



Investor Presentation | May 2021

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

Q4FY21 Results

- Net sales of \$36.9M, up 31% from \$28.2M in 4Q20
- Gross profit of \$18.1M, compared with 4Q20 of \$10.6M
- Gross margin of 48.9%, compared to 37.7% in 4Q20
- Opex of \$8.8M, compared to \$8.9M in 4Q20
- Operating profit of \$9.3M, up from \$1.7M in 4Q20
- Net income of \$7.9M, up from \$1.2M in 4Q20
- EBITDA* of \$10.3M, compared with \$2.3M in 4Q20
- Cash of \$52.6M at 1/31/21, up from \$14.6M at 1/31/20
- No debt as of 1/31/21, down from \$1.2M at 1/31/20

Market Stats

Share Price (as of 4/26/2021)	\$29.15
52-Week High / Low	\$47.95 / \$12.44
Average Daily Volume (3M)	284,000
Diluted Shares Outstanding ¹	8.1 million
Market Capitalization ¹	\$236.1 million
Debt (as of 1/31/2021)	\$0.0 million
Cash (as of 1/31/2021)	\$52.6 million
Enterprise Value	\$183.5 million

**New \$5 Million Stock Repurchase Program
Authorized in February 2021**

Financials & Valuation

LTM Revenue ³	\$159.0 million
LTM EBITDA ³	\$45.8 million
LTM Net Income ³	\$35.1 million
LTM Diluted EPS ³	\$4.31
EV/LTM Revenue ³	1.2x
EV/LTM EBITDA ³	4.0x
P/E (LTM) ³	6.7x
Book Value ³	\$124.7 million

One Year Stock Performance



Source: Etrade

¹ Treasury stock method

² Source: Bloomberg/Yahoo

³ As of 1/31/2021

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

LAKE Product Examples



LAKE Critical Environment Suit



LAKE Homeland Security Suit




LAKE Disposable Suit



LAKE Chemical Protection Suit

Leading Protective Clothing Manufacturer

Product Offering:						
	Disposables	Chemical Suits	Wovens	Fire/Reflectives	Gloves	HPW
% of Sales¹	68%	18%	4%	6%	2%	1%
Sales by Geography:	<ul style="list-style-type: none"> • Domestic: 44% of FY21 net sales • International: 56% of FY21 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"> • >2,000 international employees (approx.) • 120 domestic employees (approx.) 					
Founded:	<ul style="list-style-type: none"> • 1982 					

¹ YTD at 1/31/21.

Innovative Proprietary Products

LAKE utilizes its unique manufacturing platform and 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 1/31/2021.

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; near-shoring options may deliver further benefits
- ✓ 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
 - Increased 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 capacity to COVID-related demand
 - Order backlog at 1/31/21 has filled manufacturing capacity for months ahead for some products
 - Accelerated additional India production

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



Vietnam Facility



India Manufacturing Facility



Vietnam Manufacturing



Blue Chip Customers

Distributors



End Users



Favorable Long Term Industry Dynamics

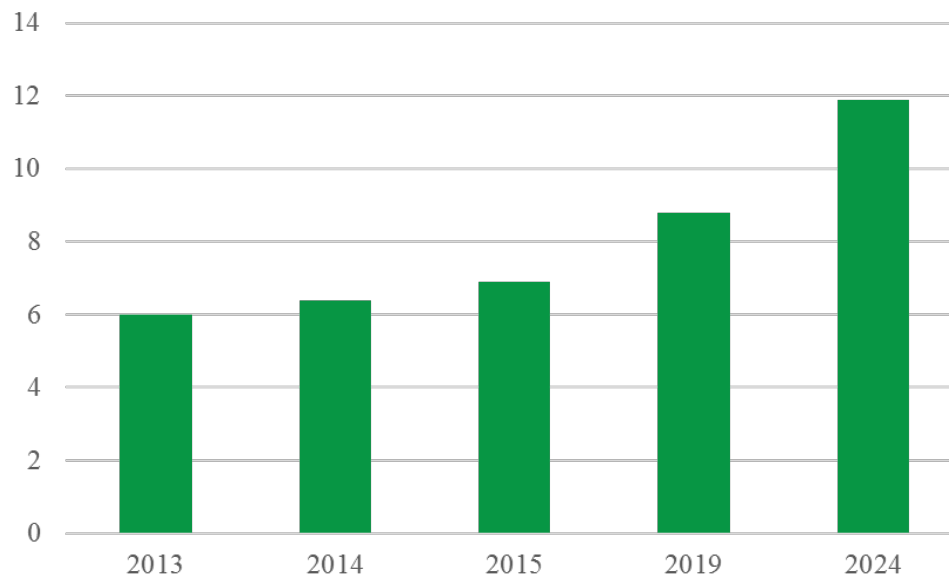
Lakeland operates in a large and growing industry...

Industry Tailwinds

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

Protective Clothing Market¹

(\$ in billions)

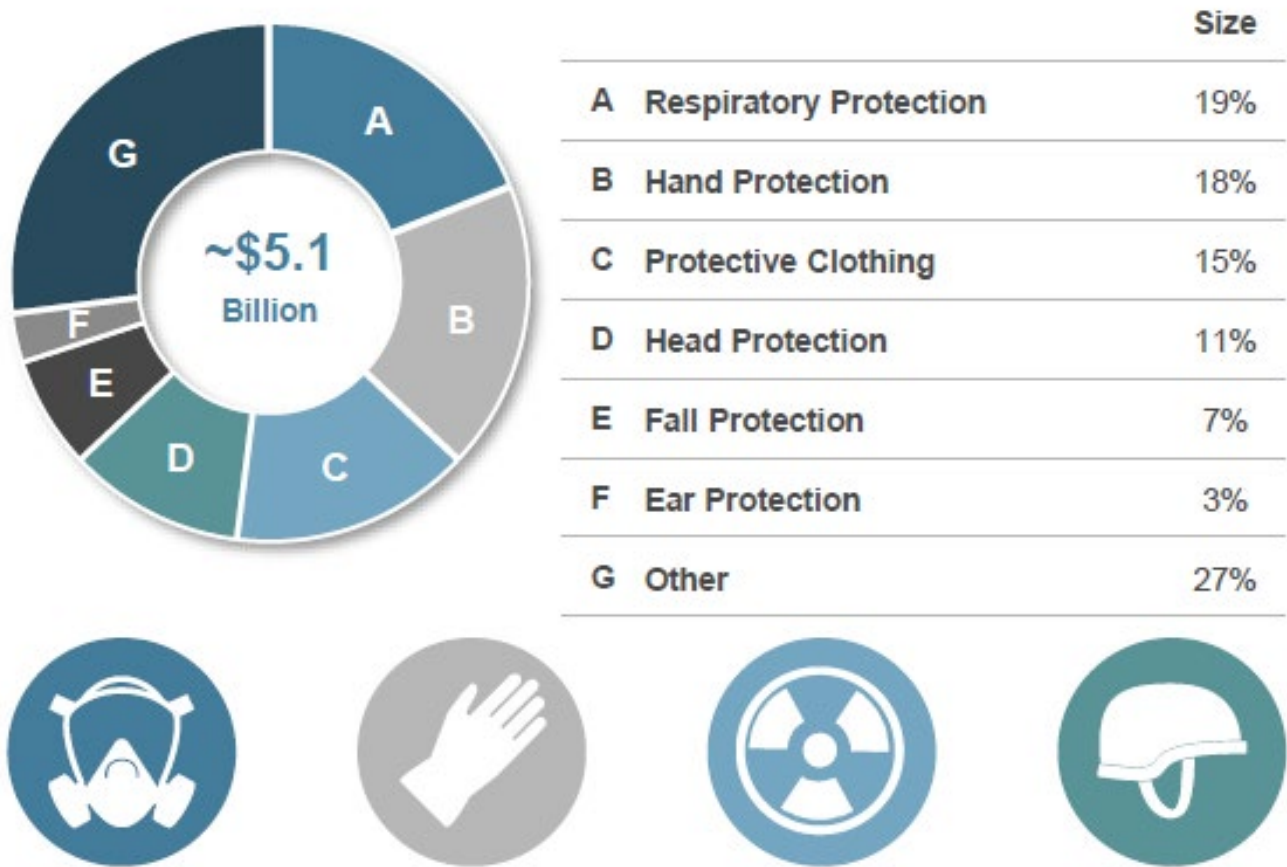


¹ Source: Markets and Markets

Note: The forecast above was provided before COVID-19 brought PPE to the mainstream. The addition of COVID-19 demand and spawning of new market opportunities such as Institutional Cleaning have significantly added to the addressable market size.

Strong Presence in Large & Fragmented U.S. Market

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



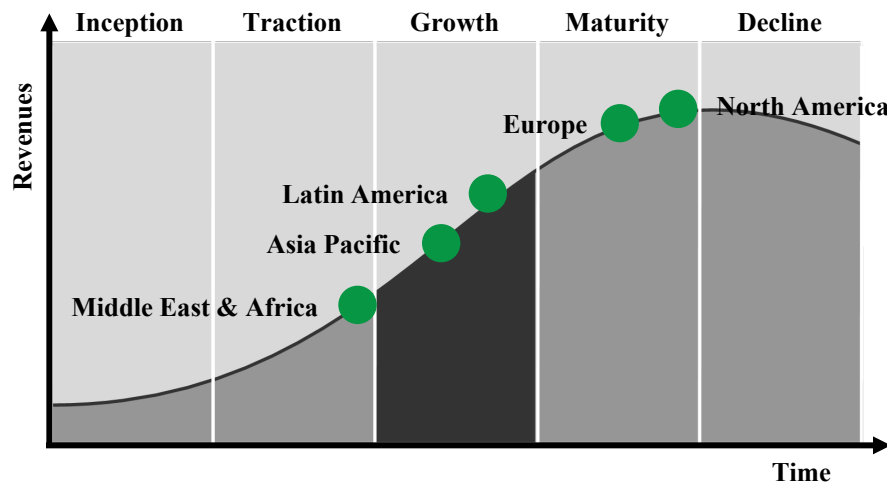
Lakeland’s US Sales are 44% of Total Sales in FY2021

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, includes Sales and Sales Support

Growth and Performance Improvement Initiatives

- Investments in centralized data driven planning systems
 - ERP implementation
 - CRM installation globally
 - Launch of new websites for nine global locations
- Investments in manufacturing
 - Vietnam (now largest facility for the Company)
 - India (expansion underway)
 - Short run pilot plant for high margin products
 - Increasing Critical Environment manufacturing capacity
- Investments in product development
 - Higher margin segments:
 - Cleanroom suits for Big Pharma
 - Electric arc protective apparel for Utilities – High Performance Wear
- 2Q20 results began reflecting above measures
- COVID-19 adjustments driving new methods for even higher and certain sustainable operational improvements post-pandemic

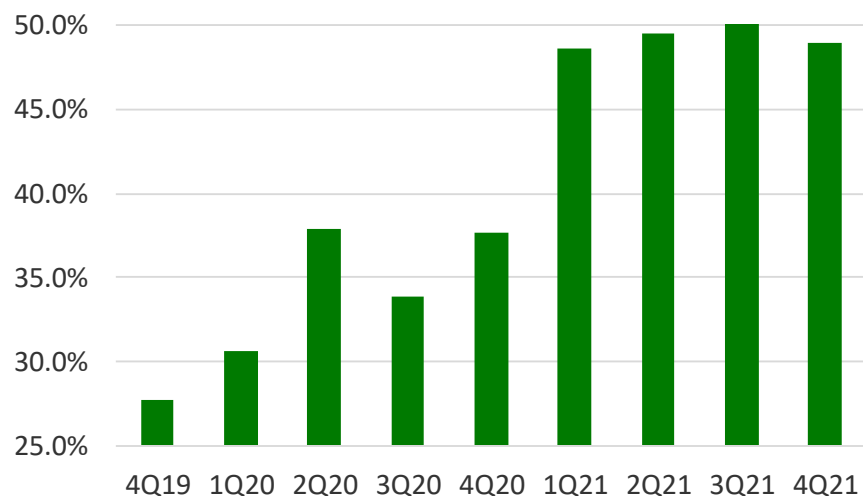
Strengthening Business Model – Pre/Post-COVID-19

Business Area	Key Characteristic: At End of Fiscal 2020	Key Characteristic: Current
Products	Proprietary / value-added / higher margin	Proprietary / value-added / higher margin / specialized vertical market
COGS / Raw Materials	Multi-sourced, lower priced fabrics than DuPont	Multi-sourced, lower priced fabrics from separate regions
Gross Margin	35.2%	High 40% Range
Sales Channels	Distributors and Key End Users	Distributors and Key End Users
Customer Breadth	Diversified	Diversified plus hundreds of new industrial customers and government/healthcare organizations
Number of Products	>800	>500
Sales Presence	21 countries	21 countries
Geographic Reach	Global	Global
Manufacturing Locations	U.S., China, Mexico, LATAM, India, Vietnam	Same as before plus significant expansions in Mexico, India and Vietnam

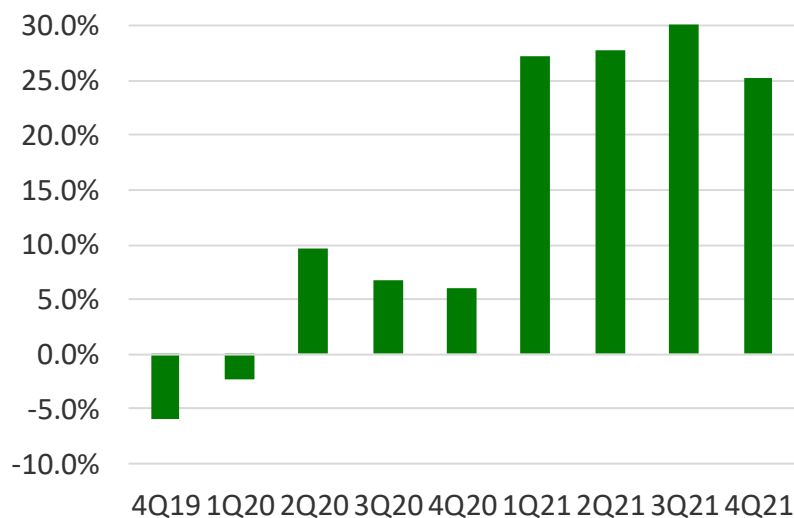
KPIs Improving Over Long Term

Income Statement Performance

Gross Profit as a Percentage of Sales



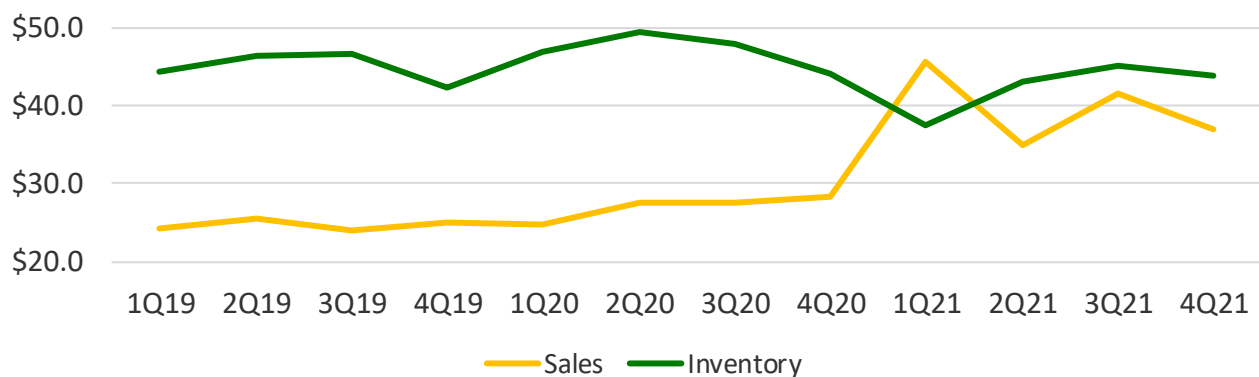
Operating Profit as a Percentage of Sales



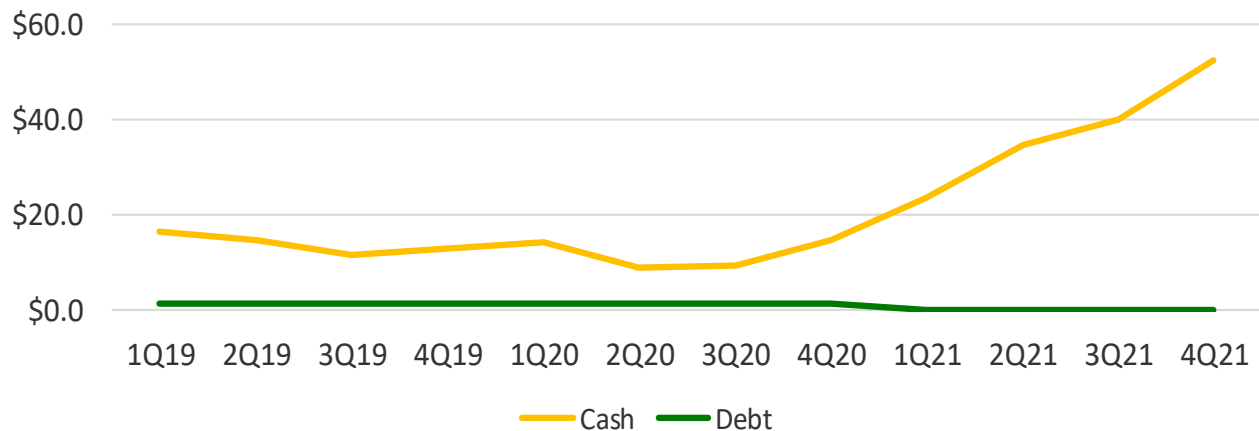
KPIs Improving Over Long Term

Sustainable Balance Sheet Performance

Lower Inventories and Higher Revenues



Increased Cash and Elimination of Debt



Sustainable Improvements – Operational Impact

Key Area	Favorable Impact
Customer Conversion	<ul style="list-style-type: none">• Added over 500 new industrial customers in F2021 totaling \$12 million in sales, with approximately 80% having the potential to result in ongoing business
New Products	<ul style="list-style-type: none">• 2 new higher margin niche products added
Pricing	<ul style="list-style-type: none">• Raised prices in past year• Passed along increased cost• Favorable new client structures
Products	<ul style="list-style-type: none">• Reduction in SKUs in FY21 leading to permanent reductions (but higher than current)• Reduced customer lead times and increases productivity on larger runs of remaining items• Improved inventory turns
Factory Floor Management	<ul style="list-style-type: none">• Advantages of owning our manufacturing operations• Ability to extend operating hours and other efficiency measures

Sustainable Improvements – Financial Impact

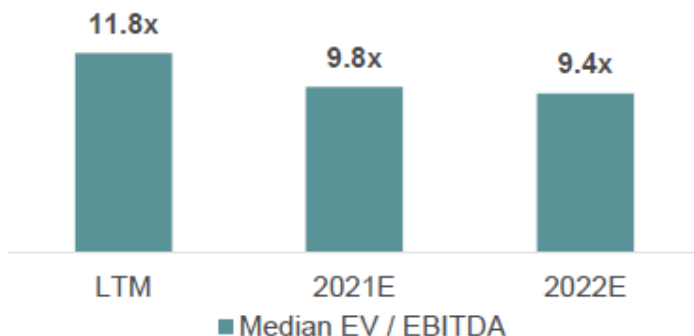
Key Area	Favorable Impact
Revenue	<ul style="list-style-type: none"> • Rising – 4 consecutive years of revenue growth • Well positioned for emergence of institutional cleaning as new market segment, government and industry PPE stockpiling
Gross Margin	<ul style="list-style-type: none"> • 49.8% gross margin as a percentage of sales in FY21, compared to 35.2% for FY20 • Continuation of increasing margins to benefit from higher revenues, fewer SKUs, improved efficiencies, and product mix
Operating Expenses	<ul style="list-style-type: none"> • Business decisions and IT investments yield factory floor and distribution efficiencies • Operating margin higher at record 27.6% for FY21, up from 5.5% in FY20
Balance Sheet	<ul style="list-style-type: none"> • Cash flow enhancements with improved management of A/P, A/R, inventory turns • Cash at record levels – \$52.6 million up 260% from end of FY20 • Debt eliminated • Working capital growing
Capital Expenditures	<ul style="list-style-type: none"> • Delivering scalability and operating leverage • Investments for 2019 and 2020 combined were \$4.1 million; \$1.7 million in F21 • Average quarterly revenue was \$26 million in FY19 and FY20; average quarterly revenue in FY21 was \$39.8 million for a 53% improvement

LAKE Shares Trade at Discount on Improving Financials

Attractive Valuation*

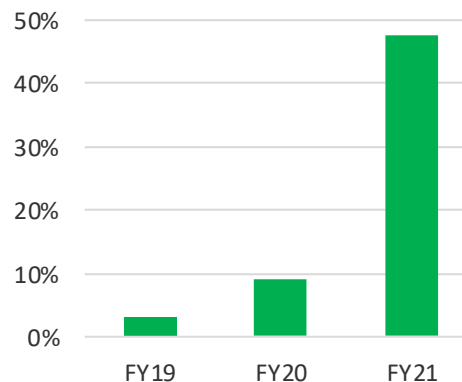
LAKE Trades at 4.0x EV/EBITDA
Based on TTM Results

Personal Protective Equipment & Clothing⁽¹⁾

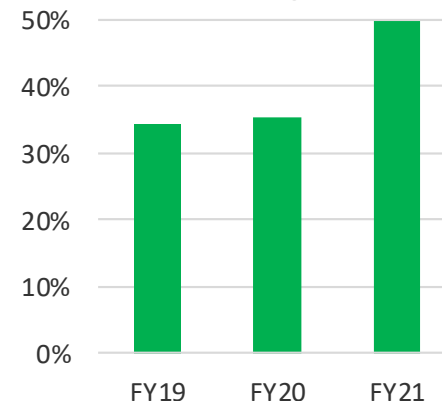


LAKE Improving Performance

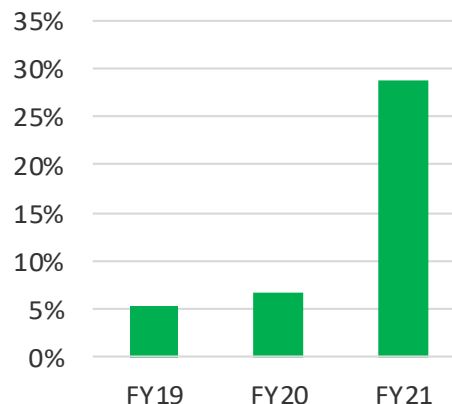
Revenue Growth



Gross Margin



EBITDA* Margin



*FY21 Set for Revenues,
Gross Profit and
Margin, Operating
Income and Margin, and
Free Cash Flow*

Source of Chart: Houlihan Lokey/Capital IQ, as of 4/26/21

(1) Valuation assumes LAKE share price on 3/1/21

* 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.

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 Officer 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 CPA and a graduate of the University of Alabama at Birmingham.

2 years



Steven L. Harvey – Executive Vice President, Global Sales and Marketing

Appointed EVP, Global Sales and Marketing in January of 2021, Steven L. Harvey's career spans 3 decades of executive sales experience primarily. He brings a wealth of experience in data driven, CRM-based sales and marketing disciplines. For the preceding 11 years, he served as VP of Global Sales and Support for Digium, a late-stage cloud services company, until it was acquired. Earlier, Mr. Harvey served 11 years with ADTRAN (NASDAQ:ADTN) where he held various executive sales roles of increasing responsibility. He began his career with Procter and Gamble after graduating from Indiana University.

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 Sustainable Improvements Drive Performance**
Strong Long Term Growth Trends
- 2 Strategic Competitive Advantage in Owning Our Manufacturing**
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**
Covers Protective Apparel Industry; New High Growth Niche Categories
- 6 Favorable Market and Industry Dynamics**
Global Industry Poised for Accelerated Growth
- 7 Pristine Balance Sheet**
Cash War Chest and Cash Flow to Fund Organic/Inorganic Plans
- 8 Strong & Expanded Management Team**
Deep Industry Knowledge and Experience

LAKE Shares Attractively Valued Relative to Improved Fundamentals and as Compared with Peers



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Financial Review

Income Statement – Fiscal Year

(UNAUDITED)

(\$000's Except Share Information)

	<u>2021</u>	<u>2020</u>
Net sales	\$159,000	\$107,809
Cost of goods sold	<u>79,750</u>	<u>69,912</u>
Gross profit	79,250	37,897
Operating expenses	<u>35,397</u>	<u>32,021</u>
Operating profit	43,853	5,876
Other income (expense), net	50	(7)
Interest expense	<u>(23)</u>	<u>(116)</u>
Income before taxes	43,880	5,753
Income tax expense	<u>8,774</u>	<u>2,472</u>
Net income	<u>\$35,106</u>	<u>\$3,281</u>
Net income per common share:		
Basic	<u>\$4.40</u>	<u>\$0.41</u>
Diluted	<u>\$4.31</u>	<u>\$0.41</u>
Weighted average common shares outstanding:		
Basic	7,977,683	8,005,927
Diluted	8,141,189	8,037,019

EBITDA Reconciliation – Fiscal Year

(UNAUDITED)

(\$000's Except Share Information)

	Year Ended January 31,	
	2021	2020
Net Income to EBITDA		
Net Income	\$35,106	\$3,281
Interest	23	116
Taxes	8,774	2,472
Depreciation and amortization	1,965	1,645
Other income (expense)	50	(7)
EBITDA	\$45,818	\$7,521
EBITDA to Adjusted EBITDA (excluding non-cash expenses)		
Equity compensation	\$1,727	\$(403)
Adjusted EBITDA	\$47,545	\$7,118
Cash paid for taxes (foreign)	3,561	1,700
Capital expenditures	1,662	1,033
Free cash flow	\$42,322	\$4,385

Balance Sheet – Fiscal Year

(UNAUDITED)

(\$000's Except Share Information)

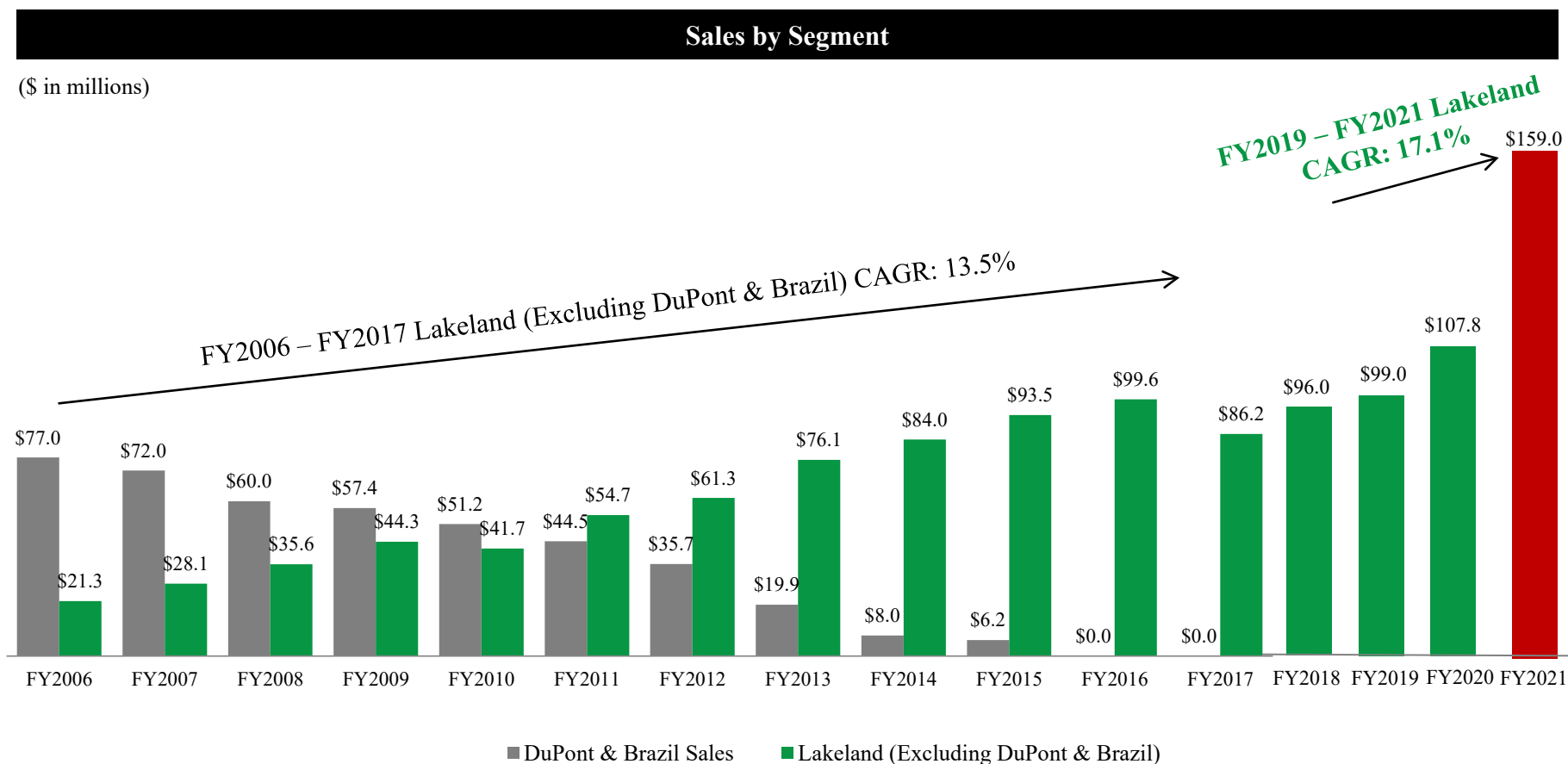
ASSETS		
Current assets	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$52,596	\$14,606
Accounts receivable, net of allowance for doubtful accounts of \$700 and \$497 at January 31, 2021 and 2020, respectively	21,702	17,702
Inventories	43,833	44,238
Prepaid VAT and other taxes	1,343	1,228
Other current assets	4,134	2,033
Total current assets	123,608	79,807
Property and equipment, net	9,819	10,113
Operating leases right-of-use assets	2,347	2,244
Deferred tax assets	2,839	5,939
Prepaid VAT and other taxes	329	333
Other assets	112	98
Goodwill	871	871
Total assets	<u>\$139,925</u>	<u>\$99,405</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$7,397	\$7,204
Accrued compensation and benefits	3,902	1,300
Other accrued expenses	1,793	2,445
Income tax payable	1,534	-----
Current maturity of long-term debt	-----	1,155
Current portion of operating lease liability	768	835
Total current liabilities	15,394	12,939
Long-term portion of debt	-----	-----
Long-term portion of operating lease liability	<u>1,613</u>	<u>1,414</u>
Total liabilities	<u>17,007</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 8,498,457 and 8,481,665; outstanding 7,984,518 and 7,972,423 at January 31, 2021 and 2020, respectively	85	85
Treasury stock, at cost; 509,242 shares at January 31, 2021 and 2020	(5,023)	(5,023)
Additional paid-in capital	76,781	75,171
Retained earnings	52,687	17,581
Accumulated other comprehensive loss	<u>(1,612)</u>	<u>(2,762)</u>
Total stockholders' equity	<u>122,918</u>	<u>85,052</u>
Total liabilities and stockholders' equity	<u>\$139,925</u>	<u>\$99,405</u>



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Appendix

Strong Growth Masked By Wind-Down of DuPont & Brazil



**LAKE successfully transitioned from majority of sales dependent on
DuPont to 100% third party multi-sourced materials**

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