



August 2014 Investor
Presentation
Canaccord Genuity
34th Annual Growth Conference

www.oesx.com

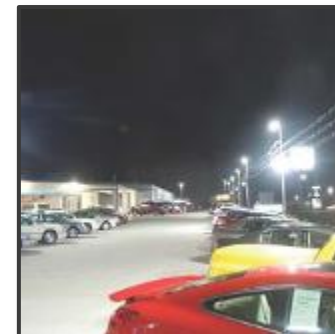


Safe Harbor / Company Snapshot

This presentation contains forward-looking statements. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements.

Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in Orion Energy Systems' filings with the Securities and Exchange Commission. If any of these risks or uncertainties materializes, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statements that you see or hear during this presentation, including our "Long-term Growth Targets", reflect our current views with respect to future events and are subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.

Orion Energy Systems, Inc. (NYSE MKT: OESX) (at 6/30/2014 unless otherwise noted)	
Corporate Headquarters	Manitowoc, WI
Industry	Energy
Business	Lighting and energy management solutions for the building retrofit market
Stock Price	\$5.11 (at 8/11/2014)
Shares Outstanding	21.7 million
Market Cap	\$110.9 million (at 8/11/2014)
Acronyms / Terms	Light-emitting Diode (LED) High-intensity Fluorescents (HIF)
Year Founded / IPO	1996 / 2007





Orion Energy Systems, Inc

NYSE MKT: OESX

- 18 year old company (Orion) + 47 year old company (Harris Lighting)
- Offices in Jacksonville, FL and Tech Center, HQ and Plant in Manitowoc, WI
- Combined, over 20,000 project installations and over 160 Fortune 500 customers
- 74 Patents issued or pending
- 260 Employees



- Capture space in the massive technology shift from legacy lighting to solid state LED lighting
- Estimated \$430 Bln installed base of legacy lighting in the US alone in three segments
- Lead the transformation of commercial and industrial buildings into this new technology
- Position Orion at this rare point in time to capture this opportunity





Track Record of Success



34.4 Billion kWh Saved

\$2.6 Billion Saved

162 Fortune 500 Companies

10,777 Facilities

1.49 Billion Sq. Ft. Retrofitted

22 Patents Pending
52 Granted



47 Facilities



398 Facilities



PEPSICO

174 Facilities



TOYOTA

9 Facilities



OfficeMax

20 Facilities

ANHEUSER



BUSCH

105 Facilities

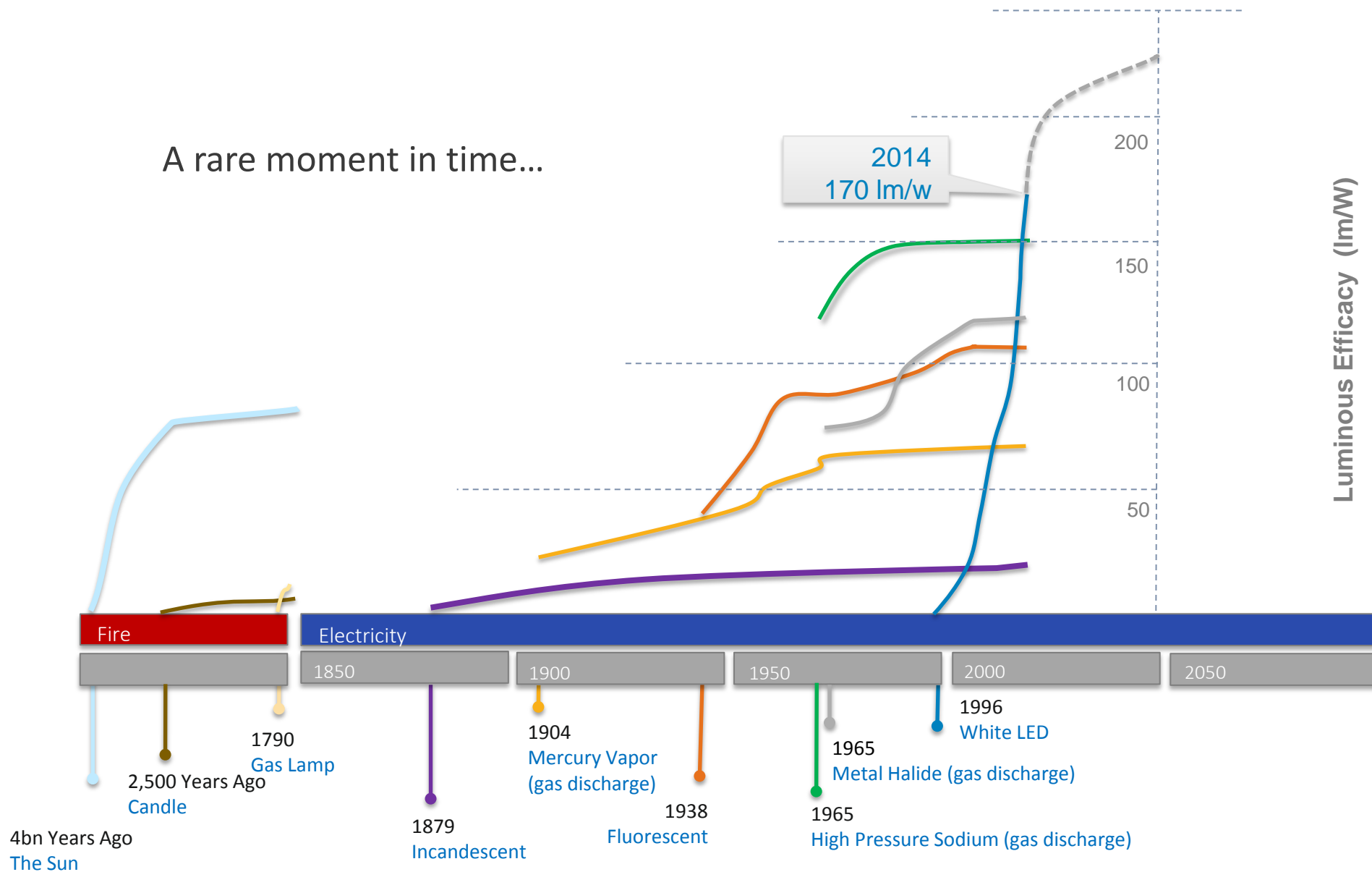


119 Facilities



97 Facilities

A rare moment in time...





The Unique Position of Orion

- ✦ Installed base of over 20,000 customer sites (including Harris) with legacy lighting
 - ✦ High Intensity Discharge exterior fixtures
 - ✦ Orion high-bay fluorescent fixtures
 - ✦ T8 and T12 fluorescent office fixtures
 - ✦ Induction fixtures
- ✦ Business built on over 40 years of experience in the building lighting retrofit space
 - ✦ commercial
 - ✦ Retail
 - ✦ industrial buildings
- ✦ Channel in place that is very close to the end-use customer decisions – very high touch, yet built for scale
 - ✦ Enterprise Accounts
 - ✦ Energy Service Companies
 - ✦ Direct Distribution
- ✦ Product line with exceedingly high performance
 - ✦ Technical: Best optical and thermal performance
 - ✦ Application: Lowest cost to install
 - ✦ Financial: Best IRR

Why we Win.

Best customer experience in the industry.

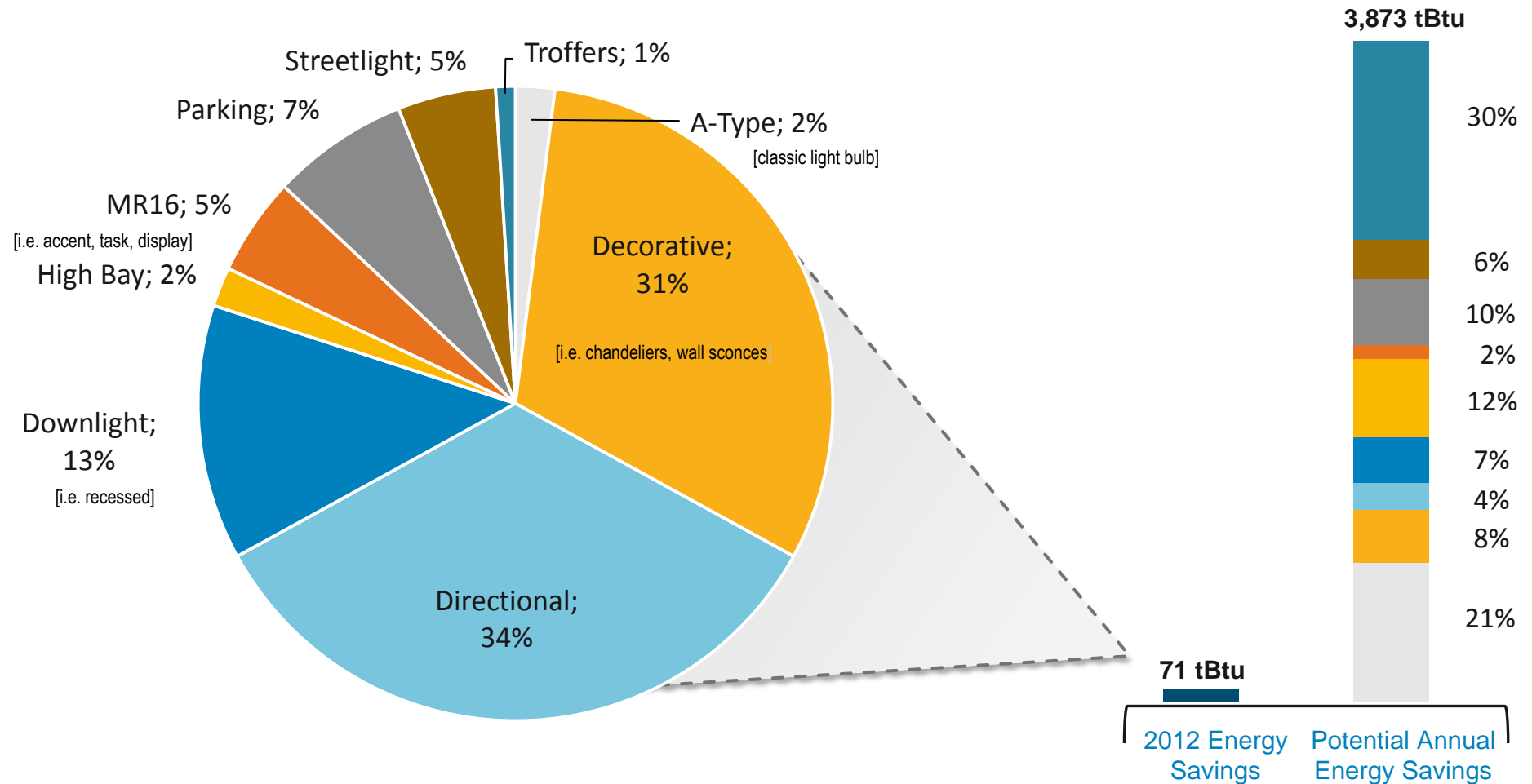
We make heroes out of our customers.



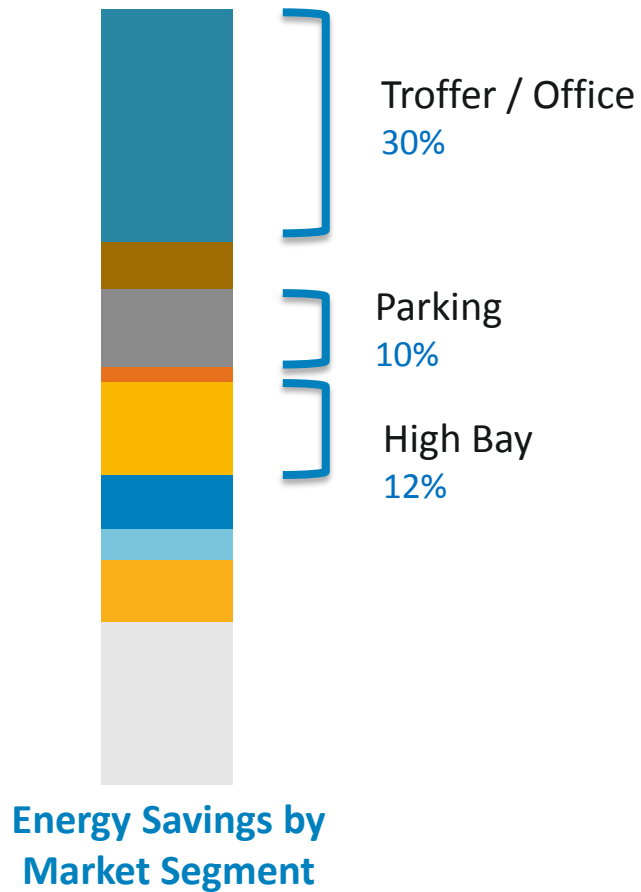
Macro LED Opportunities: Adoption Potential

Source: US Department of Energy:

Adoption of Light-Emitting Diodes in Common Lighting Applications. May 2013



Troffer Market is Large with Faster Customer ROI



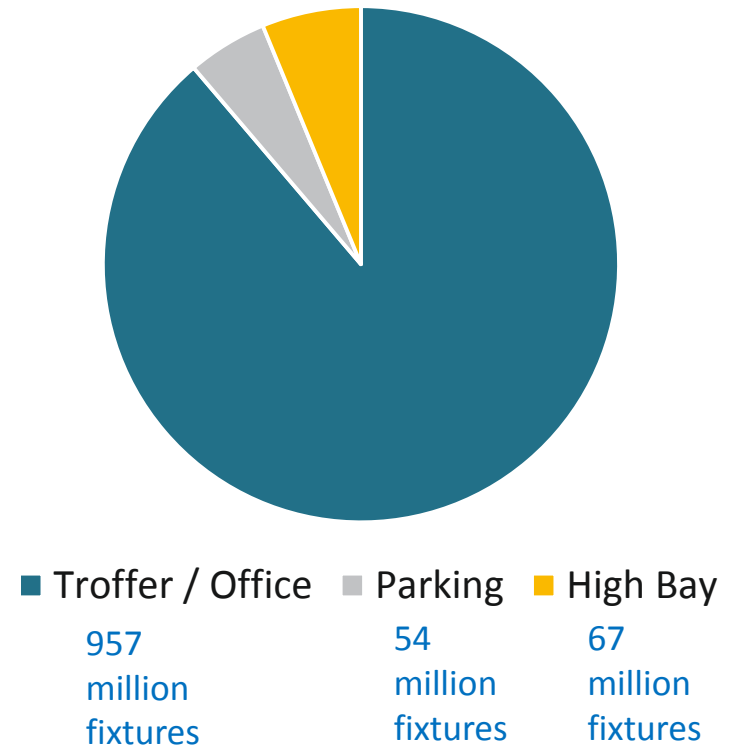
Orion's LDR Troffer Retrofit – January 2014



Exterior Auto Dealership



High bay retrofit



Troffer solution: LDR/Commercial/Retail



- One minute install per unit
- 3 Lens profiles
- Custom colors
- Wide range of light color
- Wide range of wattage
- 100,000 – 375,000 hour rated life



LDR Retrofit

Product Installed

Value Proposition

- ✦ Quick, low-cost installation, High ROI/IRR to customer
- ✦ One piece from the factory, saves labor cost
- ✦ Virtually no disruption to work environment during installation
- ✦ Long life

High-bay Solution: Warehouse / Factory



LED High Bay



LED High Bay Enclosed



LED VaporTight

Value Proposition

- ✦ Best performance in market, High ROI/IRR for customer
- ✦ Optical efficiency and thermal management for greater performance
- ✦ Modularity for simple and low-cost upgrades

Parking solution: Site/Area



LED Canopy



NEW OCTOBER LAUNCH



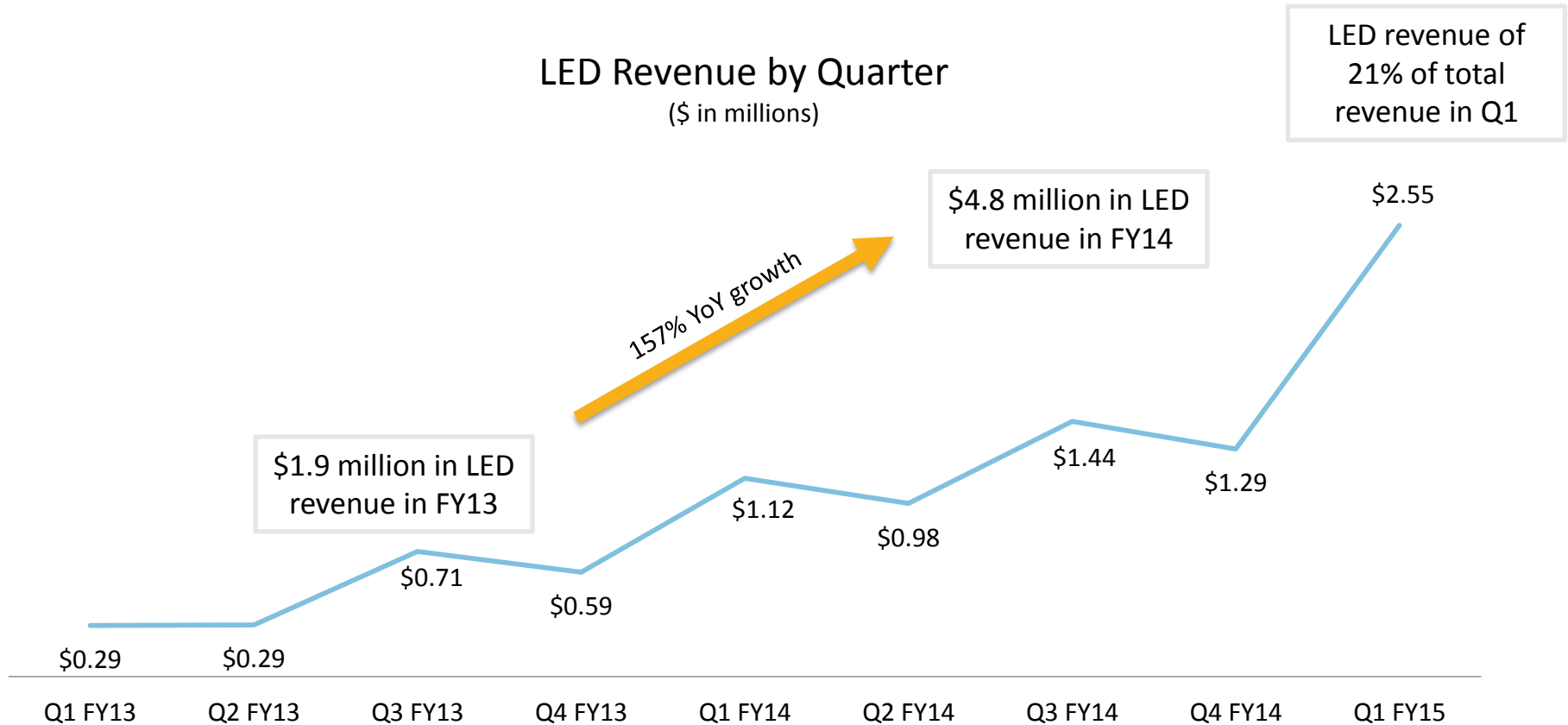
LED Wall Pack Retrofit

Value Proposition

- ★ Energy efficiency, ROI to customer
- ★ Optical performance, thermal management
- ★ New game-changing technology for parking areas for October launch



Orion LED Sales Performance



Historic Revenues Derived From Core Fluorescent Technologies in One Target Market: Commercial and Industrial



Management Transition / Revenue "Air Pocket" As Technology Shift



*Current Orion Advantages:
New LED Products
Reseller Expansion
Single Focused Operations*



- 2012 New Management
- Organizational Structure - Matrix
- Channel Alignment
- Customer Experience
- Business Focus
- Financial Discipline
- New Product Lines
- Performance Measurement

Results.

Increased free cash-flow per share
\$0.60

Exited not core businesses and assets

Increased plant efficiency 67%

Successful acquisition of accretive business

Introduced industry leading "LDR" product



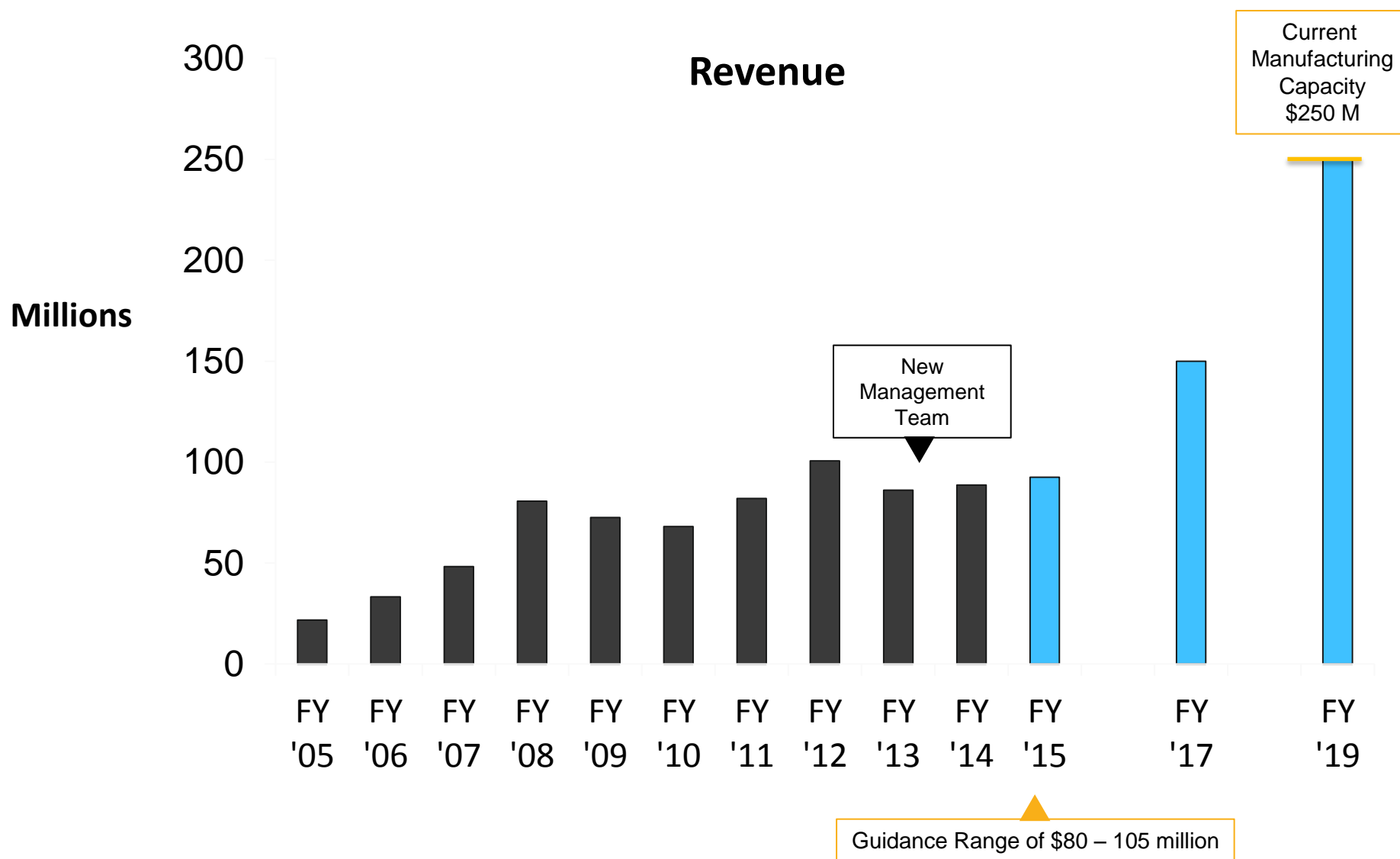
Growth Strategy

- ★ Leverage our customer engagement and customer experience model
- ★ Launch game-changing products designed for retrofit markets where we can dominate
- ★ Acquire accretive companies
- ★ Aggressively and systematically expand our channels
- ★ Deliver price-performing products

Revenue
Gross Margin %
Net Income
EPS*

20% CAGR - 5 Years	
Growth Potential 3-5 Years	
Revenue	\$ 150.0
	\$250.0
Gross Margin %	35%
	43%
Net Income	\$9.8
	\$30.0
EPS*	\$0.44
	\$1.11

*Assumes 22.0 million shares outstanding organic + 5.0 million shares for acquisitions





Financial Summary



Fourth Quarter and Year End Summary

	For the year ended March 31,		For the three months ended June 30,	
	2014	2013	2014	2013
(\$ in millions)	FY14	FY13	FY15Q1	FY14Q1
Revenue	\$ 88.6	\$ 86.1	\$ 13.3	\$ 20.9
Gross Margin %	25.9%	31.1%	19.6%	27.4%
Operating Expenses	\$ 31.3	\$ 33.3	\$ 7.0	\$ 6.6
Operating Income (Loss)	\$ (8.3)	\$ (6.6)	\$ (4.4)	\$ (0.8)
Net Income (Loss)	\$ (6.2)	\$ (10.4)	\$ (4.4)	\$ (0.8)
Earnings (Loss) per share	\$ (0.30)	\$ (0.50)	\$ (0.20)	\$ (0.04)

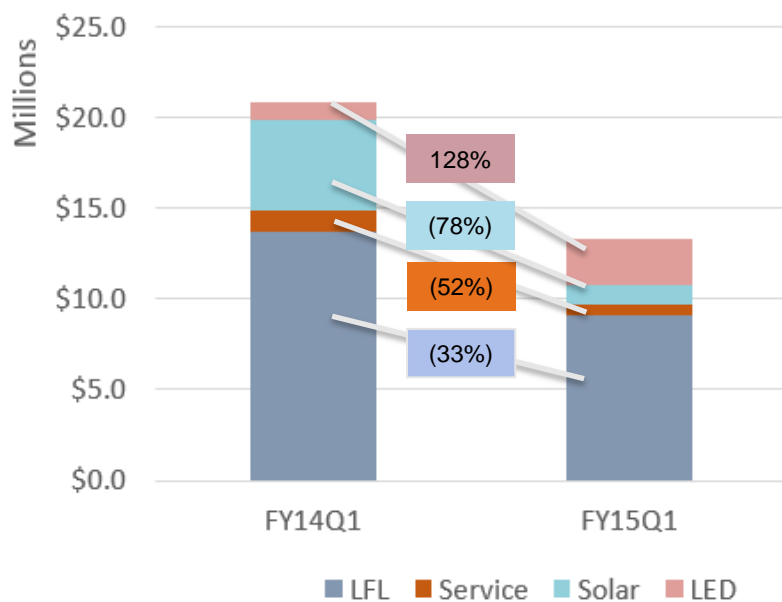
Fiscal 2014

- ✦ Total revenue of \$88.6 million, compared to \$86.1 million in prior fiscal year
 - ✦ Revenues affected in Q4 2014 due to delayed product sales due to market transition and a decline in number of solar projects as Company exits its non-core solar business
- ✦ Company continues to penetrate LED market
 - ✦ Revenue from LED lighting systems increased 157% to \$4.8 million in FY14, from \$1.9 million in FY13
- ✦ Operating expense reductions. FY15 target Op ex of \$28 million

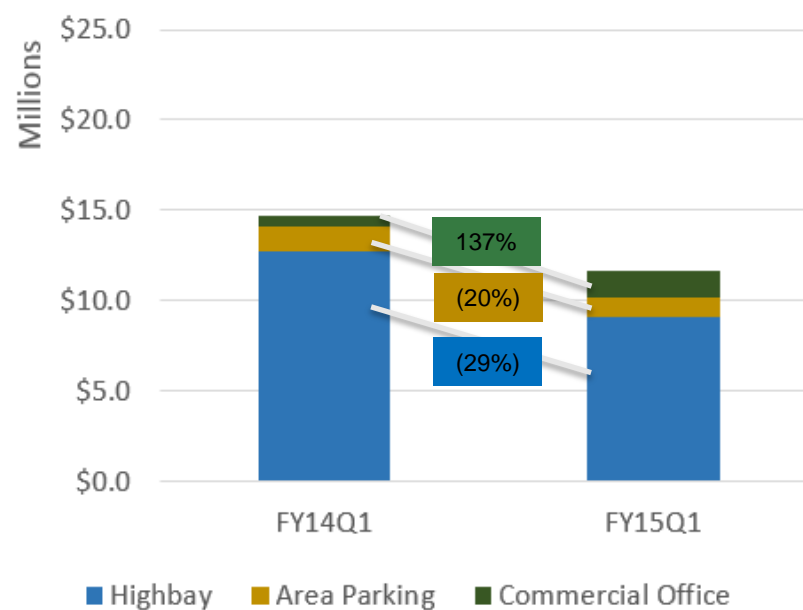


Product Line Growth

Revenue by Product



Revenue by Market Application



Remarks

- ✦ Strong growth in total LED product line and Office applications
- ✦ Expected transition to LED away from Linear Fluorescent



Balance Sheet and Liquidity

(\$ in millions)	As of June 30, FY2015	As of March 31, FY2014
Cash	\$ 16.3	\$ 17.6
Short-term Investments	\$ 0.5	\$ 0.5
Total Inventory	\$ 21.8	\$ 22.4 [*]
Total Assets	\$ 92.0	\$ 98.9
Total Debt	\$ 5.8	\$ 6.6 ^{**}
Total Liabilities	\$ 18.7	\$ 21.9
Revolving credit facility - availability	\$ 15.0	\$ 15.0

* Includes \$1.0 million of acquired Harris inventory

** Includes \$2.6 million outstanding of original \$3.1 million to help fund Harris acquisition



Cash Flow Summary

For year ended March 31, 2014 For the three months ended June 30, 2014 2013

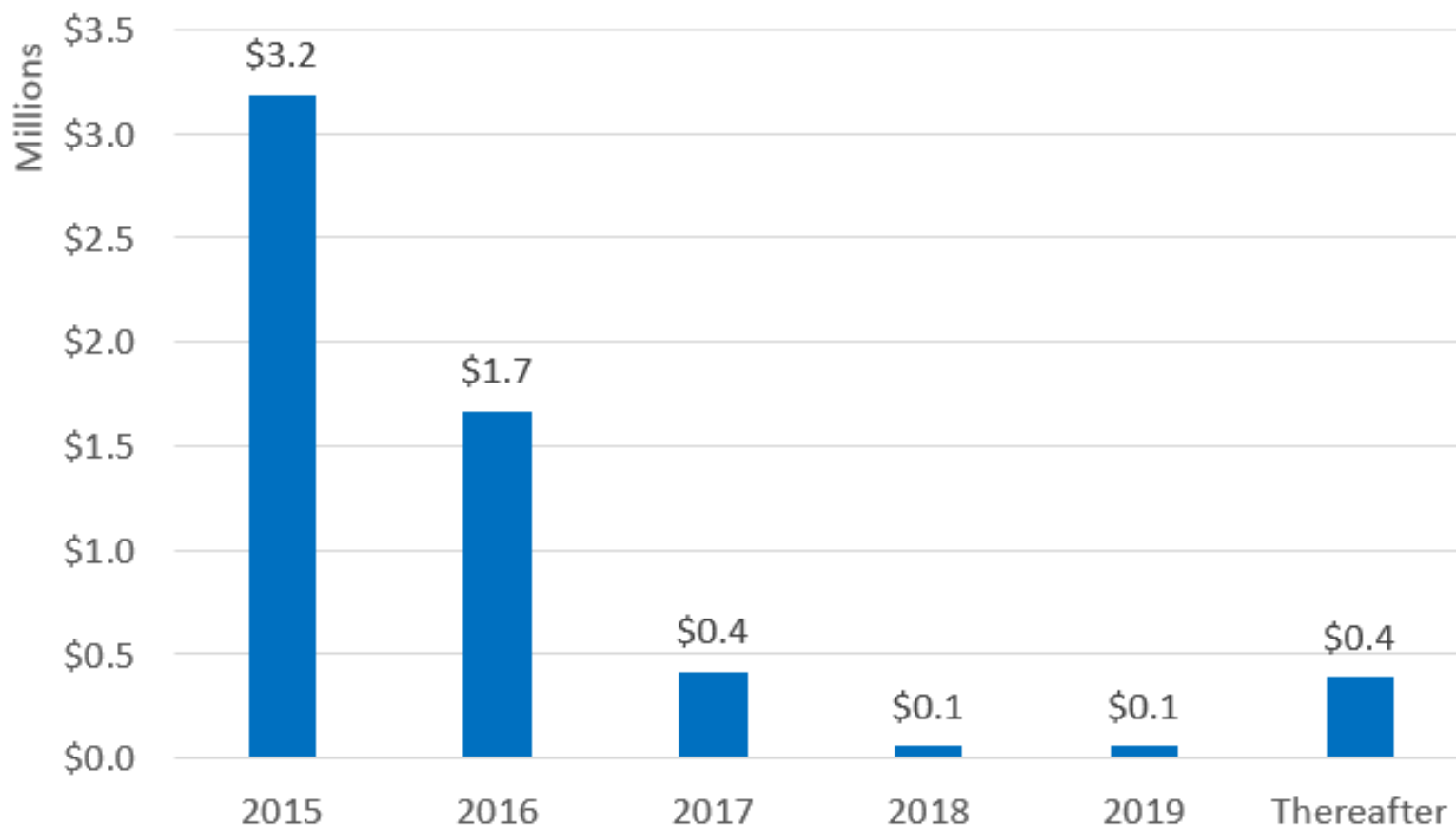
(\$ in millions)	FY14	FY15Q1	FY14Q1
Net Loss (Income)	(\$6.2)	(\$4.4)	(\$0.8)
ITDA	\$2.4	\$1.1	\$1.0
EBITDA	(\$3.8)	\$(3.2)	\$0.2
Cash Flow from Operations	\$9.9	\$(1.3)	\$2.0
Cash Flow from Investing	\$(4.8)	\$0.6	\$(0.1)
Cash Flow from Financing	(\$1.9)	(\$0.6)	(\$0.8)
Net Cash Flow	\$3.2	\$(1.2)	\$1.1

Remarks

- ✦ Operating EBITDA – Additional \$5.3 million of non-cash expense in FY14 (Stock compensation, inventory reserves, loss on aviation asset) not reflected in EBITDA
- ✦ Investing - Harris acquisition in FY14
- ✦ Investing - Sale of Plymouth property in FY15 Q1



Debt Obligation



Remarks

- ✦ Total Debt of \$5.8 million as of June 30, 2014
- ✦ Principal payment time frame represented in future 12-month periods from June 30
- ✦ Majority of debt related to Harris acquisition paid off by end of Fiscal 2016



Light Years Ahead

August 2014 Investor Presentation

At the Company

Orion Energy Systems

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Intellectual Property / Product Portfolio

LIGHT FIXTURE

ELECTRONICS

COMMODITY

Non Proprietary

- Lamps
- Ballasts
- LED Chips
- LED Drivers



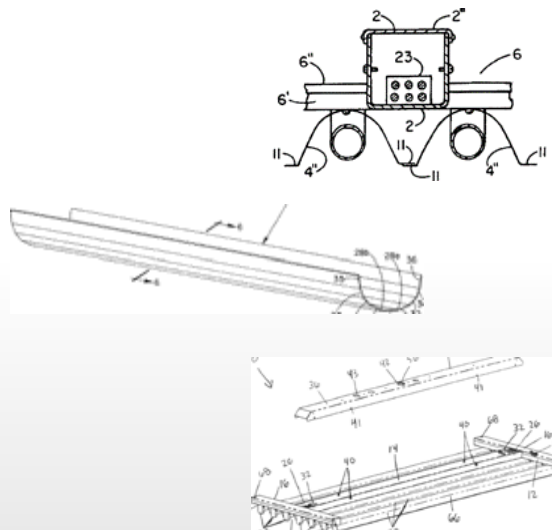
DESIGN

PROPRIETARY

74 Design or Utility Patents

Held or pending

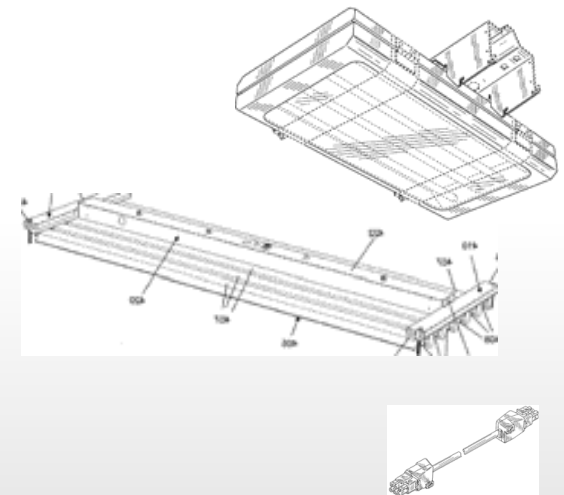
- Optical Performance
- Thermal Management



APPLICATION


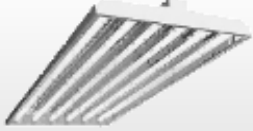



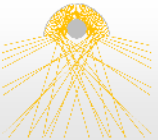
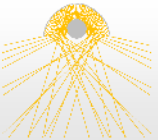


VALUE PROPOSITION

- Application Specific Design
- Controllable Technology
- Conformable



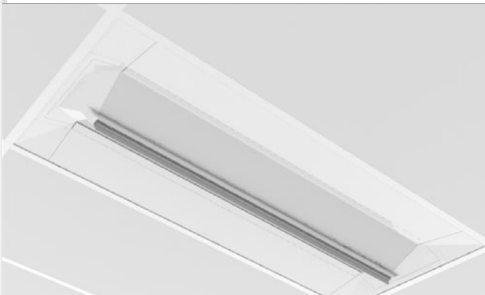











Product Strategies: Technology Comparison

	High Intensity Discharge	Competitor High Intensity Fluorescent	Orion High Intensity Fluorescent	Competitor LED	Orion LED
		 6 Lamp	 4 Lamp		
Thermal / Light	Most heat Less Light	More heat Omni Directional	Less heat Focused Light	More heat Omni Directional	Less heat Focused Light
Optics					
Watts	465 w	221 w	145 w	215 w	173 w
Lumens	40,000	20,000	13,800	18,000	14,400
Foot Candles	25 FC	25 FC	25 FC	25 FC	25 FC
Operating Cost	\$ 407.34	\$ 193.60	\$ 127.02	\$ 188.34	\$ 148.92

Assumptions: Annual Operating Costs Calculations based upon 8,760 annual hours of operation with \$0.10 kW rate.

	ASSEMBLY	INSTALLATION	AESTHETICS	TECHNICAL
COMPETITOR	 <p>Kit components</p>	 <p>Assembled onsite</p>	 <p>One option</p>	<p>Efficacy</p> <p>90 – 100 LPW</p> <p>Light Output:</p> <p>2200 – 5000 lumens</p> <p>Input Power</p> <p>22 – 50 watts</p>
ORION	 <p>One piece from factory</p>	 <p>Installs in approximately 1 minute with no tools required</p>	 <p>Various lens options: Three panel, contour and flat panel</p>	<p>Efficacy</p> <p>85 – 105 LPW</p> <p>Light Output:</p> <p>3261 – 4194 lumens</p> <p>Input Power</p> <p>35 – 47 watts</p>

Assumptions: Annual Operating Costs Calculations based upon 8,760 annual hours of operation with \$0.10 kW rate.

	OPTICS	DURABILITY	TECHNICAL
COMPETITOR	 <p>LEDs close together without shaped optic</p>	 <p>Optics not individually protected and minimal heat sinking</p>	<p>Lumens Per Watt</p> <p>70 - 85 LPW</p> <p>Initial Lumens</p> <p>31,957 Lumens</p> <p>Input Power</p> <p>384 watts</p>
ORION	 <p>Chip on board (COB) and shaped optic for better light control and thermal management</p>	 <p>Large covered heat sink and sealed glass lenses have IP66 rating</p>	<p>Lumens Per Watt</p> <p>90 – 100 LPW</p> <p>Initial Lumens</p> <p>36,000 Lumens</p> <p>Input Power</p> <p>405 watts</p>



Sales and Marketing

1) OES: Orion Engineered Systems

Mid to Large National Accounts / Federal Government

- ✦ Enterprise account customer opportunities.
- ✦ Contracted roll-out and spec business
- ✦ Long history of success in this space
- ✦ Fiscal 14 revenue represented 37% of total sales



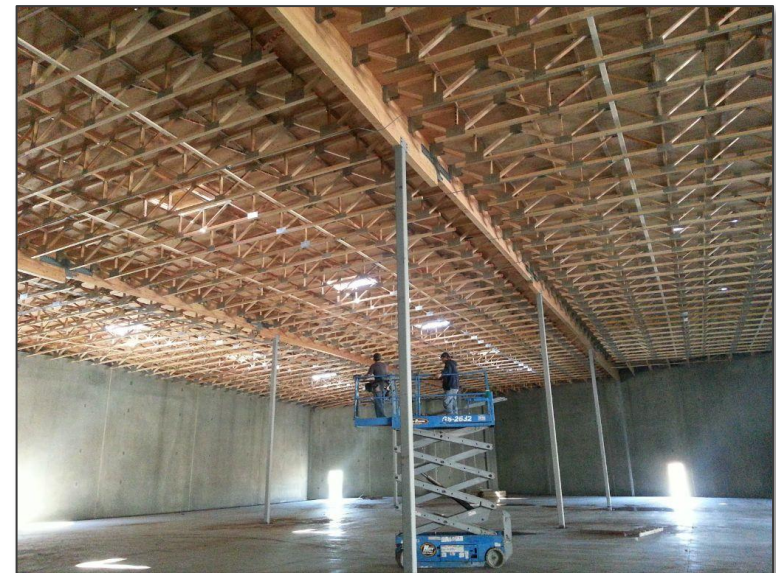


Sales Channels: Growth of Company's Reseller Program

2) USM: US Markets

Energy Service Companies ("ESCOs") and experienced resellers

- ✦ Orion intends to expand our reseller partnerships significantly through the first six months of fiscal 2015 and work diligently to get these businesses up to speed on our product offering.
- ✦ Currently has relationships with 53 key ESCO resellers in addition to several hundred other Orion resellers, all geographically dispersed throughout the United States.
- ✦ In fiscal 2014, Orion generated approximately 63% of our lighting revenues from such indirect sales, compared to 59% in fiscal 2013.



3) ODS: Orion Distribution Services

Orion Distribution Services

- ✦ Start-up initiative to expand business with distributors during fiscal 2015.
- ✦ Direct services to Distributor rather than relying on agents
- ✦ Building off the Harris brand.
- ✦ 3 current sales employees.
- ✦ Listing of LDR product on SamsClub.com.





Leadership Team



John H. Scribante

Chief Executive Officer

- 10 years at Orion
- Bachelor of Science in Finance with emphasis on Economics – Creighton University



Michael J. Potts

President and Chief Operating Officer

- 12 years at Orion
- Bachelor of Science in Mechanical Engineering Technology – Milwaukee School of Engineering
- Bachelor of Arts in Business Administration – Lakeland College



Scott R. Jensen, C.P.A.

Chief Financial Officer

- 9 years at Orion
- Bachelor of Business Administration with emphasis on Accounting – University of Wisconsin-Milwaukee
- Licensed Certified Public Accountant



Marc E. Meade

Executive Vice President

- 4 years at Orion
- Bachelor of Science in Accounting with emphasis on Tax and minor in Economics – Lakeland College

Committed to Increasing Shareholder Value
No Open Market Sells Since September 2012
Officers and Directors have Purchased Over 150,000 Shares Since Appointment



Who We Are



✦ Orion Energy Systems, Inc

✦ Corporate HQ in Manitowoc, WI

✦ Founded in 1996, IPO in 2007

✦ Game-changing Products





✦ Office



- ✦ Willis Tower in Chicago
- ✦ 108 Floors
- ✦ Approximately 145,000 light fixtures

✦ High Bay (Factory / Manufacturing Facility Lighting)



- ✦ Toyota Motor Manufacturing, Kentucky, Inc.
- ✦ Total facility size: 7.5 million sq. ft. (Equal to 156 football fields under roof)
- ✦ Approximately 16,000 fixtures

✦ Retail



- ✦ Walgreens (approximately 8,000 stores in United States)
- ✦ Approximately 120 fixtures per store
- ✦ Opened first “net-zero” energy retail store in December 2013