



INVESTOR PRESENTATION

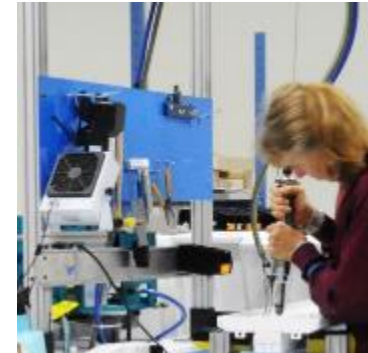
ORIONLIGHTING.COM

JOHN SCRIBANTE, CEO
BILL HULL, CFO

FEBRUARY, 2016

SAFE HARBOR

This presentation (including any oral statements transmitted to the recipients of this presentation) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding OESX's current expectations about its future operating results, prospects and opportunities. OESX has tried to identify these forward looking statements by using words such as "expect," "anticipate," "potential", "estimate," "plan," "will," "would," "should," "believe" or similar expressions, but these words are not the exclusive means for identifying such statements. OESX cautions that a number of risks, uncertainties and other important factors could cause OESX's actual results, prospects and opportunities to differ materially from those expressed in, or implied by, the forward-looking statements. For a detailed discussion of factors that could affect OESX's future operating results, prospects and opportunities, please see OESX's Annual Report on Form 10-K and subsequently filed form 10-Qs, including the disclosures under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" which are available at www.sec.gov on the investor page of OESX's website. You should not place undue reliance on any forward-looking statements. Except as expressly required by the federal securities laws, OESX undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, changed circumstances or future events or for any other reason.



**We build lighting systems targeted
at retrofitting commercial, institutional,
industrial, and parking structures with
leading edge technology.**

Energy efficient without compromise.



INVESTMENT HIGHLIGHTS

- Significant market opportunity
- Highest performing products in the world
- Long runway for growth
- Strong value proposition
- Improved performance



ORION AT A GLANCE

13,000+

178

64

COMPLETED INSTALLATIONS

FORTUNE 500 CUSTOMERS

PATENTS GRANTED | 37 PENDING

185+

260K+

75%

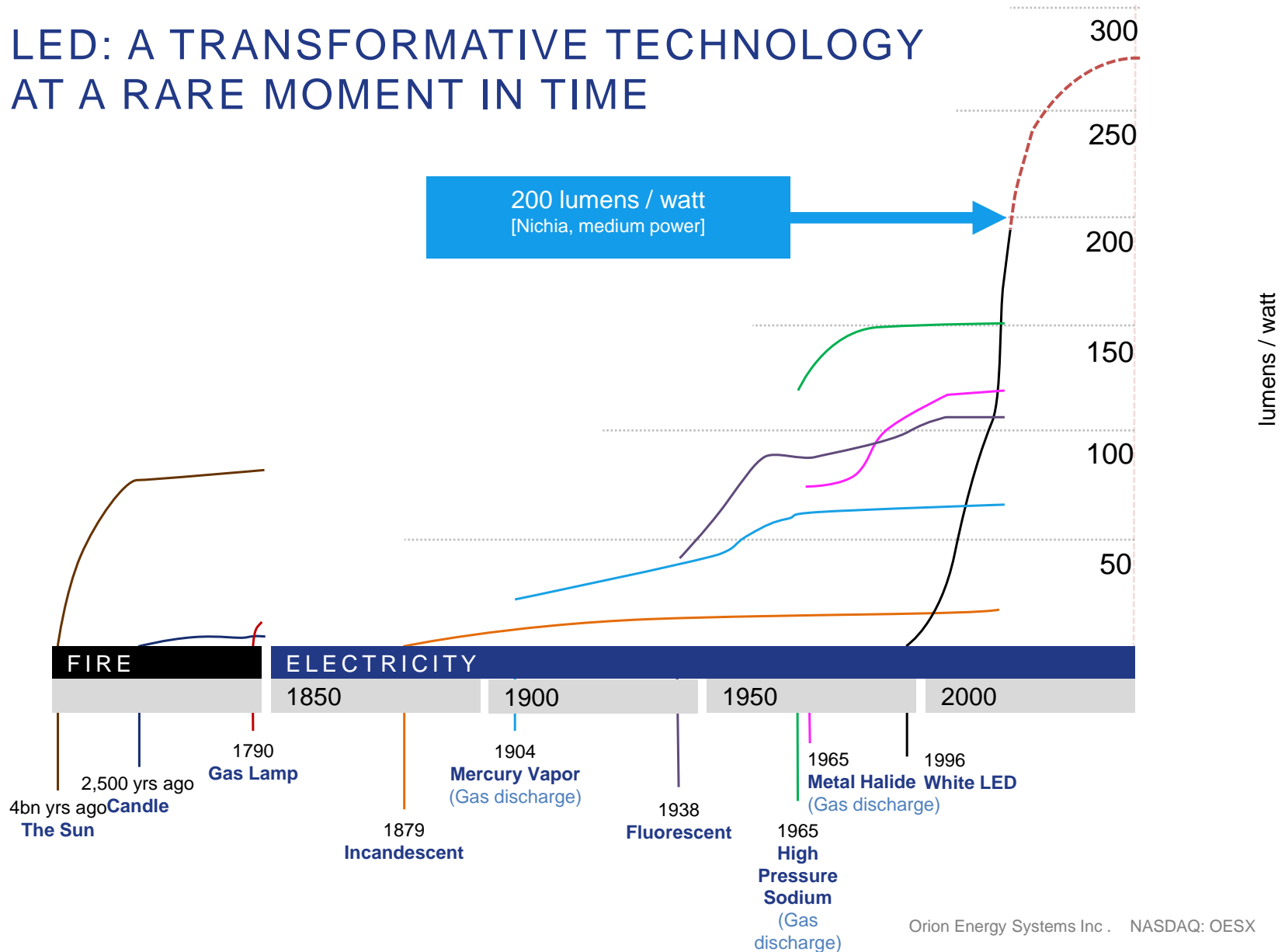
EMPLOYEES

SQ. FT MANUFACTURING FACILITY

LED PRODUCT REVENUE FY16 Q3

HISTORY OF LIGHT

LED: A TRANSFORMATIVE TECHNOLOGY AT A RARE MOMENT IN TIME



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 LED troffer retrofit

CORE PRODUCTS

A COMPLETE PORTFOLIO OF LED SOLUTIONS

- Best performance in market, high ROI/IRR for customer
- Optical efficiency and thermal management for greater performance (ISON™ Class)
- Modularity for simple and low-cost upgrades

INDUSTRIAL



ISON™ LED
High Bay Series



ISON™ LED
High Bay Cold
Environment



APOLLO® LED High
Bay Series



HARRIS LED
High Bay



HARRIS LED
Vapor Tight Series

COMMERCIAL



APOLLO® LED Troffer
Retrofit Suite



APOLLO® Jetson
LED Recessed Troffer



APOLLO® LED
Suspended Slimline

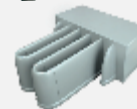


APOLLO® LED
Stairwell Fixture

EXTERIOR



ISON™ LED
Area Light



ISON™ LED
Wall Pack



APOLLO® LED
Area Light



APOLLO® LED
Wall Pack

CONTROLS



3rd Party



Orion Proprietary
Intelite®



Integration Services

HARRIS BRANDED LED LINE

A COMPLEMENTARY PORTFOLIO OF FILL OPTIONS

- Versatile and multi-purpose product line helps grow proposal topline value
- Targeting similar form factor HID fixtures
- Increases ability to provide comprehensive solutions

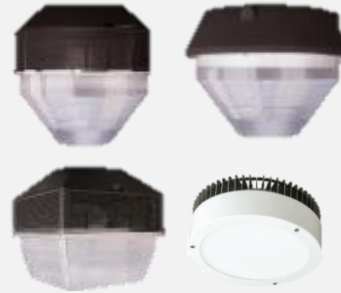
ROADWAY



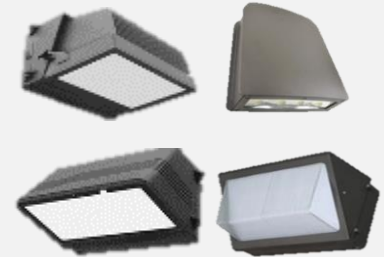
AREA LIGHTER



GARAGE/CANOPY



WALL PACKS



FLOOD & SPOT



GENERAL



RETROFIT KITS & LED TUBES



EMERGENCY LIGHTING



ORION OCTOBER 2015 LAUNCH



ISON™

up to
179 lumens per watt



APOLLO®

up to
152 lumens per watt



HARRIS

up to
148 lumens per watt

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

WHY ORION?

THE BEST CUSTOMER EXPERIENCE IN THE INDUSTRY

GUARANTEED ENERGY SAVINGS

Reduces customer risk and shows confidence that Orion will stand behind claims

BETTER LIGHT WITH LESS ENERGY

Retrofit focus delivers products that maximize performance in existing conditions

CREATING CUSTOMER HEROES

Accountable ally who will reduce your costs, increase performance, and deliver projects faster without complications

TRUSTED AMERICAN PARTNER

Made in America products, clear warranties, 40 years retrofit experience with over 20,000 project installations and 178 Fortune 500 customers

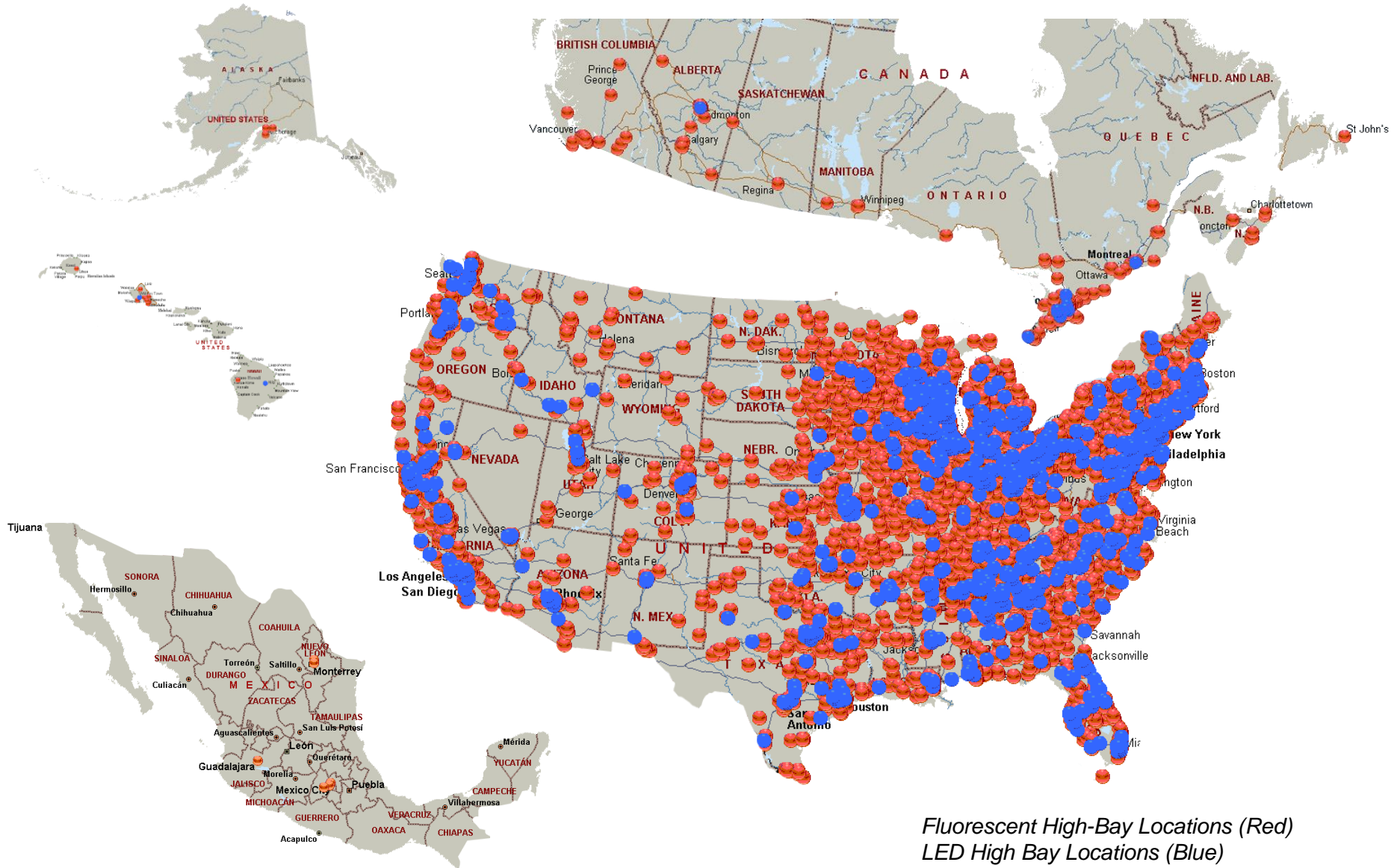
MORE CUSTOMER PROFITABILITY

Lower job-site costs, more light with less energy use, and less total project costs

3 PRODUCT VALUE PROPOSITIONS

- Lowest TCO (ISON)
- Best Value (Apollo)
- Low Up-front Cost (Harris)

HIGH BAY INSTALLED ESTIMATED REPLACEMENT VALUE | \$850M



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

ROBUST INSTALLED BASE

<5% OF 12,000+ FACILITIES NATIONWIDE
RETROFITTED WITH LED SOLUTIONS



49 Manufacturing
Facilities



416 Bottling and
Sales Facilities



3,000+ facilities,
Distribution and Retail



6 Manufacturing Facilities,
723 Dealerships



2,000+ facilities



400+ facilities



OfficeMax

23 Distribution
Facilities



PEPSICO

178 Bottling and
Sales Facilities



224 facilities



400+ facilities



195 facilities



500+ facilities



107 Bottling and
Distribution Facilities



122 Cold & Dry
Storage Facilities



108 Manufacturing and
Distribution Facilities



TOYOTA

10 Manufacturing
Facilities

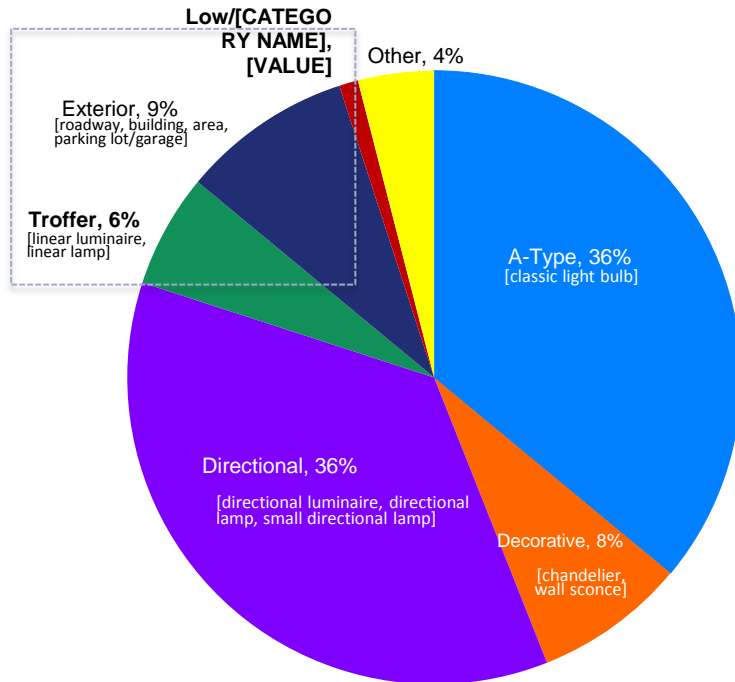


3,500+ Retail
Facilities

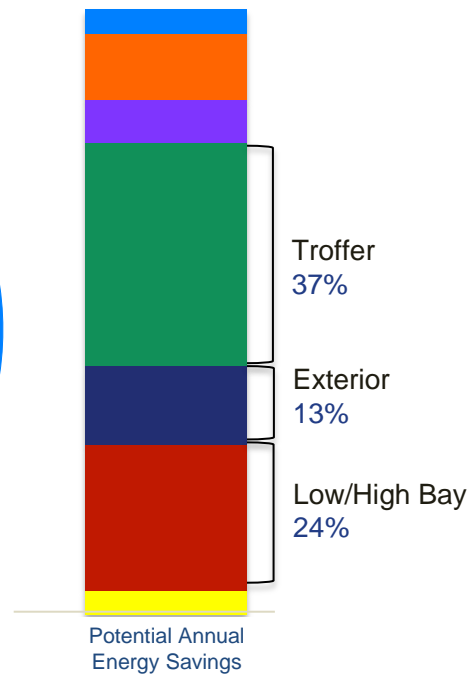
END MARKETS

THE LARGEST POTENTIAL U.S. MARKETS ARE ALSO THE LEAST PENETRATED

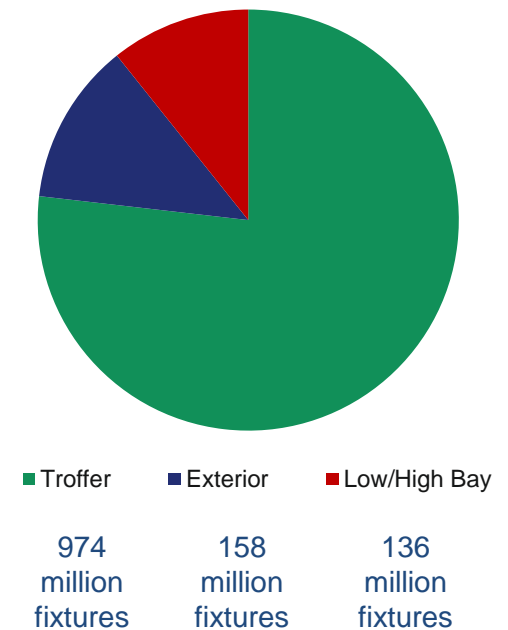
Adoption of Light-Emitting Diodes in Common Lighting Applications



Addressable Market
74% Troffer, Exterior, Low/High Bay



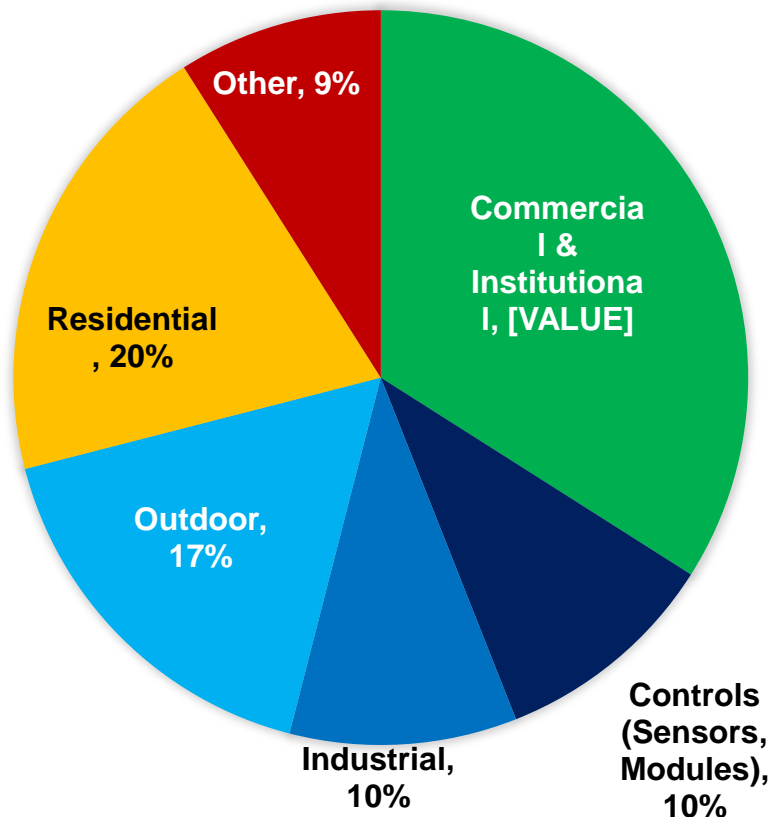
Estimated Legacy Lighting Fixture Installed Base



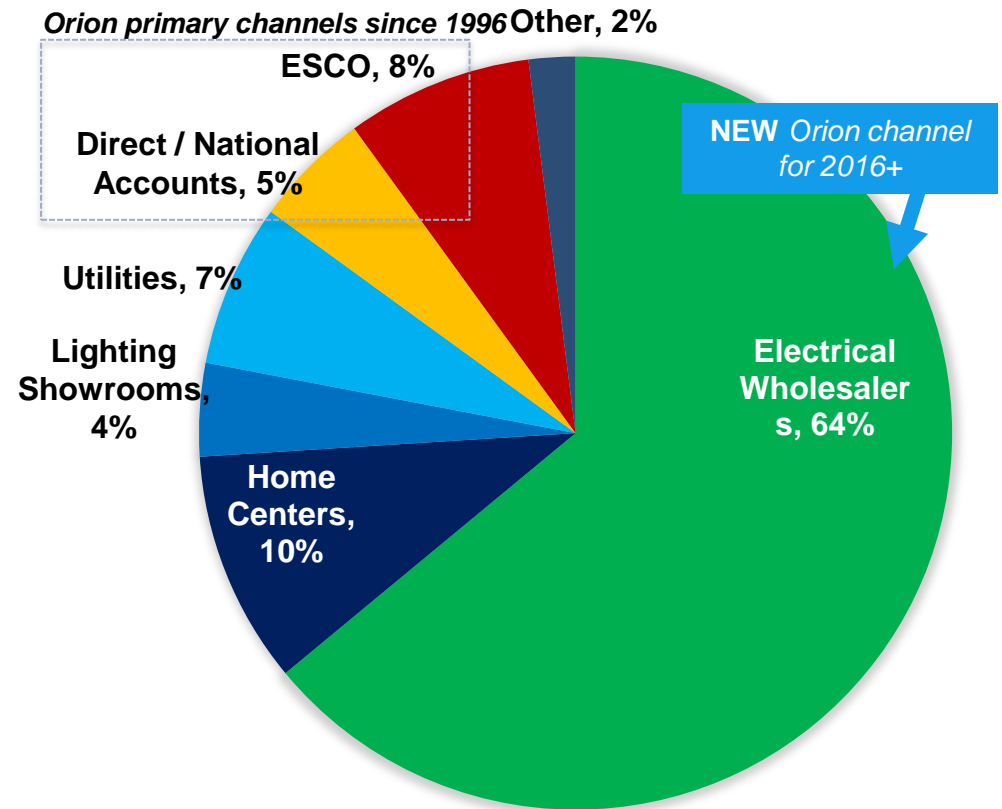
MARKET DYNAMICS

LED NORTH AMERICAN MARKET TO REACH \$30.5B IN 2016

LIGHTING APPLICATIONS



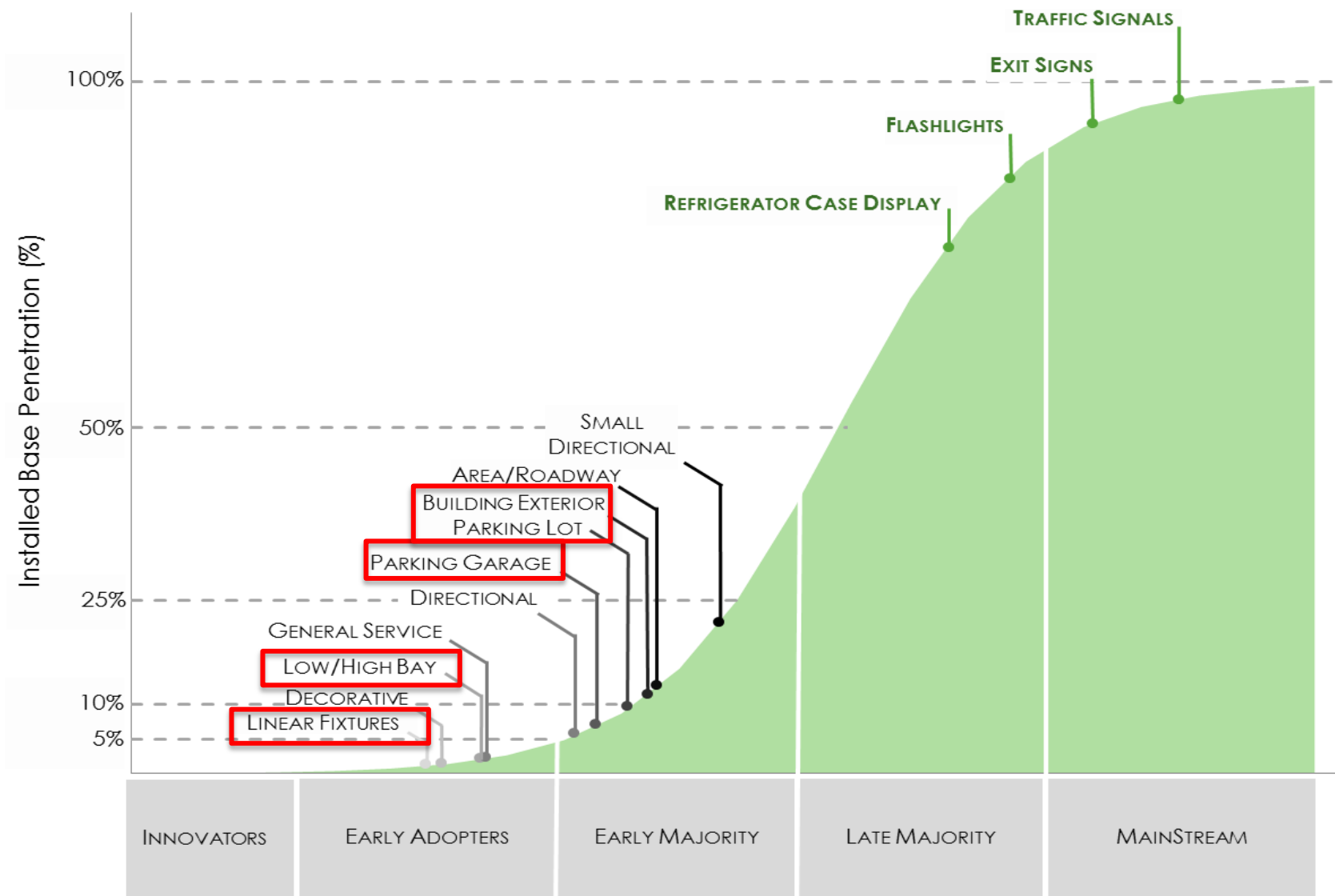
LIGHTING CHANNELS



KEY MARKET DRIVERS



THE EVOLUTION OF ADOPTION: IT TAKES TIME



ACCELERATION OF INTELLIGENT LIGHTING

NEW TECHNOLOGY PARADIGM



Tech trends driving new thinking and applications

- Power over Ethernet (PoE), LIFI, Internet of Things (IoT), Big Data



Connected buildings make each platform smarter

- Lighting, HVAC, security, inventory systems



Light fixtures are now IT devices

- Occupancy, retail interactions, motion detection, security, analytics, metering (bill for light you actually use)



Connected lighting yields new advances in controls

- On/off controls > data collection sensors > occupant-optimized illumination
- State regulations expediting implementation of smart controls



Network convergence accelerates lighting retrofit

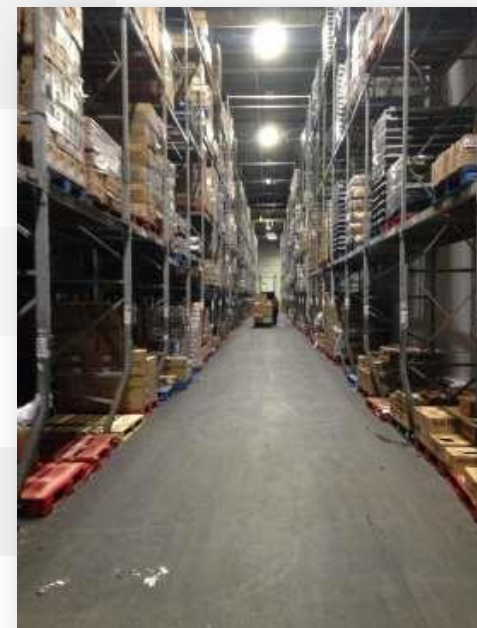
- Removes the need for invasive rework, batteries, wired fixtures – much bigger opportunity than new construction

FAST PAYBACK ON RETROFIT

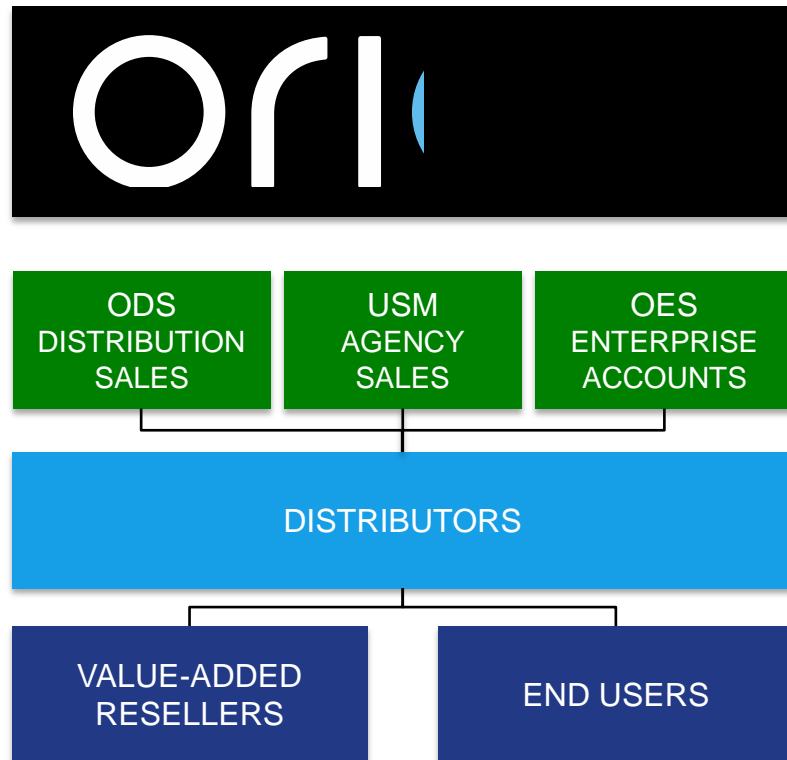
CASE STUDY: MANUFACTURING FACILITY, BROWNSVILLE TN RESULTS AUDITED BY TVA UTILITY AND LOCKHEED MARTIN

HID TO LED + CONTROLS | 215,000 SQ/FT

FIXTURE COUNT	Existing HID = 621 Orion LED = 598
JOB COSTS	\$299,335.29
ANNUAL KWH SAVINGS	4,349,726.85
ANNUAL SAVINGS	\$347,978.15 per year
INCENTIVES	\$134,974.11
PAYBACK WITHOUT INCENTIVE	0.9 YEARS
PAYBACK WITH INCENTIVES	0.5 YEARS



OPTIMIZING OUR SALES AND MARKETING STRUCTURE



- Employing a **unified approach** to sales and marketing
- Transitioning to more traditional manufacturer / distribution model to **boost growth**
- Orion will maintain an emphasis on strong **customer engagement**
- Continue to drive **end-user demand**
- **Engage reseller network** through more territory sales representatives and high-touch approach

OPERATIONAL EXCELLENCE

TRENDS

OPERATING

Sales per Associate



Mfg Footprint (Sq. Ft.)



Op. Working Capital



FINANCIAL

Gross Profit Margin



Operating Profit Margin



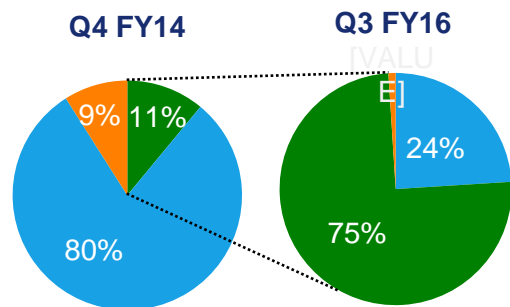
Free Cash Flow



- “Lean” business systems
- Productivity
- Asset utilization
- Superior customer experience
- Rapid product development

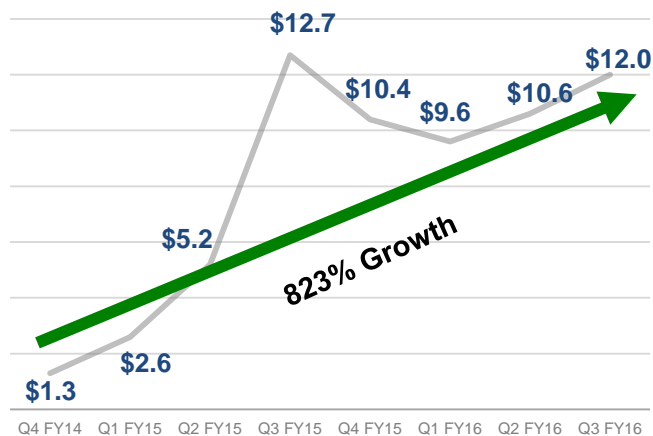
ORION AT A GLANCE

SALES BY PRODUCT (not including Harris)



■ LFL: Linear Fluorescent Lights
■ LED: Light Emitting Diode
■ PV: Solar Photovoltaic

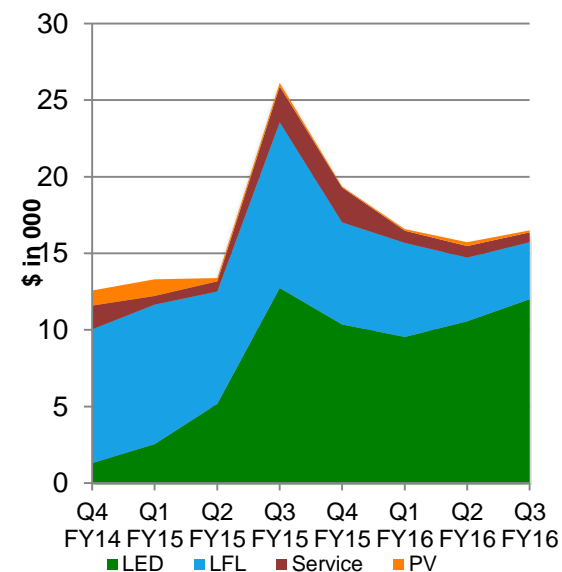
INCREASING ADOPTION RATE IN LED



\$32.2 million in LED revenue YTD in FY16

LED = 75% of total lighting product revenue in Q3 FY16

SALES BY PRODUCT QUARTERLY



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

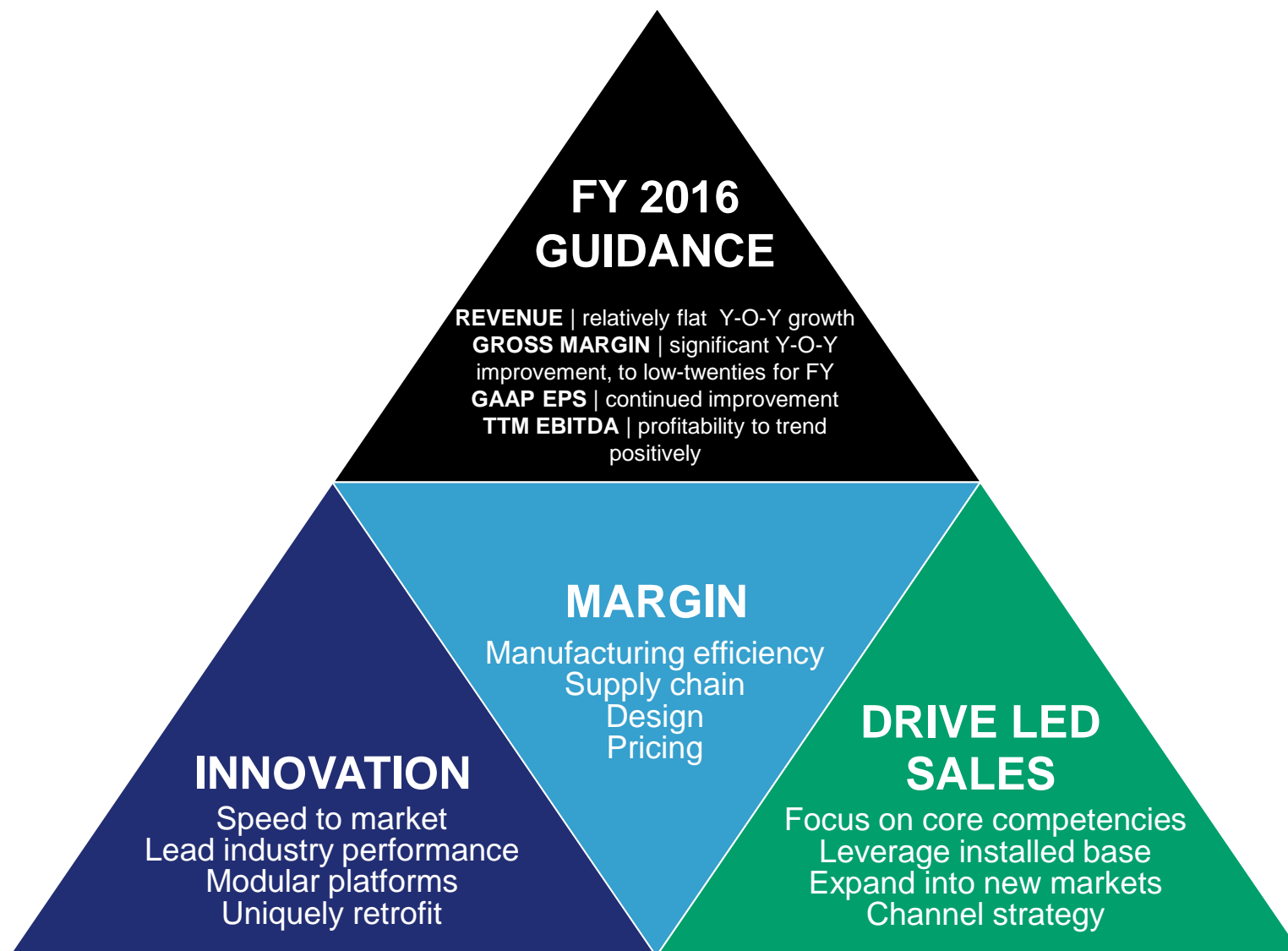
* See Non-GAAP Reconciliation in Appendix

BALANCE SHEET AND CASH FLOW

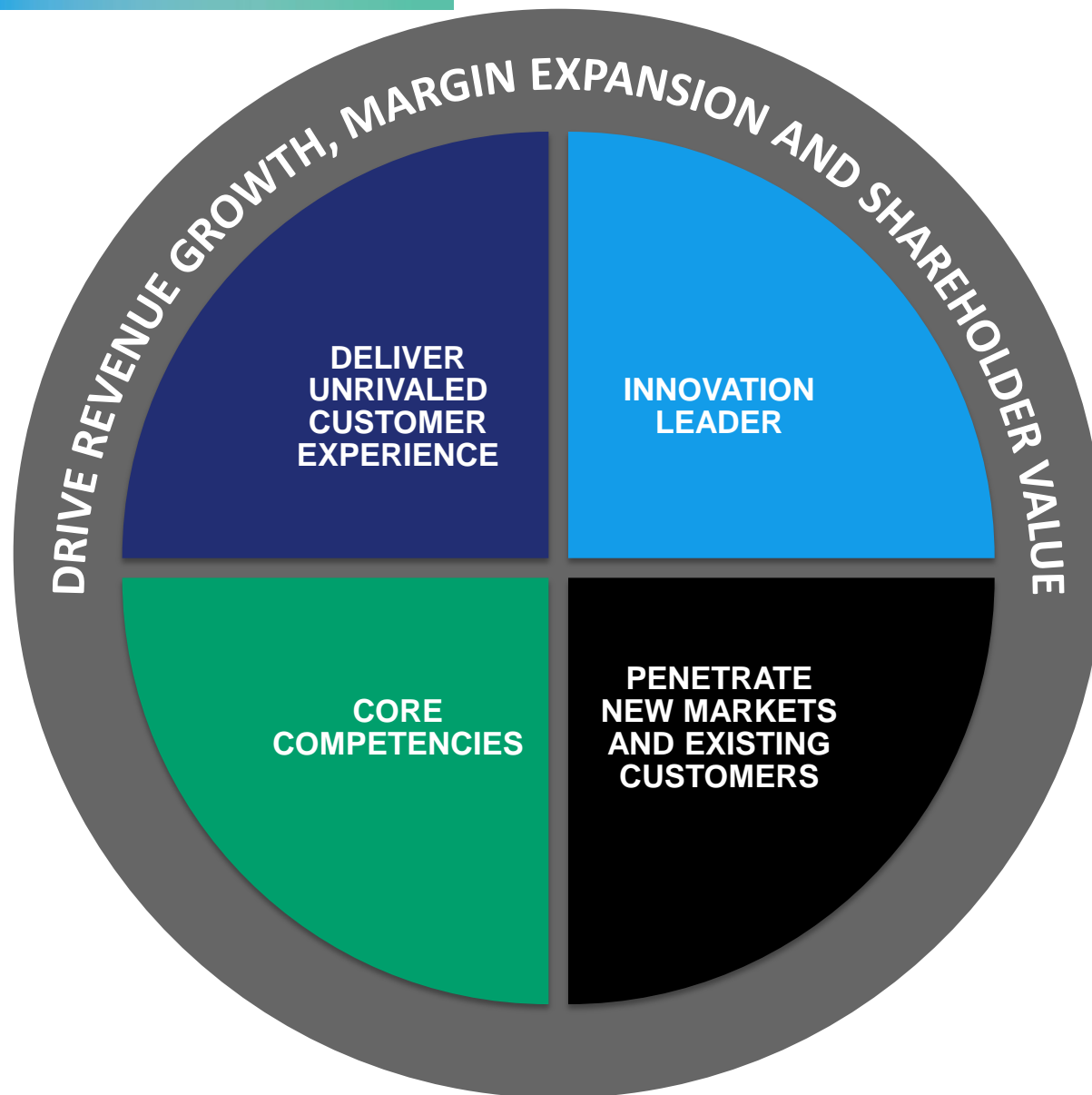
(\$ in millions)	BALANCE SHEET AS OF 3/31/15	BALANCE SHEET AS OF 12/31/15	(\$ in millions)	CASH FLOW NINE MONTHS ENDING 12/31/14	CASH FLOW NINE MONTHS ENDING 12/31/15
Cash	\$ 20.0	\$ 17.5	Net (loss) income	\$ (27.4)	\$ (9.3)
Total inventory	\$ 14.3	\$ 18.4	ITDA	\$ (3.2)	\$ (3.4)
Total current assets	\$ 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)

* See Non-GAAP Reconciliation in Appendix

2016 ROADMAP AND GUIDANCE



LONG-TERM STRATEGY



STRONG GROWTH STRATEGY IN PLACE

TARGET OPERATING MODEL

	TARGET	ASSUMPTIONS
Revenue	\$200M - \$250M	<ul style="list-style-type: none"> • Distribution channel expansion • Nat'l accounts high-bay growth
LED % of Total Product Revenue	90%+	<ul style="list-style-type: none"> • Pace of customer LED adoption • Company rationalization of fluorescent products • Pace of new LED product expansions/launches
Gross Margin	36% - 40%	<ul style="list-style-type: none"> • Variable cost model • New products greater than 40% GP
Operating Margin	15% - 20%	<ul style="list-style-type: none"> • R&D growth investment • Bonus / commission expense growth

Target represents management's objectives only and does not constitute a financial forecast or projection of future company performance. These management objectives are for the company's annual operating model after a period of approximately 3-5 years from current fiscal year.

THANK YOU!

CONTACT INFO
Bill Hull
bhull@oesx.com
(312) 660-3575

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

orion