



Conference Call Presentation

Fiscal 2015 First Quarter

August 4, 2014



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Chief Executive Officer



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Chief Financial Officer

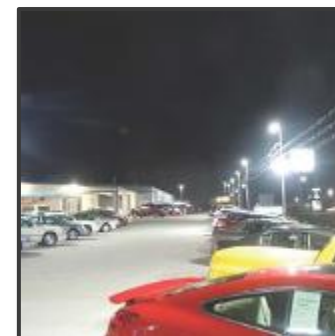


Safe Harbor / Company Snapshot

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.

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Orion Energy Systems, Inc. (NYSE MKT: OESX) (at 6/30/2014 unless otherwise noted)	
Corporate Headquarters	Manitowoc, WI
Industry	Energy
Business	Retrofitted lighting and energy management solutions
Stock Price	\$4.17 (at 8/4/2014)
Shares Outstanding	21.6 million
Market Cap	\$90.6 million (at 8/4/2014)
Acronyms / Terms	Light-emitting Diode (LED) High-intensity Fluorescents (HIF)
Year Founded / IPO	1996 / 2007





Fiscal 2015 First Quarter

- ✦ Total revenue of \$13.3 million, compared to \$20.9 million in prior-year period
- ✦ LED Revenue Growth: 20.9% of all sales
- ✦ Backlog of purchase orders: \$7.4 million
- ✦ Expansion of reseller network: 77% increase
- ✦ Increased sales of LED Troffer Door Retrofit (LDR)



Becoming an Industry Leader

✦ Superior Products



✦ Nimble Operations



✦ Manufacturing Capacity

✦ Return on Investment





Fiscal 2015 Q1: Sales & Account Wins

- ✦ Largest backlog in purchase orders since new management: \$7.0 million in lighting orders
- ✦ Largest small-box retailer in US
 - ✦ \$20.5 million in lighting sales since 2008
- ✦ Ford Motor Co.'s Essex Engine Plant (EEP)
 - ✦ High-bay LED Fixtures
 - ✦ \$2.4 million
- ✦ Large national retailer
 - ✦ 27 department stores across California
 - ✦ 31,000 LED Door Retrofit (LDR) fixtures
 - ✦ > \$3 million





Fiscal 2015 Q1: Enhancing Sales Effort



- ✦ Target National Accounts

- ✦ Large retailer
- ✦ Coca-Cola

- ✦ Reseller Market (ESCOs)

- ✦ Grown to 53 from 30 in past 3 months
- ✦ 63% of all indirect sales

- ✦ Orion's Distribution Services division

- ✦ Target small lighting distributors

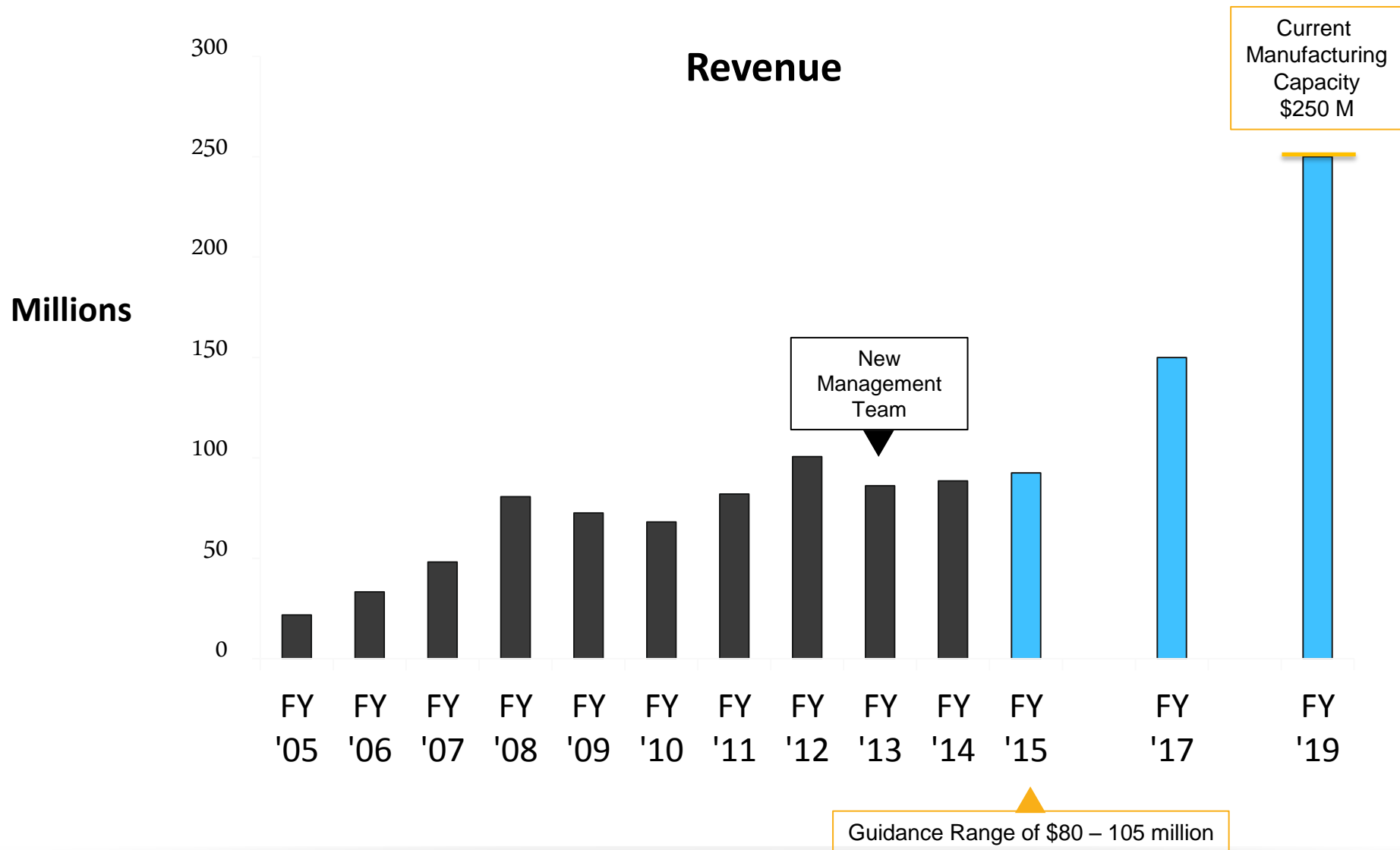




What We Can Become

★ Leading the Retrofitting Industry

★ Branded as The LED Retrofit Solution Company





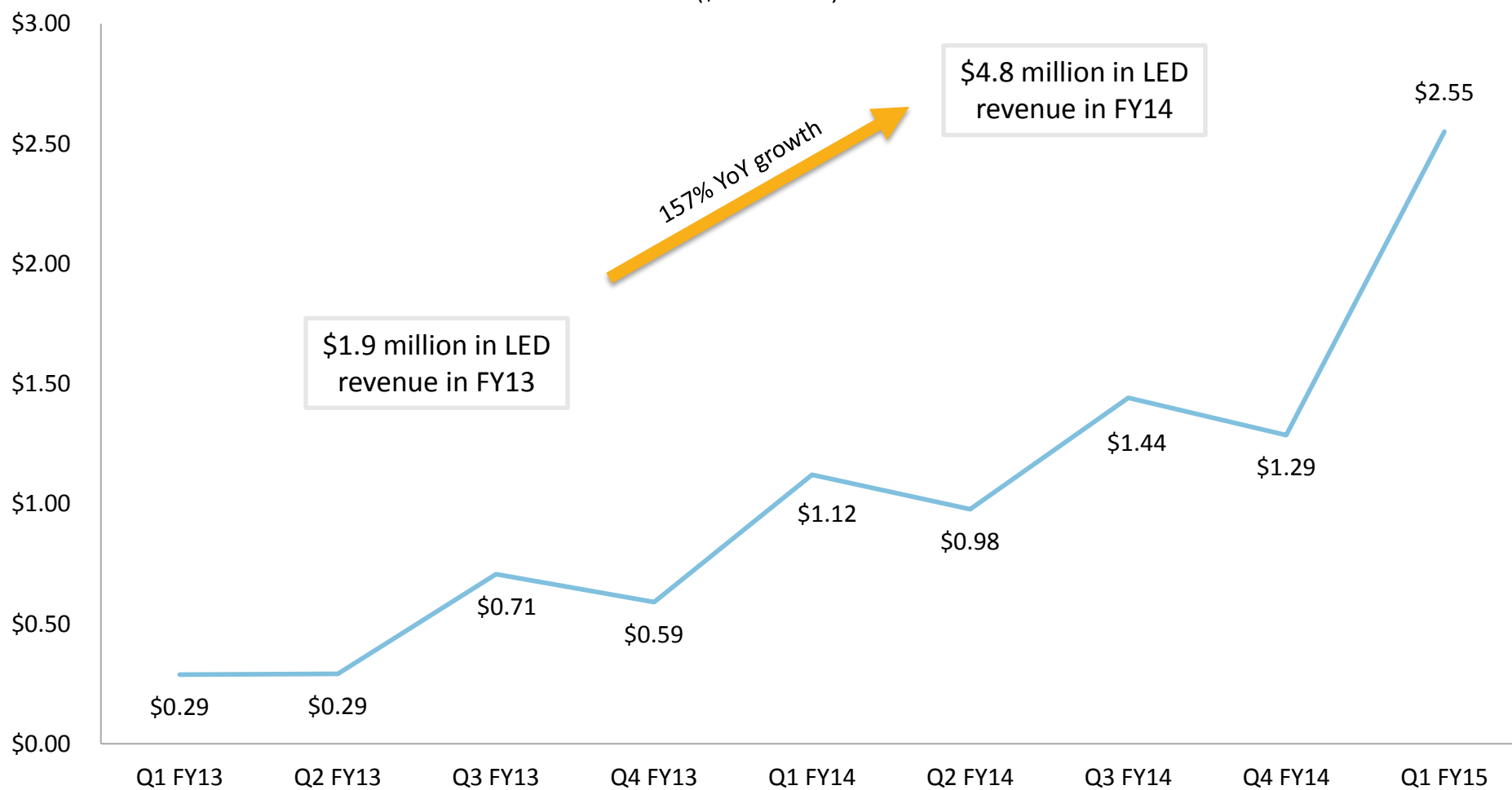
Fiscal 2015 Q1: Financial Summary

(\$ in millions)	For the three months ended June 30,	
	2015	2014
	FY15 Q1	FY14 Q1
Revenue	\$ 13.3	\$ 20.9
Gross Margin %	19.6%	27.4%
Operating Expenses	\$ 7.0	\$ 6.6
Operating Income (Loss)	\$ (4.4)	\$ (0.8)
Net Income (Loss)	\$ (4.4)	\$ (0.8)
Earnings (Loss) per share	\$ (0.20)	\$ (0.04)



Gaining Traction in LED

LED Revenue by Quarter
(\$ in millions)





Fiscal 2015 Q1: Balance Sheet & Liquidity

(\$ in millions)	As of March 31, FY2014	As of June 30, FY2015
Cash	\$ 17.6	\$ 16.3
Short-term Investments	\$ 0.5	\$ 0.5
Total Inventory	\$ 22.4 [*]	\$ 22.0
Total Assets	\$ 99.1	\$ 92.0
Total Debt	\$ 6.6 ^{**}	\$ 5.8
Total Liabilities	\$ 21.9	\$ 18.7
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



- ✦ Expects total revenues for fiscal 2015 to range from \$80 million to \$105 million,
 - ✦ Based on projected sales growth of LED/lighting solutions
- ✦ Transition from fluorescent lighting to LED continues to gain momentum, to further accelerate into 2015 calendar year
 - ✦ Increased customer adoption rate of LDR
 - ✦ LED pipeline growth
 - ✦ Target more LED contracts exceeding \$1 million
- ✦ Continued de-emphasis of non-core solar PV projects down to \$1.5 million in revenues in FY 2015

- ✦ Improving product offering to drive sales
- ✦ Properly messaging performance and efficiency of LED
- ✦ Rebranding ORION
- ✦ Expanding market of key resellers (ESCOs)





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