, Mexico, LATAM, India, Vietnam |

¹ As of 1/31/20 for TTM.

Blue Chip Customers

Distributors



End Users



Favorable Industry Dynamics

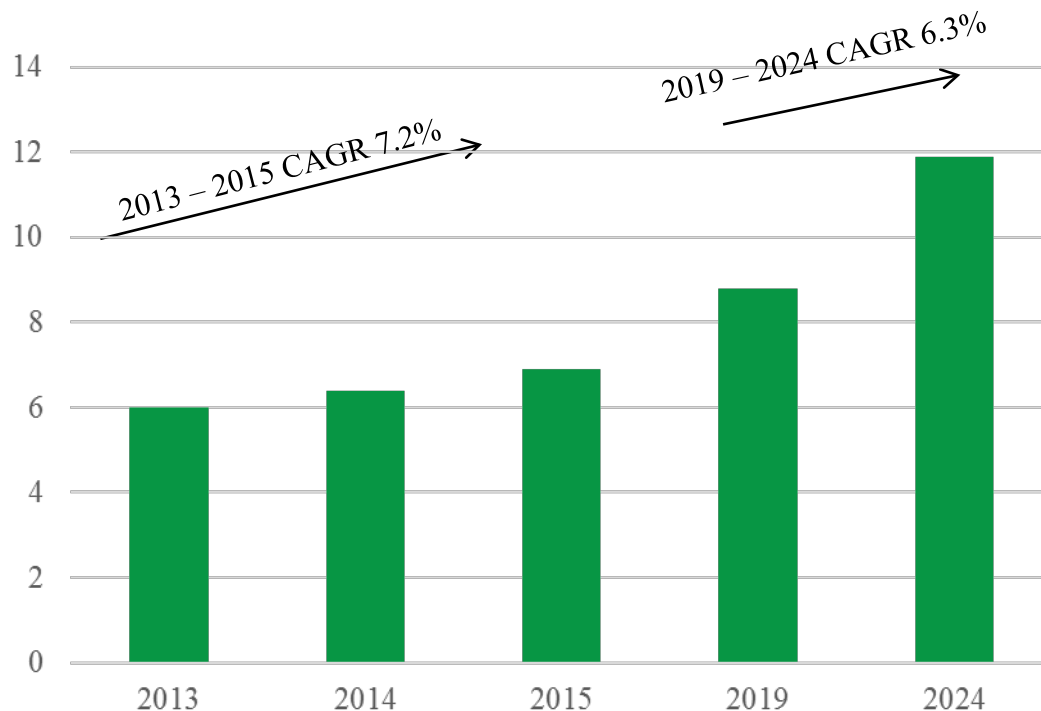
Lakeland operates in a large and growing industry...

Industry Tailwinds

- ✓ Global Economic Growth
- ✓ Global Oil Prices in Check
- ✓ Strong Increase in Manufacturing
- ✓ Robust Demand from Developing Industries
- ✓ Increased Global Focus on Safety

Protective Clothing Market¹

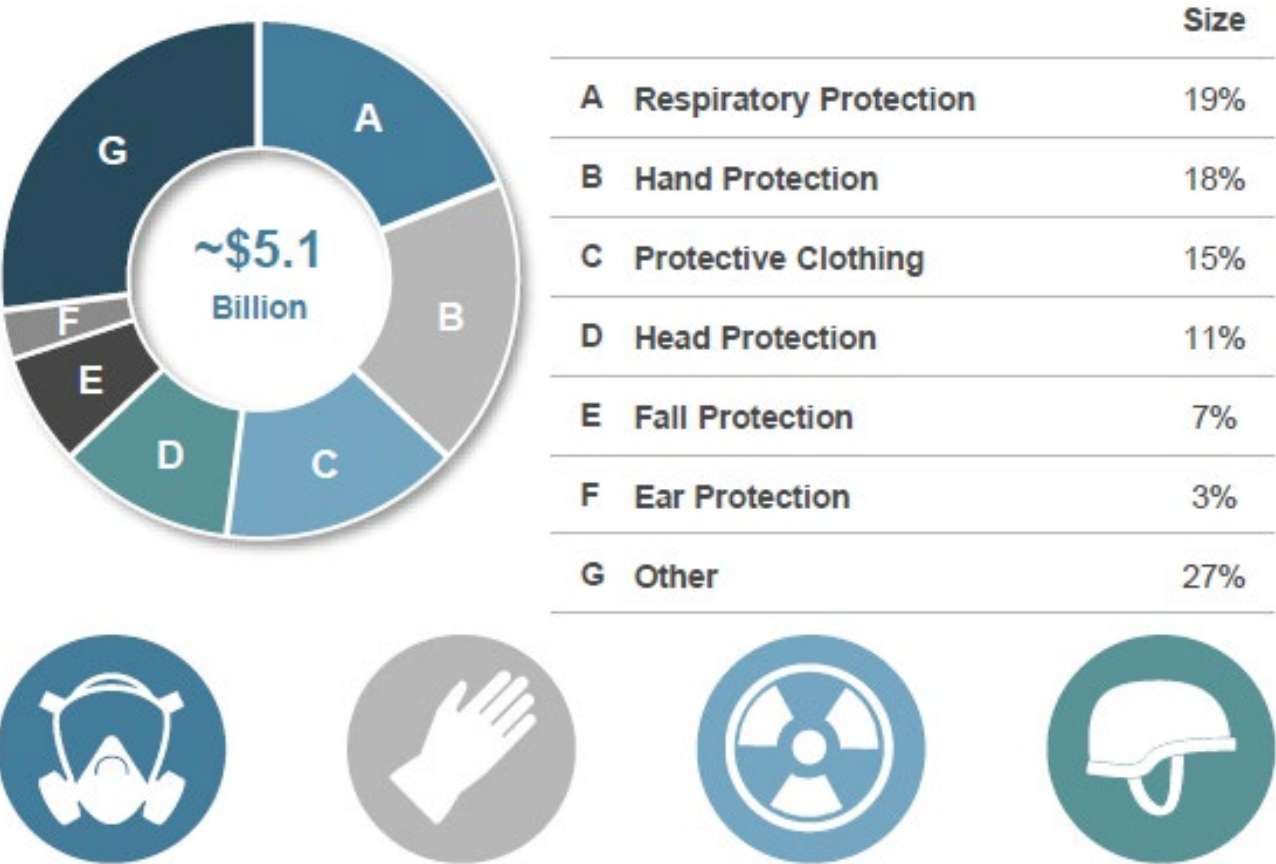
(\$ in billions)



¹ Source: Markets and Markets

Strong Presence in Large & Fragmented U.S. Market

U.S. PPE Products & Service Composition (2019)



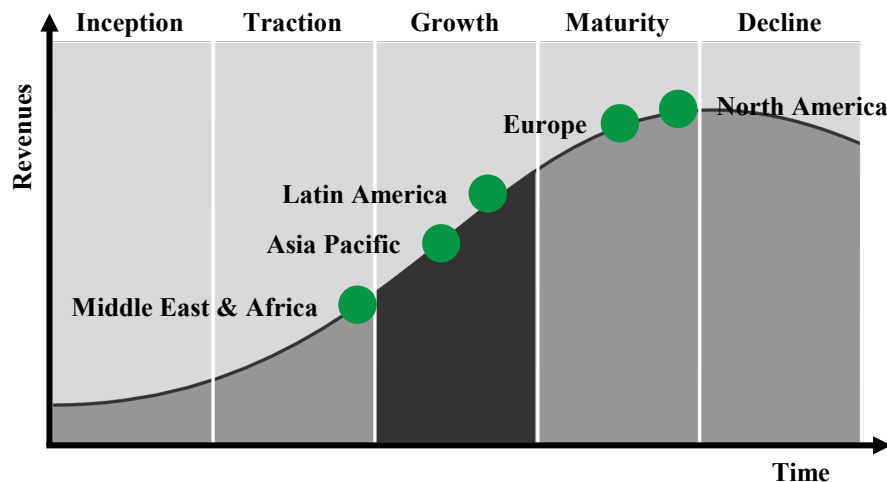
Lakeland’s US Sales are in excess of 50% of Total Sales in FY2020

Positioned for Further International Growth

Leveraging its worldwide operating capabilities, LAKE plans deeper penetration into existing markets and selective expansion into new geographies...

- Led by multinational corporations, developing countries are increasingly adopting OSHA-like standards
- LAKE is able to offer its U.S. product range in international markets for little incremental costs
- The Company recently entered South Korea, Indonesia, Malaysia and Vietnam and is hiring aggressively in these new markets
- Diversified product lines and geographic presence provide for low seasonality

Significant Opportunity in Developing Markets¹



Sales Presence by Geography

| Region | Sales People ² |
|---------------------|---------------------------|
| U.S. | 28 |
| Asia Pacific | 27 |
| Latin America | 10 |
| EEC | 7 |
| Mexico | 11 |
| Canada | 5 |
| Russia / Kazakhstan | 4 |
| India | 8 |

¹ Source: Markets and Markets: *Protective Clothing Market – Global Forecast to 2020*.

² Numbers approximated as at June 2020, including Sales and Sales Support

Growth and Performance Improvement Initiatives

- Investments in digital transformation
 - ERP implementation
 - CRM installation globally
 - Launch of new websites for nine global locations
 - Amazon platform in multiple countries
- Investments in manufacturing
 - Vietnam (now largest facility for the Company)
 - India (planning major expansion in future for current pilot plant)
 - Short run pilot plant for high margin products
- Investments in product development
 - Higher margin segments:
 - Cleanroom suits for Big Pharma
 - Electric arc protective apparel for Utilities
- 2Q20 results began reflecting above measures

LAKE Shares Trade at Discount on Improving Financials

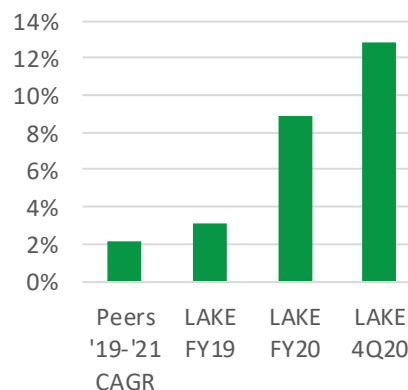
Attractive Valuation*

LAKE Trades at 7.0x EV/EBITDA
Based on TTM Results

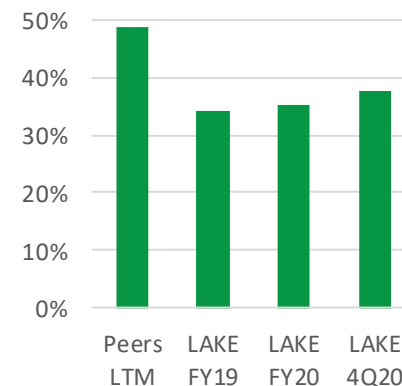


LAKE Improving Performance

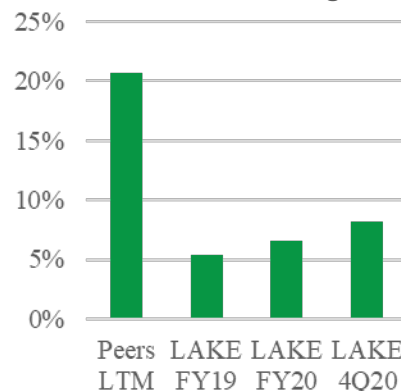
Revenue Growth



Gross Margin



EBITDA** Margin



COVID Impacts 1Q21 Results

- Revenue Growth of 84.7%
- Gross Margin of 48.6%
- EBITDA Margin of 28.1%

Source of Chart: Houlihan Lokey/Capital IQ, as of 5/15/20

* Valuation assumes LAKE share price on 6/16/20

** EBITDA is a non-GAAP financial measure; reconciliation provided herein.

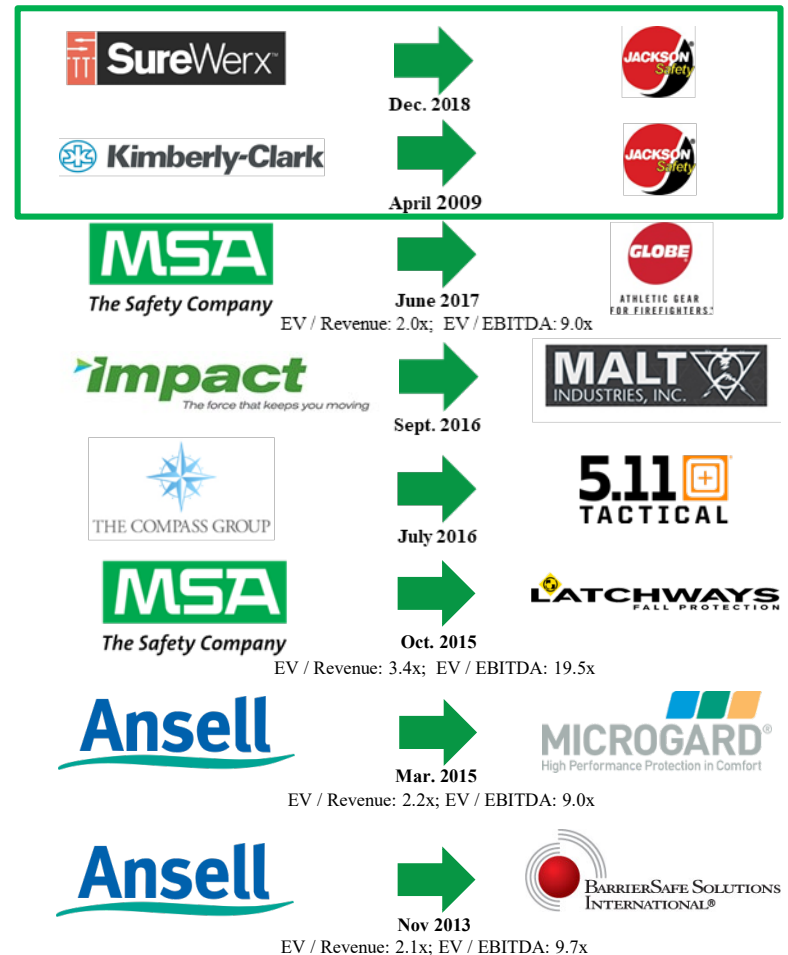
(1) Excludes Delta Plus, Koken and Shigematsu as guidance not yet available.

(2) Excludes Riken Keiki and Blackline Safety as guidance not yet available.

Significant M&A Activity

| Date | Acquirer | Target |
|--------|---------------------------|---|
| Feb-20 | New Mountain Capital | ILC Dover |
| Dec-19 | PIP Global | Boss Manufacturing Company |
| Nov-19 | SureWerx | Sure-Foot Industries |
| Oct-19 | ASGARD Partners | Revision Eyewear |
| Aug-19 | Gryphon Investors | Mechanix Wear |
| May-19 | PIP Global | Worldwide Protective Products |
| May-19 | North Branch Capital | Diversified Fall Protection |
| May-19 | AirBoss-Defense | Immediate Response Technologies |
| Apr-19 | Saf-Gard Safety Shoe | Great Lakes / Michigan Industrial Shoe |
| Mar-19 | Total Safety | Airgas On-Site Safety Services Inc. |
| Feb-19 | PIP Global | West Chester Protective Gear |
| Feb-19 | Bunzl | Liberty Glove & Safety Inc. |
| Feb-19 | Ansell | Ringers Technologies |
| Dec-18 | SureWerx | Kimberly-Clark (Jackson / Wilson Safety) |
| Nov-18 | Riverside Company | SureWerx |
| Oct-18 | Alliance Marine | Safety and Survival Systems International |
| Sep-18 | Klein Tools | Ergodyne Corporation |
| Aug-18 | Grolls AB | Duunivaruste Oy |
| Feb-18 | Audax Group | PIP Global |
| Jan-18 | Audax Group | Checkers Safety |
| Aug-17 | VF Corporation | Williamson-Dickie Manufacturing Company |
| Jun-17 | MSA | Globe |
| Mar-17 | Wensleydale W & G Limited | Evac+Chair International |
| Sep-16 | Impact | MALT Industries |
| Aug-16 | Compass Group | 5.11 Tactical |
| Jun-16 | SureWerx | KP Industries |
| Jun-16 | National Safety Apparel | DRIFIRE |
| May-16 | SPRichards | Safety Zone |
| May-16 | Dunlop | Onguard Industries |
| May-16 | Swedol AB | Grolls AB |
| Feb-16 | Safariland | United Uniform |
| Nov-15 | Mallory Safety & Supply | Sanderson |
| Oct-15 | CCMP | Shoes for Crews |
| Sep-15 | MSA | Latchways plc |
| Jul-15 | Würth Group | Northern Safety and Industrial |
| Jun-15 | 3M | Capital Safety |
| Jun-15 | Bunzl | International Sourcing Company |
| Jun-15 | Bunzl | Importadores Exportadores Solmaq |
| Jun-15 | Bunzl | Ligne T SAS |

Notable Transactions



Seasoned Management Team

Management Bios

Years at LAKE



Christopher J. Ryan – Executive Chairman

Upon his appointment as Executive Chairman in February 2020, Christopher J. Ryan served as our Chief Executive Officer and President since November 2003, Secretary since April 1991, and a director since May 1986. Mr. Ryan was our Executive Vice President - Finance from May 1986 until becoming our President in November 2003. Mr. Ryan also worked as a Corporate Finance Partner at Furman Selz Mager Dietz & Birney, Senior Vice President-Corporate Finance at Laidlaw Adams & Peck, Inc., Managing-Corporate Finance Director of Brean Murray Foster Securities, Inc. and Senior Vice President-Corporate Finance of Rodman & Renshaw, respectively, from 1983 to 1991. Mr. Ryan has served as a Director of Lessing, Inc., a privately held restaurant chain based in New York, from 1995 to 2008. Mr. Ryan received his BA from Stanford University, his MBA from Columbia Business School and his J.D. from Vanderbilt Law School.

33 years¹



Charles D. Roberson – President & CEO

Upon his appointment as President and CEO as well as to the Company's Board of Directors in February 2020, Charles D. Roberson served as our Chief Operating Office since 2019. He served as our Senior Vice President International Sales since March 2009. Mr. Roberson joined our Company in 2004 as Technical Marketing Manager and later served as International Sales Manager. Prior to joining our Company, Mr. Roberson was employed by Precision Fabrics Group, Inc. as a Market Manager from 1995 to 2001 and as a Nonwovens Manufacturing Manager from 1991 to 1995. He began his career as a manufacturing manager for Burlington Industries, Inc. in its Menswear Division from 1985 to 1991.

15 years



Allen E. Dillard – Chief Financial Officer

Appointed CFO of Lakeland in July 2019, Allen E. Dillard's career spans three decades of senior-executive financial, operational and organizational leadership experience. For the preceding 16 years he served as CEO, CFO and COO of 2 middle market B-to-B companies, while also serving as a Board of Director for one of the companies. Earlier, he served as Treasurer and Director of Corporate Communications at Wolverine Tube, Inc. (NYSE: WLV). Previously he served as Corporate Vice President, Treasurer and Chief Financial Officer of Nichols Research Corporation, a NASDAQ-listed company which was successfully sold to a larger competitor. Mr. Dillard began his career as a public accountant with Ernst & Young where he worked for nearly a decade. He is a certified public accountant and a graduate of the University of Alabama at Birmingham.

1 year



Daniel L. Edwards – Senior Vice President Sales for North America

Daniel L. Edwards has been our Senior Vice President Sales for North America since March 2017 after most recently serving as our Vice President of USA Sales since March 2013. Mr. Edwards has been employed by us in various capacities since joining Lakeland in 2005, including as our National Accounts Manager and Eastern Regional Sales Manager. Prior to joining our Company, Mr. Edwards was a Senior Market Manager at Precision Fabrics Group, Inc., where he began his career in 1990 and held various roles at that company in manufacturing, technical and quality management.

14 years

Investment Highlights



- 1 High Growth from Proprietary/Value Added Products**
Strong Growth Masked by Wind Down of DuPont & Brazil Businesses
- 2 Flexible Worldwide Operating Capabilities**
Highly Leveragable Cost Structure including Global Manufacturing Sites
- 3 Leader in Product Quality and Garment Innovation**
Certifications and Patents Demonstrate Product Quality
- 4 Blue Chip Customer Base**
Large Customers with No Significant Customer Concentration
- 5 Diversified Product Offerings**
Product Suite Covers Protective Apparel Industry
- 6 Favorable Market and Industry Dynamics**
Global Industry Poised for Further Growth
- 7 Strong Management Team and High Insider Ownership**
Deep Industry Knowledge and Experience



Protect Your People™

Financial Review

Income Statement – 1Q21

(UNAUDITED)

(\$000's Except Share Information)

| | Three Months Ended April 30, | |
|---|---------------------------------|-----------------|
| | <u>2020</u> | <u>2019</u> |
| Net sales | \$45,582 | \$24,684 |
| Cost of goods sold | <u>23,438</u> | <u>17,130</u> |
| Gross profit | 22,144 | 7,554 |
| Operating expenses | <u>9,774</u> | <u>7,869</u> |
| Operating profit (loss) | 12,370 | (315) |
| Other income (expense), net | 6 | (27) |
| Interest expense | <u>(17)</u> | <u>(34)</u> |
| Income (loss) before taxes | 12,359 | (376) |
| Income tax expense | <u>3,725</u> | <u>89</u> |
| Net income (loss) | <u>\$8,634</u> | <u>\$(465)</u> |
| Net income (loss) per common share: | | |
| Basic | <u>\$1.08</u> | <u>\$(0.06)</u> |
| Diluted | <u>\$1.07</u> | <u>\$(0.06)</u> |
| Weighted average common shares outstanding: | | |
| Basic | 7,972,423 | 8,013,840 |
| Diluted | 8,044,849 | 8,013,840 |

EBITDA Reconciliation – 1Q21

(UNAUDITED)

(\$000's Except Share Information)

| | Three Months Ended April 30, | |
|--|---------------------------------|-------------|
| | <u>2020</u> | <u>2019</u> |
| Net Income (loss) to EBITDA | | |
| Net Income (loss) | \$8,634 | (\$465) |
| Interest | 17 | 34 |
| Taxes | 3,725 | 89 |
| Depreciation and amortization | 453 | 383 |
| Less Other income (expense), net | 6 | (27) |
| EBITDA | 12,823 | 68 |
| EBITDA to Adjusted EBITDA (excluding non-cash and one-time expenses) | | |
| EBITDA | 12,823 | 68 |
| Equity compensation | 163 | 201 |
| Adjusted EBITDA (excluding non-cash and one-time expenses) | 12,986 | 269 |
| Adjusted EBITDA to Adjusted Free Cash Flow (excluding non-cash and one-time expenses) | | |
| Adjusted EBITDA (excluding non-cash and one-time expenses) | 12,986 | 269 |
| Cash paid for taxes (foreign) | 861 | 276 |
| Capital expenditures | 194 | 168 |
| Adjusted Free Cash Flow (excluding non-cash and one-time expenses) | \$11,931 | \$(175) |

Balance Sheet – 1Q21

(UNAUDITED)

(\$000's Except Share Information)

| | ASSETS | April 30, 2020 | January 31, 2020 |
|---|--------------------------------------|-------------------|---------------------|
| Current assets | | | |
| Cash and cash equivalents | | \$23,473 | \$14,606 |
| Accounts receivable, net of allowance for doubtful accounts of \$647 and \$497 at April 30, 2020 and January 31, 2020, respectively | | 25,074 | 17,702 |
| Inventories | | 37,470 | 44,238 |
| Prepaid VAT and other taxes | | 1,516 | 1,228 |
| Other current assets | | 3,229 | 2,033 |
| Total current assets | | 90,762 | 79,807 |
| Property and equipment, net | | 9,847 | 10,113 |
| Operating leases right-of-use assets | | 2,246 | 2,244 |
| Deferred tax assets | | 3,625 | 5,939 |
| Prepaid VAT and other taxes | | 292 | 333 |
| Other assets | | 81 | 98 |
| Goodwill | | 871 | 871 |
| Total assets | | <u>\$107,724</u> | <u>\$99,405</u> |
| | LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | | |
| Accounts payable | | \$6,119 | \$7,204 |
| Accrued compensation and benefits | | 2,020 | 1,300 |
| Other accrued expenses | | 3,713 | 2,445 |
| Current maturity of long-term debt | | ----- | 1,155 |
| Short term borrowings | | 139 | ---- |
| Current portion of operating lease liabilities | | 925 | 835 |
| Total current liabilities | | 12,916 | 12,939 |
| Long-term portion of operating lease liabilities | | 1,268 | 1,414 |
| Total liabilities | | <u>14,184</u> | <u>14,353</u> |
| Commitments and contingencies | | | |
| Stockholders' equity | | | |
| Preferred stock, \$0.01 par; authorized 1,500,000 shares (none issued) | | ----- | ----- |
| Common stock, \$0.01 par; authorized 20,000,000 shares | | | |
| Issued 8,485,517 and 8,481,665; outstanding 7,976,275 and 7,972,423 at April 30, 2020 and January 31, 2020, respectively | | 85 | 85 |
| Treasury stock, at cost; 509,242 shares | | (5,023) | (5,023) |
| Additional paid-in capital | | 75,314 | 75,171 |
| Retained earnings | | 26,215 | 17,581 |
| Accumulated other comprehensive loss | | (3,051) | (2,762) |
| Total stockholders' equity | | <u>93,540</u> | <u>85,052</u> |
| Total liabilities and stockholders' equity | | <u>\$107,724</u> | <u>\$99,405</u> |

Income Statement – Fiscal Year

(UNAUDITED)

(\$000's Except Share Information)

| | <u>Year Ended January 31,</u> | |
|---|-------------------------------|----------------|
| | <u>2020</u> | <u>2019</u> |
| Net sales | \$107,809 | \$99,011 |
| Cost of goods sold | <u>69,912</u> | <u>65,105</u> |
| Gross profit | 37,897 | 33,906 |
| Operating expenses | <u>32,021</u> | <u>30,341</u> |
| Operating profit | 5,876 | 3,565 |
| Other income (expense), net | (7) | 41 |
| Interest expense | <u>(116)</u> | <u>(125)</u> |
| Income before taxes | 5,753 | 3,481 |
| Income tax expense | <u>2,472</u> | <u>2,022</u> |
| Net income | <u>\$3,281</u> | <u>\$1,459</u> |
| Net income per common share: | | |
| Basic | <u>\$0.41</u> | <u>\$0.18</u> |
| Diluted | <u>\$0.41</u> | <u>\$0.18</u> |
| Weighted average common shares outstanding: | | |
| Basic | 8,005,927 | 8,111,458 |
| Diluted | 8,037,019 | 8,170,401 |

EBITDA Reconciliation – Fiscal Year

(UNAUDITED)

(\$000's Except Share Information)

| | Year Ended January 31, | |
|--|------------------------|-------------|
| | <u>2020</u> | <u>2019</u> |
| Net Income to EBITDA | | |
| Net Income | \$3,281 | \$1,459 |
| Interest | 116 | 125 |
| Taxes | 2,472 | 2,022 |
| Depreciation and amortization | 1,645 | 965 |
| Other income (expense) | (7) | 41 |
| EBITDA | 7,521 | 4,530 |
| EBITDA to Adjusted EBITDA (excluding non-cash expenses) | | |
| Equity compensation | (403) | 744 |
| Adjusted EBITDA | \$7,118 | \$5,274 |

Balance Sheet – Fiscal Year

(UNAUDITED)

(\$000's Except Share Information)

ASSETS

| | January 31, <u>2020</u> | <u>2019</u> |
|--|----------------------------|-----------------|
| Current assets | | |
| Cash and cash equivalents | \$14,606 | \$12,831 |
| Accounts receivable, net of allowance for doubtful accounts of \$497 and \$434 at January 31, 2020 and 2019, respectively | 17,702 | 16,477 |
| Inventories | 44,238 | 42,365 |
| Prepaid VAT and other taxes | 1,228 | 1,478 |
| Other current assets | <u>2,033</u> | <u>2,319</u> |
| Total current assets | 79,807 | 75,470 |
| Property and equipment, net | 10,113 | 10,781 |
| Operating leases right-of-use assets | 2,244 | ----- |
| Deferred tax assets | 5,939 | 7,267 |
| Prepaid VAT and other taxes | 333 | 176 |
| Other assets | 98 | 158 |
| Goodwill | <u>871</u> | <u>871</u> |
| Total assets | <u>\$99,405</u> | <u>\$94,723</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$7,204 | \$6,214 |
| Accrued compensation and benefits | 1,300 | 1,137 |
| Other accrued expenses | 2,445 | 2,825 |
| Current maturity of long-term debt | 1,155 | 158 |
| Current portion of operating lease liability | 835 | ----- |
| Total current liabilities | <u>12,939</u> | <u>10,334</u> |
| Long-term portion of debt | ----- | 1,161 |
| Long-term portion of operating lease liability | <u>1,414</u> | ----- |
| Total liabilities | <u>14,353</u> | <u>11,495</u> |
| Commitments and contingencies | | |
| Stockholders' equity | | |
| Preferred stock, \$0.01 par; authorized 1,500,000 shares (none issued) | ----- | ----- |
| Common stock, \$0.01 par; authorized 20,000,000 shares, Issued 8,481,665 and 8,475,929; outstanding 7,972,423 and 8,013,840 at January 31, 2020 and 2019, respectively | 85 | 85 |
| Treasury stock, at cost; 509,242 and 462,089 shares at January 31, 2020 and 2019, respectively | (5,023) | (4,517) |
| Additional paid-in capital | 75,171 | 75,612 |
| Retained earnings | 17,581 | 14,300 |
| Accumulated other comprehensive loss | <u>(2,762)</u> | <u>(2,252)</u> |
| Total stockholders' equity | <u>85,052</u> | <u>83,228</u> |
| Total liabilities and stockholders' equity | <u>\$99,405</u> | <u>\$94,723</u> |



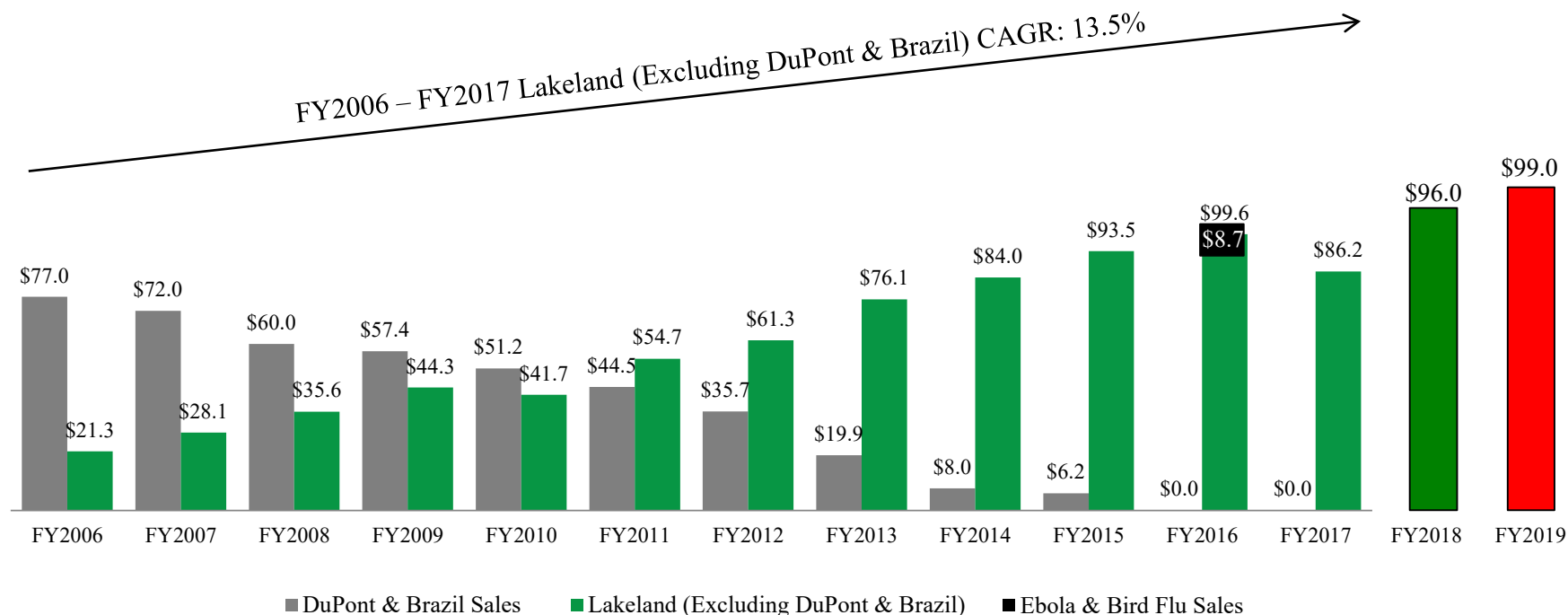
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Appendix

Strong Growth Masked By Wind-Down of DuPont & Brazil

Sales by Segment

(\$ in millions)



LAKE grew larger despite winding down \$77 million DuPont and \$17 million Brazil businesses

Company fiscal year ends January 31.

FY2016 includes \$8.7 million in one time Ebola and Bird Flu related revenue.

Real Estate

| Location | Sq. Ft. | Leased / Owned | Primary Function |
|--------------------------------|---------|----------------|--|
| Canada (Brantford) | 22,092 | Owned | Sales / Warehouse |
| China (Weifang) | 122,665 | Owned | Administration / Manufacturing / Warehouse / Sales |
| | 16,145 | Leased | Warehouse |
| Decatur, AL | 147,228 | Owned | Administration / Manufacturing / Sales |
| | 21,000 | Leased | Warehouse |
| Mexico (Zacatecas) | 74,000 | Owned | Administration / Manufacturing / Warehouse / Sales |
| Argentina (Buenos Aires) | 3,770 | Leased | Administration / Manufacturing / Warehouse / Sales |
| Chile (Santiago) | 3,996 | Leased | Administration / Warehouse / Sales |
| China (Beijing) | 3,047 | Leased | Sales / Warehouse |
| China (Shanghai) | 11,746 | Leased | Administration / Sales / Warehouse |
| India (Noida) | 32,005 | Leased | Manufacturing / Warehouse / Sales |
| Kazakhstan (Ust-Kamenogorsk) | 89 | Leased | Warehouse / Sales |
| Ronkonkoma, NY | 2,500 | Leased | Headquarters – Administration / Sales |
| Russia (Moscow) | 875 | Leased | Warehouse / Sales |
| U.K. (Newport, East Yorkshire) | 9,833 | Leased | Warehouse / Sales |
| Vietnam (Nahm Dinh) | 140,000 | Leased | Manufacturing / Warehouse |