



# 26<sup>th</sup> Annual Needham Growth Conference

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January 19, 2024



# Safe Harbor Statement

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Information included in this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These include financial expectations relating to the Astro Machine acquisition. Forward-looking statements are not statements of historical fact, but rather reflect our current expectations concerning the acquisition of Astro Machine LLC. These statements may include the use of the words “believes,” “expects,” “intends,” “plans,” “anticipates,” “likely,” “continues,” “may,” “will,” and similar expressions to identify forward-looking statements. Such forward-looking statements, include, but are but not limited to, the potential benefits of the Astro Machine acquisition. These statements involve risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. These risks, uncertainties and factors include, but are not limited to, (a) the risk we are unable to integrate Astro Machine's business and operations with and into AstroNova's existing business, (b) general economic, financial, industry and business conditions; (c) the continuing impact of the COVID-19 pandemic on us, our customers, our suppliers and the global economy; (d) competition in the specialty printer or data acquisition industries; (e) our ability to obtain adequate pricing for our products and control our cost structure; and (f) the other factors set forth in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2023 and subsequent filings AstroNova makes with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The reader is cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this presentation.

# AstroNova: A Leader in Data Visualization Technology

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Specialty printers and data acquisition systems that acquire, store, analyze, and present data in multiple formats

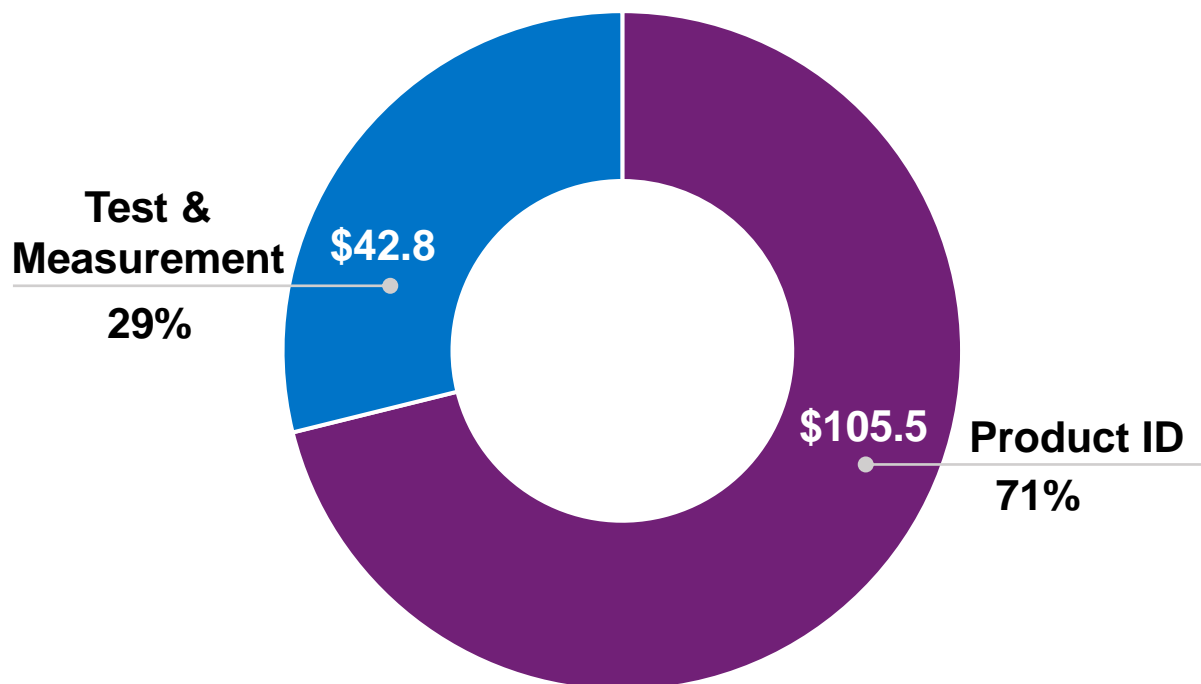
**\$142.5 million**  
revenue in fiscal  
2023

**394 employees**  
in the U.S. Europe,  
Canada, Asia and  
Mexico

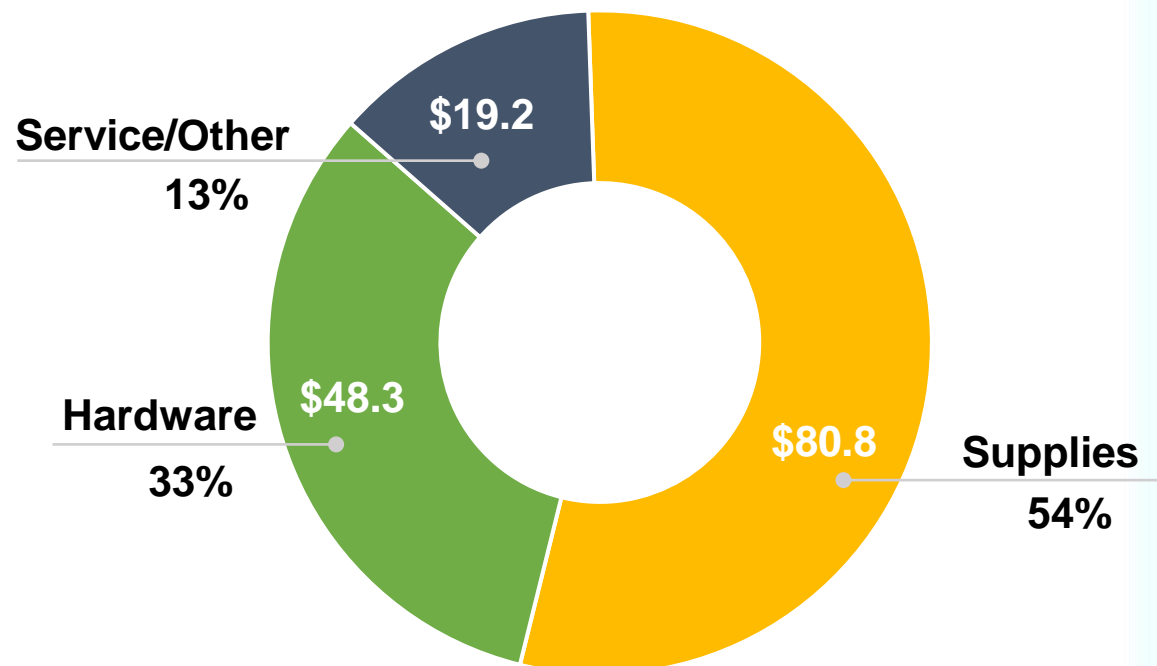
Customers in  
**150+ countries**

# Market Segmentation

Revenue by Segment – TTM Q3 FY 2024  
(\$ in millions)



Revenue by Type – TTM Q3 FY 2024  
(\$ in millions)



# Key Elements of our Growth Playbook

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**Product Innovation**



**Strategic M&A**



**Operational Excellence**



**Geographic Expansion**



# Diverse Product Portfolio

## Executing a Common Vision Across Three Lines of Business

### AstroNova® Product Identification



- Professional Digital Color Label Presses
- Color Inkjet Label Printers
- Printing Equipment for Mailing and Labeling
- Digital LED Toner (EP) Printers
- Thermal Transfer Printers
- Media, Inks, Toner and Supplies
- Label Design and Management Software



### AstroNova™ Aerospace

- Narrow-format Airborne Printers
- Wide-format Airborne Printers
- Airborne Ethernet Switches
- Aviation Printer Paper and Supplies
- Global Aviation Repair Facilities



### AstroNova® Test & Measurement

- Data Acquisition Systems
- Data Recorders and Printers
- I/O Modules
- Data Visualization and Analysis Software
- Thermal Paper and Supplies

# Track Record of Value-Generating Acquisitions

**Feb. 2014**

Acquired Miltope aerospace printer product line



**Feb. 2017**

Acquired TrojanLabel ApS, a European manufacturer of specialty printing systems



**Aug. 2022**

Acquired Astro Machine, a leader in printing technology for mailing and labeling applications

**Jun. 2015**

Acquired RITEC aerospace printer product line

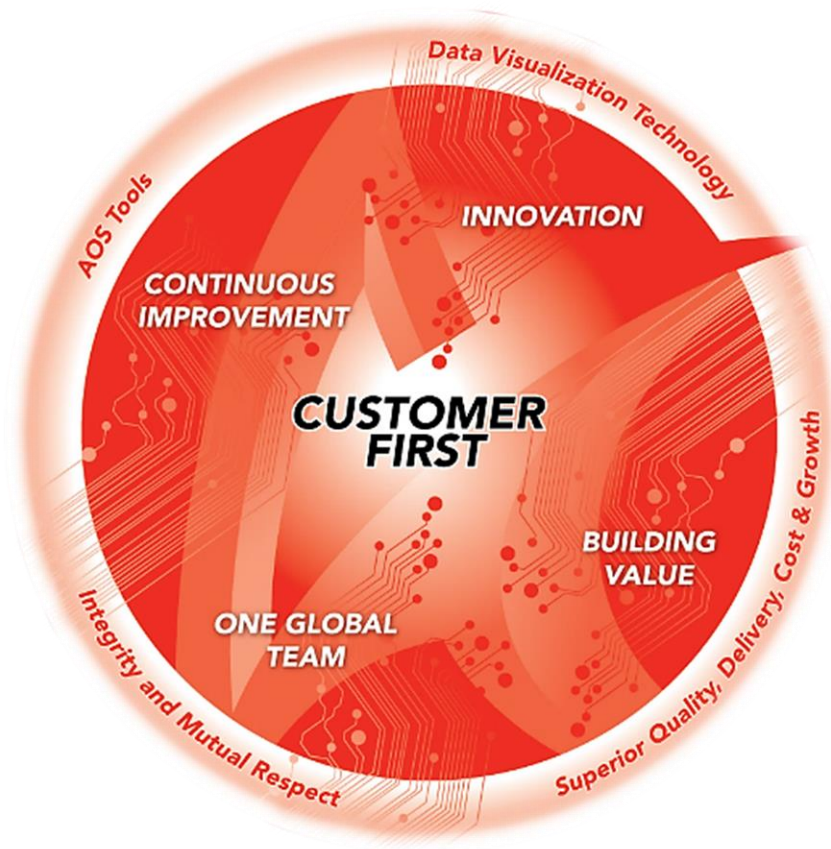


**Sep. 2017**

Acquired exclusive rights to manufacturer, market and service Honeywell International PTA-45B narrow-format cockpit data printer



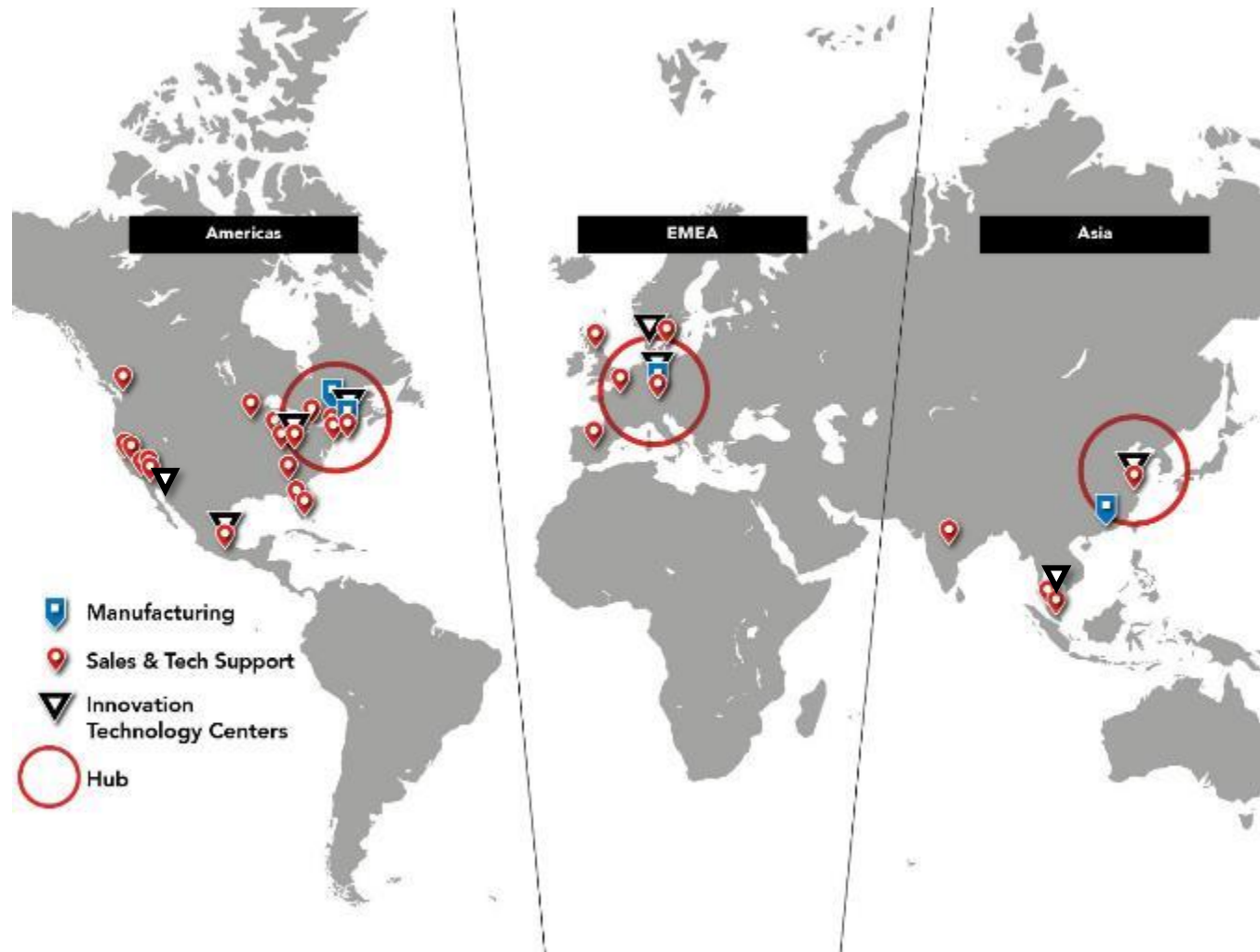
# Applying AOS Tools Across The Organization



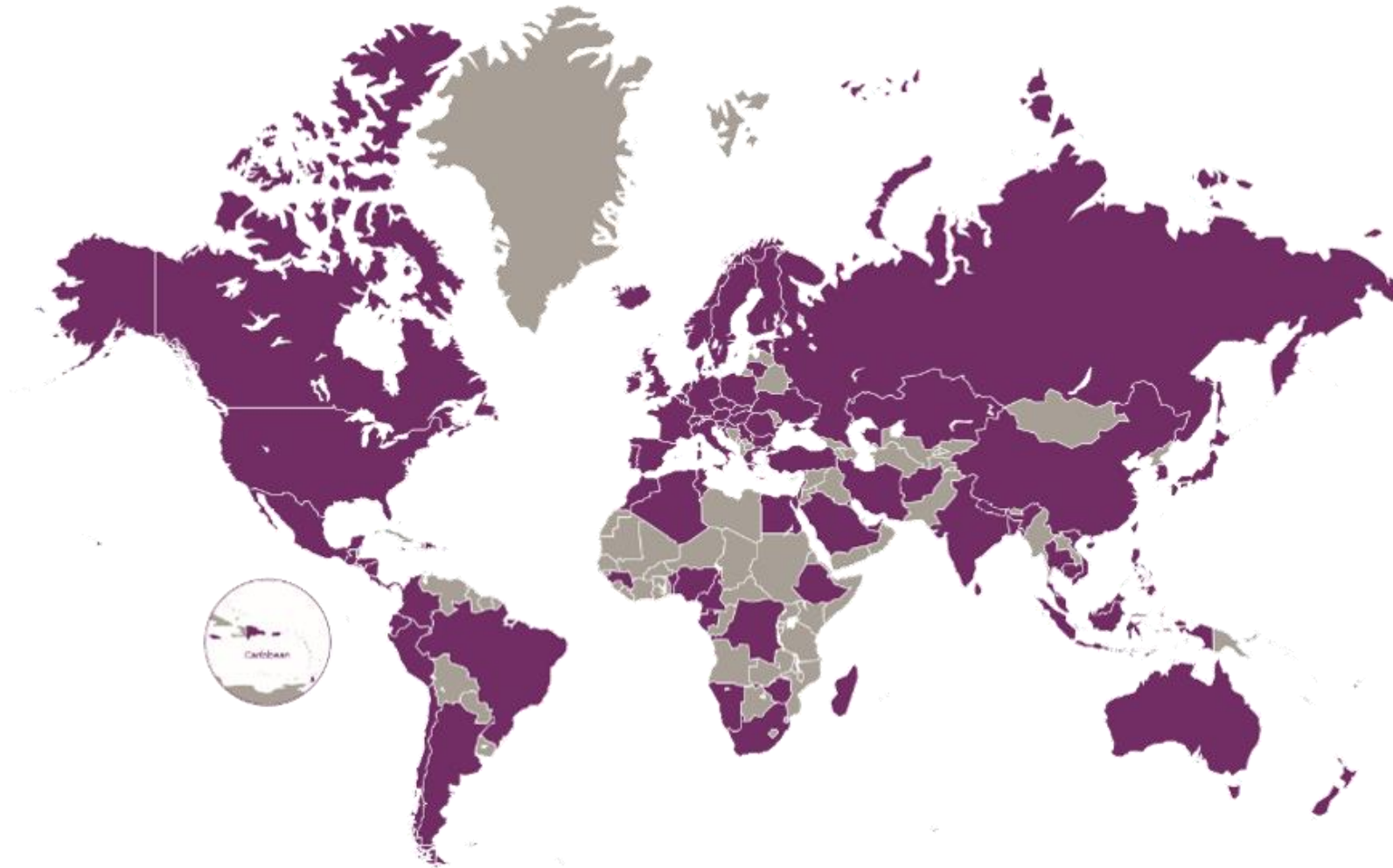
*The AOS guides how we operate and ensures we drive sustainable value for all stakeholders.*



# International Presence



# Worldwide Installed Base





**AstroNova®**  
Product Identification



# AstroNova's UNIQUE Total Solution Advantage

AstroNova's Unique Total Solution is a competitive advantage that ensures long-term customer success.

As the inventors of the first digital label printer in 1994, we have always provided the complete solution:

- **Wide range of Printers**
- **Inks, Toners and Thermal Transfer Ribbon**
- **Industry's widest range of Label Media**
- **Proprietary Software**
- **Global Support Services**





# AstroNova's UNIQUE Total Solution Advantage



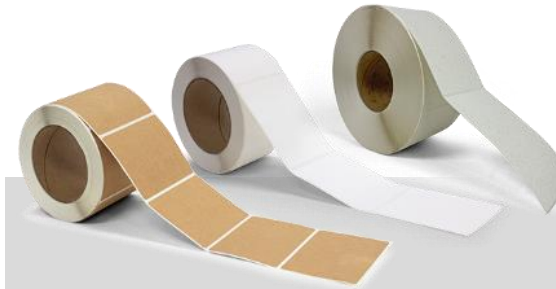
## Hardware

We work with our customers to recommend the best fit printer or press for their specific application and business need.



## Software

We have in-house software developers who work on our core CQL Pro labeling software as well as custom OEM solutions.



## Label Materials

Our labels are developed and tested by in-house experts who work to ensure materials are durable and fit for our customers' application.



## Support

We train our support teams and channel partners to maintain extensive, up-to-date knowledge on all of our products and services.

# Acquisitions and New Products Expand our Addressable Market



**Entry Level**



**Tabletop**



**Direct Mail and Promotional**



**Light Production**



**Overprinting Solutions**

# FY24 Q2 New Product: QL-E100

## A Greenfield Opportunity for AstroNova

*“Print professional-quality, customized labels at the touch of a button”*

### Product Advantages:

- User-friendly, compact, full-color tabletop label printer
- Combines benefits of professional printing with flexibility, simplicity, & affordability
- Best in Class 7” color touchscreen interface & internal image storage
- High-performance, water-based inks to consistently deliver bright, vibrant color



### Market Opportunity:

- Game-changing design creates an additional opportunity to reach customers with smaller budgets, and those seeking to leverage advantages of in-house label printing
- Extends our industry-leading color labeling solutions in a large & growing segment

# FY24 Q3 New Products

## QL-900



Rugged desktop inkjet label printer designed for full-color labeling applications

## T2-PRO



Compact digital label press targeted toward the industrial and professional printing segments

## T3-PRO



Compact CMYK digital print module that enables OEMs to offer full-color digital printing on a range of materials



# Technology Innovations Provide a Differentiated Product Experience for our Customers

## Catalysts:

Mass customization, digital print for packaging, eCommerce, GHS labeling

### How our PI Products Add Value

- Environmentally friendly inks
- Small- or large-volume, on-demand label production
- User-friendly operation
- World-class customer support
- High ROI

### QL-300

4 Colors + White



### T3-OPX

Direct-to-package  
printing solutions



### QL-120X

Industry-best  
2-year warranty





# Representative Label Printing Markets



# Representative Flat Piece Printing Markets:

## Direct Mail and Promotional Items





# Representative Direct-to-Package Printing Markets

## Custom Shipper Boxes & On-line Packaging



## To-Go Meals & Take-Out Containers



## Retail & Prepared Foods Packaging



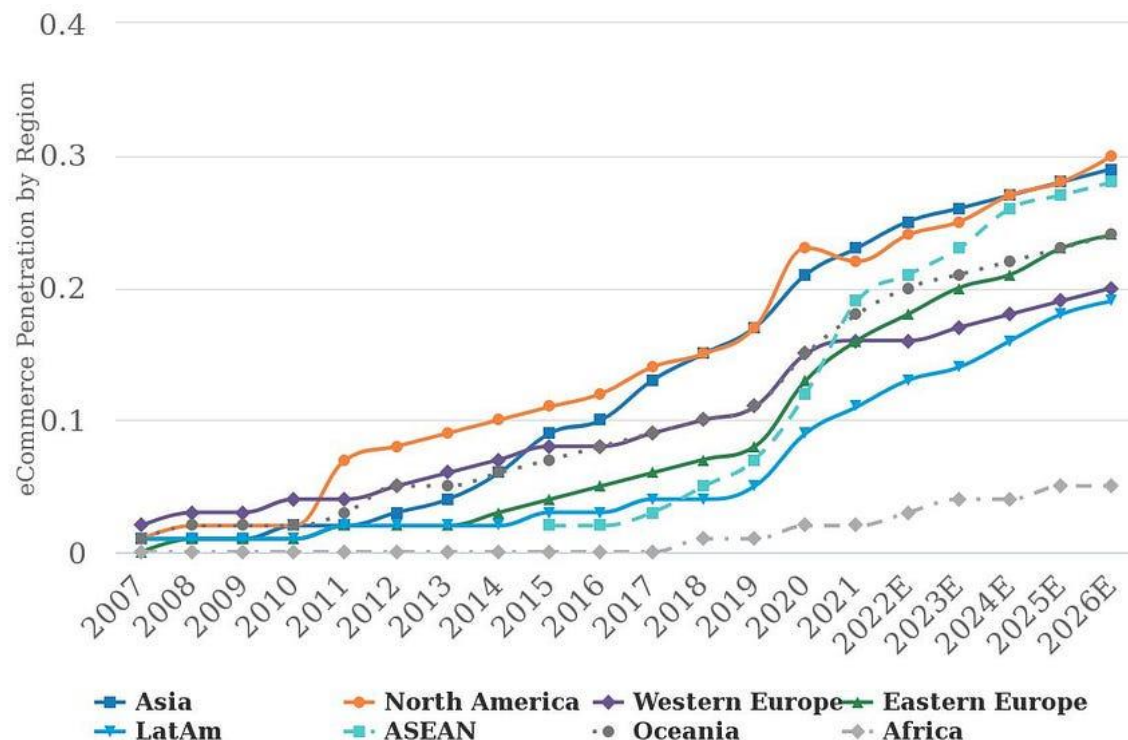
## Custom Printed Gifts





# PI Market Driver: Growing Adoption of E-Commerce

**E-Commerce as a Percentage of Retail Sales by Region**



Source: Euromonitor, National Data Sources, Morgan Stanley Research Estimates

## Branded Mailers and Packages

Packaging designs can optimize products for e-commerce by preventing damage, boosting productivity, and improving the consumer experience.

E-commerce-adopted packaging that could be ship-ready<sup>1</sup> with minimal added transport and protective packaging



**Protection**  
E-commerce tested to prevent product damage



**Tamper proof**  
Secure products against tampering



**Rapid fill**  
Optimize speed and productivity for filling at e-retailer



**Return**  
Design convenient packaging and system for returns



**Optimized for e-commerce**  
Full packaging for e-commerce channel at lowest cost possible



**Ship-ready**  
Ship-ready primary and secondary packaging merging



**Unboxing**  
Improved consumer unboxing experience



**Track and trace**  
Increase technology integration to allow track and trace

<sup>1</sup>A combination of primary and secondary packaging offering minimal added transport and protective packaging.  
Source: Expert interviews; McKinsey analysis

# New Product ID E-Commerce Platform

- Dedicated site:  
[shop.astronovaproductid.com](http://shop.astronovaproductid.com)
- Printers, ink, toner, ribbons and replacement parts
- Easy-to-navigate site with Amazon-style convenience

## QL-E100 COLOR LABEL PRINTER

SKU: 40790100 | ★★★★★ No Reviews yet



\$1,995.00

Quantity

1

ADD TO CART

ADD TO WISHLIST

✓ This item is IN STOCK Current Stock 5

## DETAILS

QL-E100 COLOR LABEL PRINTER

Print Volume: Up to 3,000/week

Print Resolution: 1200 dpi

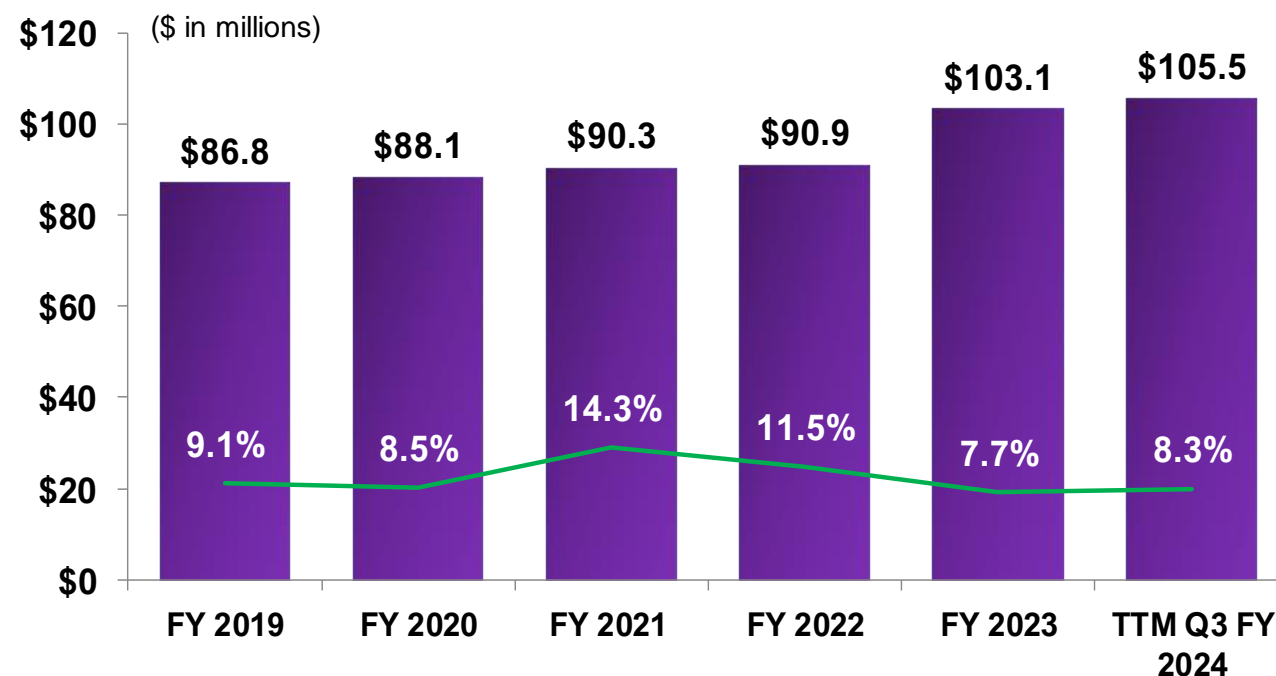
Max Print Width: 4.17" (108 mm)

Ink: High Capacity CMY Water-Based Dye

Voltage: 100-240VAC

# Product Identification Snapshot

## Segment Revenue and Operating Profit Margin



## Q3 FY 2024 Performance

(\$ in millions)	Q3 FY'24	Q3 FY'23
Revenue	\$26.5	\$29.9
Segment Operating Profit – GAAP	\$4.8	\$3.0
Segment Operating Margin – GAAP	18.1%	9.9%

<sup>2</sup> Please refer to the appendix in this presentation for a reconciliation of non-GAAP metrics to their nearest GAAP equivalents.

# Initiated Strategic Realignment of Product ID Segment to Lower Costs and Improve Operating Efficiencies

- **Transitioning more PI printer manufacturing from Asia and West Warwick to Astro Machine plant in Illinois**
  - Optimizing synergies of Astro Machine acquisition
- **Rationalizing combined AstroNova/Astro Machine PI product portfolios**
  - Exiting lower margin or low volume label printers to focus on higher-margin product lines with advanced functionality and greater demand
- **Consolidating international PI sales and distribution facilities and streamlining global channel partner network**
  - Expanding relationships with highest-value distribution partners
- **Q2 FY 2024 GAAP results included \$3.5 million in pre-tax strategic restructuring charges and related expenses**

**Actions expected to achieve annualized cost savings of \$2.4 million**





**AstroNova<sup>®</sup>**  
Test & Measurement



# AstroNova Aerospace

## An Integral Link in the Aircraft Communications Chain

### Catalysts:

- Increasing demand for air travel
- Globalization
- Narrowbody point-to-point operations

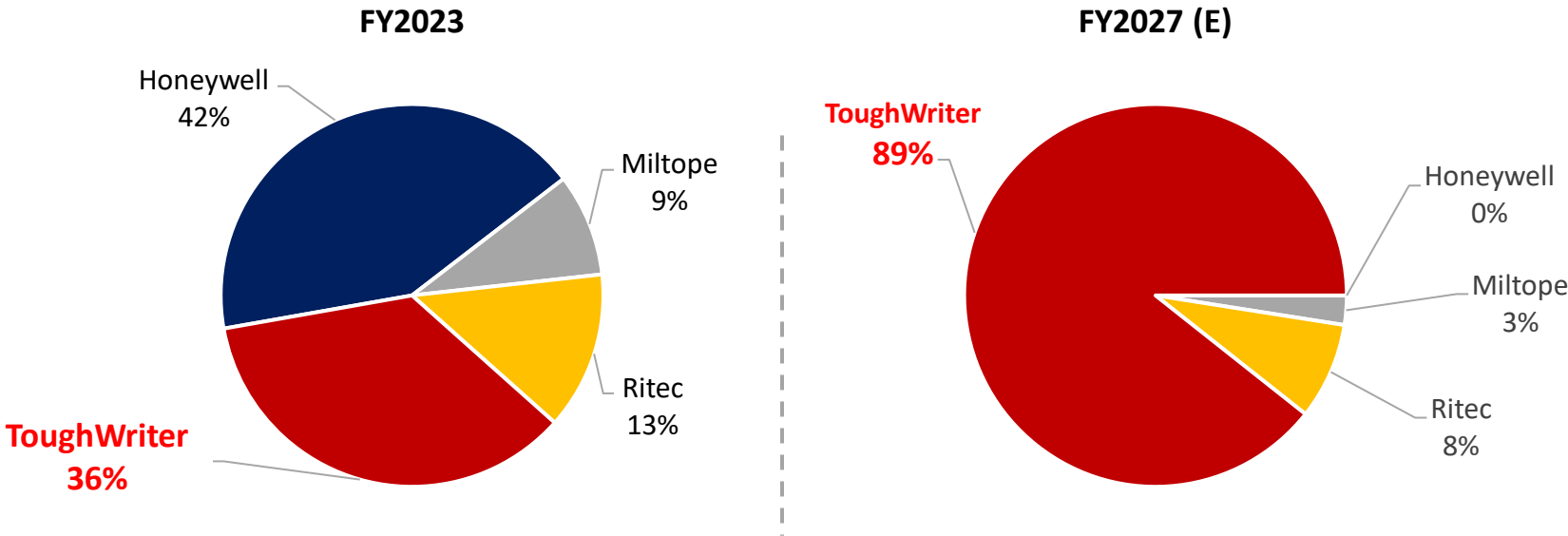
### Why Airplanes Have Printers?

- Safety, workload reduction
- Weather and flight plan information
- Required hardcopy documentation
- Critical ATC communications



# ToughWriter-Branded Printers Expected to Reach 89% of our Total Unit Volume by FY 2027

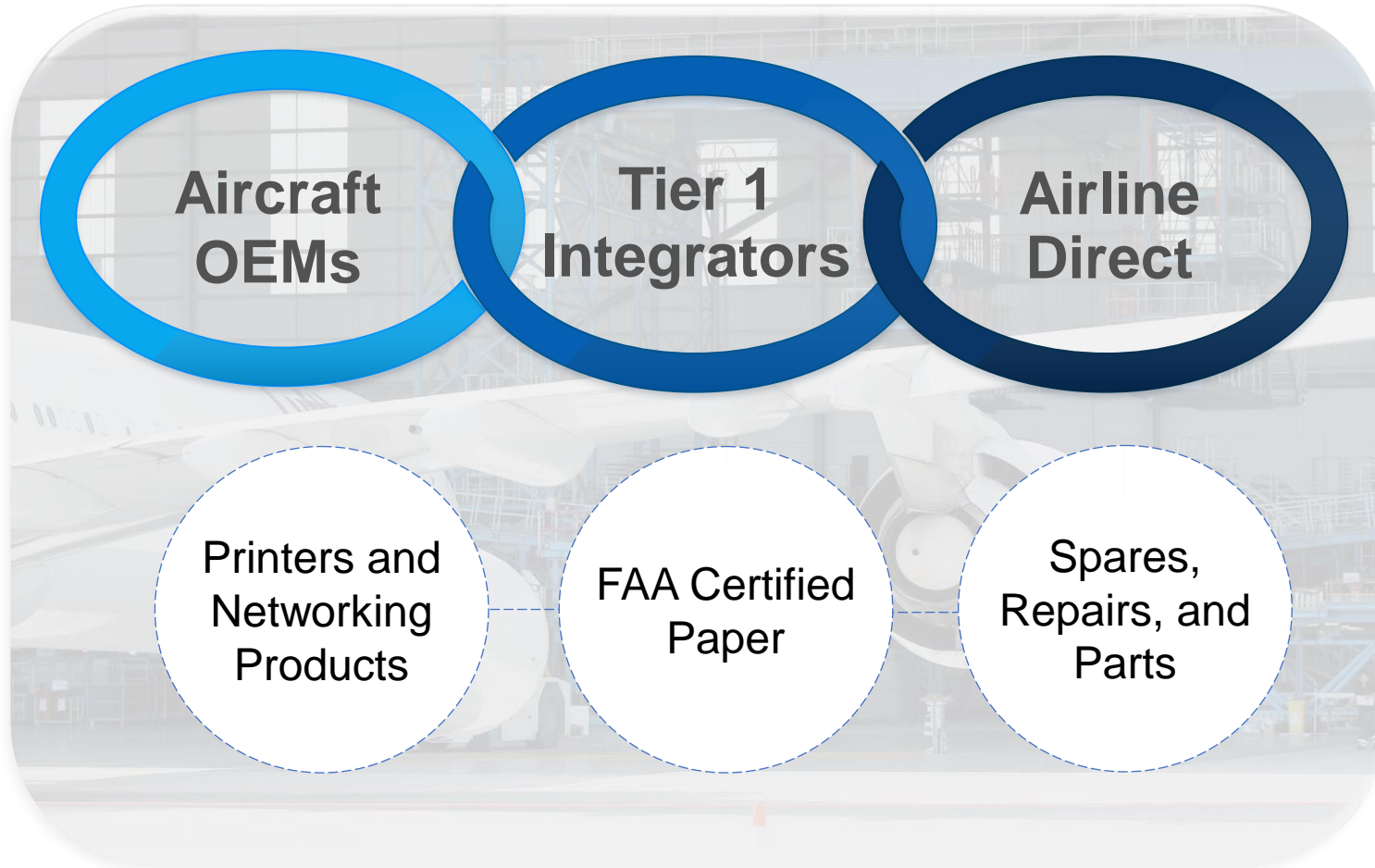
AstroNova Aerospace Printer Shipments by Brand



## Benefits of Transition to ToughWriter Printer

- Upgraded technology for customers
- Fewer SKUs create greater efficiencies
- Reduced manufacturing costs drive higher T&M margins
- OEM and direct airline customers benefit from more streamlined parts and services

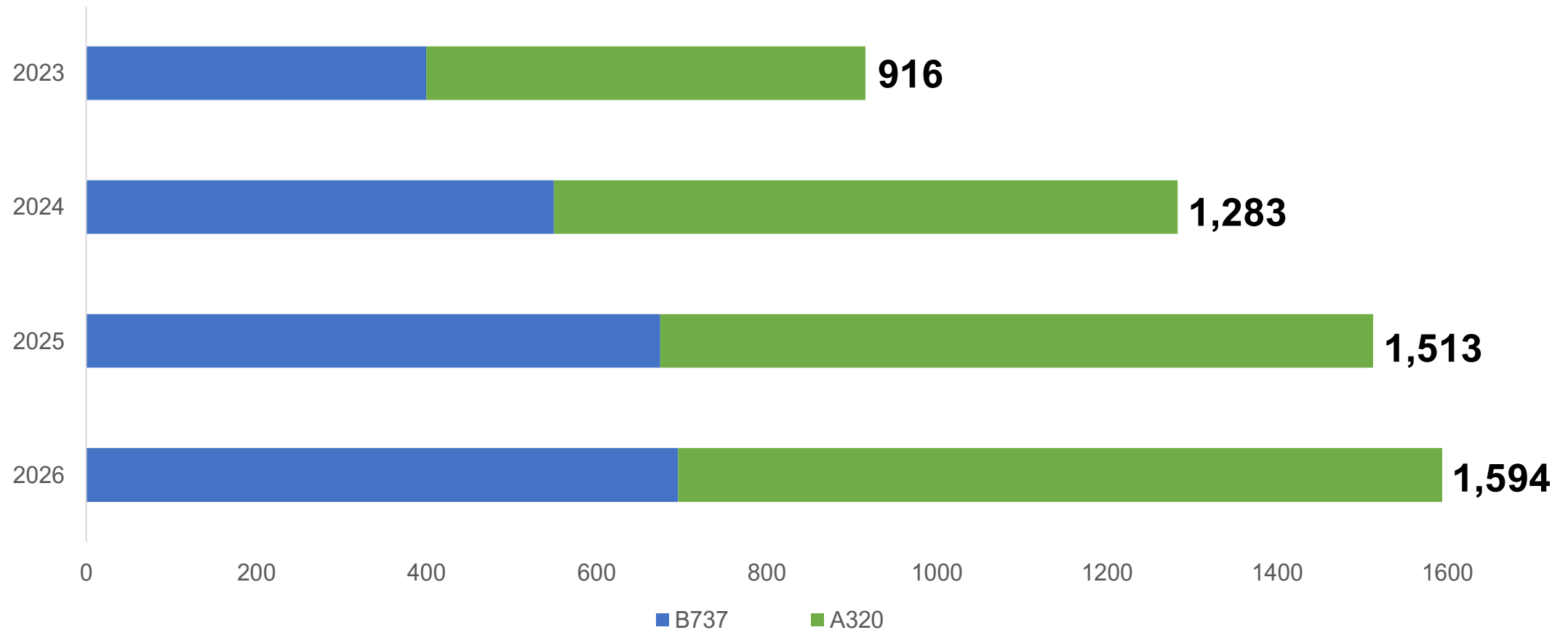
# Partnered with Major Tiers of the Aerospace Value Chain





# B737 and A320 Aircraft Families

## Estimated Annual Production Rate 2023-2026



# Select Aerospace Platforms



## Commercial

A320	A220
B737	A330
B747-8	A350
B777	A380
B777X	C919
B787	



## Business/Regional Jet

Embraer  
Gulfstream  
Dassault  
ATR  
Bombardier  
COMAC



## Military

C-130J  
C-17  
A400M  
KC-46A  
KC-390



## In-Flight Entertainment System Printers

Panasonic  
Thales

# Data Acquisition Systems

Real-Time Data Analysis for Mission Critical Applications

## Catalysts:

Regulatory, Safety, Compliance, and Quality Assurance

## Applications

- Aircraft test and certification
- Rocket and missile telemetry
- Performance monitoring
- Validation of instrumentation
- Wireless remote monitoring and data acquisition

### Aerospace and Defense



### Automotive



### Industrial



### Power & Utilities



### Rail



### UPS & Static Switch



# Examples of Test & Measurement Applications

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**Solar Energy Power  
Monitoring**



**Monitoring Backup Power  
in a Data Centers**

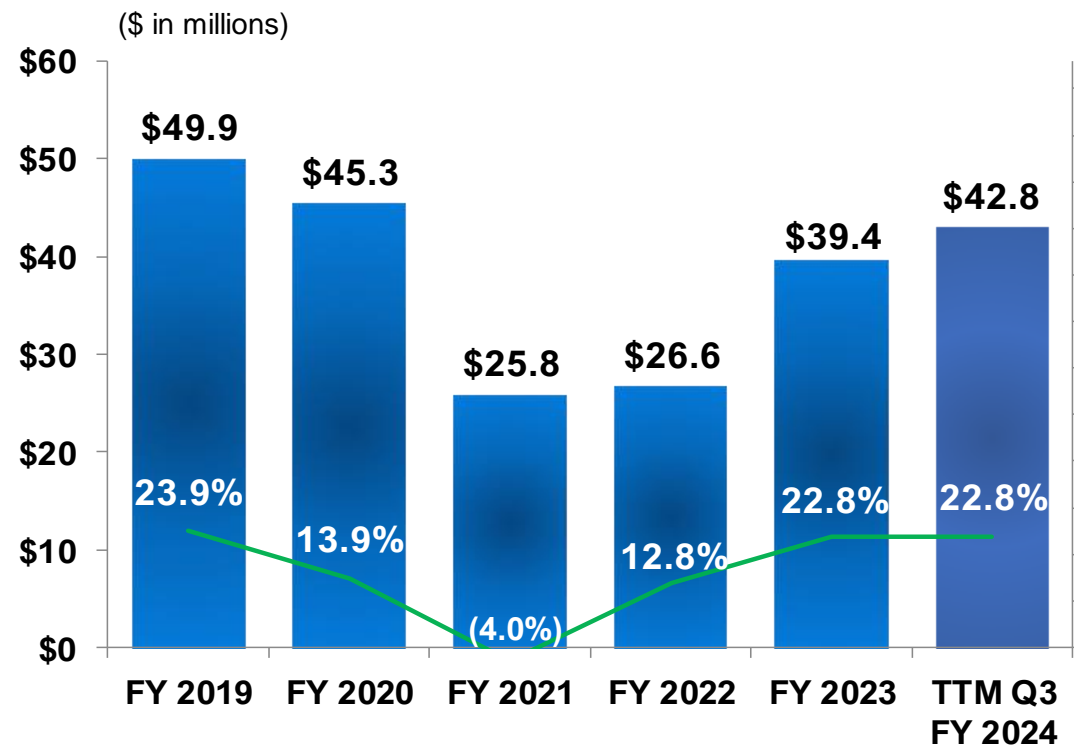


**Missile Testing and Rocket Telemetry**



# Test & Measurement Snapshot

## Segment Revenue and Operating Profit Margin



## Q3 FY 2024 Performance

(\$ in millions)	Q3 FY'24	Q3 FY'23
Revenue	\$11.0	\$9.5
Segment Operating Profit	\$2.6	\$1.7
Segment Operating Margin	23.2%	18.0%

<sup>2</sup> Please refer to the appendix in this presentation for a reconciliation of non-GAAP metrics to their nearest GAAP equivalents.



**Why AstroNova**

# Focused on Executing our Strategy Despite a Challenging Economic Environment

## PRODUCT INNOVATION



**Innovating new products** and expanding our relationships with customers across our Product Identification and Test & Measurement segments

## STRATEGIC M&A



**Acquiring fairly-valued assets** that strengthen our core competencies, extend our technology advantage to new end markets or add complementary technologies

## GEORAPHIC EXPANSION



**Identifying new markets** where our technology and products represent a competitive advantage, and building our network of Innovation Technology Centers

## OPERATIONAL EXCELLENCE



**Rigorously applying the AstroNova Operating System** suite of lean business management tools to continuously improve our cost, delivery, and quality across the entire enterprise

# Reasons to Invest

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**Leading Market Positions and Brands**

**High Recurring Revenue**

**Capitalizing on Secular Trends in All Lines of Business**

**Track Record of Value-Generating M&A**



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# Appendix

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# Fiscal Third-Quarter 2024 Financial Summary

(\$ in thousands, except per share data)

	Q3 FY 2024	Q3 FY 2023	YoY
Revenue	\$37,549	\$39,405	(5%)
Gross Profit	\$14,779	\$12,482	18%
<i>Gross Margin</i>	39.4%	31.7%	770 bps
Operating Expenses	\$10,161	\$11,136	(9%)
Operating Income	\$4,618	\$1,346	243%
Operating Margin	12.3%	3.4%	890 bps
Net Income	\$2,752	\$289	870%
Net Income per Common Share	\$0.37	\$0.04	825%

# Select Consolidated Balance Sheet

## Amounts In Thousands (Unaudited)

	October 28, 2023	January 31, 2023
Cash & Cash Equivalents	\$4,827	\$3,946
Total Current Assets	\$76,887	\$79,762
Total Assets	\$134,203	\$139,207
Total Current Liabilities	\$33,698	\$37,498
Long-Term Debt, net of current portion	\$10,039	\$12,040
Royalty Obligation, net of current portion	\$2,476	\$3,415
Total Shareholders' Equity	\$86,888	\$84,367

# Reconciliation of GAAP to Non-GAAP Results

Amounts in thousands, except per share data  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
GAAP Revenues	\$ 37,549	\$ 39,405	\$ 108,493	\$ 102,674
Non-GAAP Revenues	\$ 37,549	\$ 39,405	\$ 108,493	\$ 102,674
GAAP Cost of Revenues	\$ 22,770	\$ 26,923	\$ 71,618	\$ 68,080
Restructuring Charges	-	-	2,096	-
Product Retrofit Costs	-	-	852	-
Non-GAAP Cost of Revenues	\$ 22,770	\$ 26,923	\$ 68,670	\$ 68,080
GAAP Gross Profit	\$ 14,779	\$ 12,482	\$ 36,875	\$ 34,594
Restructuring Charges	-	-	2,096	-
Product Retrofit Costs	-	-	852	-
Non-GAAP Gross Profit	\$ 14,779	\$ 12,482	\$ 39,823	\$ 34,594
GAAP Operating Expenses	\$ 10,161	\$ 11,136	\$ 31,993	\$ 31,248
Transaction Costs	-	(717)	-	(717)
Restructuring Charges	-	-	(555)	-
Non-GAAP Operating Expenses	\$ 10,161	\$ 10,419	\$ 31,438	\$ 30,531
GAAP Operating Income	\$ 4,618	\$ 1,346	\$ 4,882	\$ 3,346
Transaction Costs	-	717	-	717
Restructuring Charges	-	-	2,651	-
Product Retrofit Costs	-	-	852	-
Non-GAAP Operating Income	\$ 4,618	\$ 2,063	\$ 8,385	\$ 4,063
GAAP Other Income/(Expense)	\$ (917)	\$ (955)	\$ (2,161)	\$ (1,665)
Non-GAAP Other Income/(Expense)	\$ (917)	\$ (955)	\$ (2,161)	\$ (1,665)
GAAP Income Tax Expense	\$ 949	\$ 102	\$ 738	\$ 383
Tax Adjustments of Non-GAAP Adjustments	-	177	797	177
Non-GAAP Income Tax Expense	\$ 949	\$ 279	\$ 1,535	\$ 560
GAAP Net Income	\$ 2,752	\$ 289	\$ 1,983	\$ 1,298
Transaction Costs	-	540	-	540
Restructuring Charges	-	-	2,048	-
Product Retrofit Costs	-	-	658	-
Non-GAAP Net Income	\$ 2,752	\$ 829	\$ 4,689	\$ 1,838
GAAP Diluted Earnings Per Share	\$ 0.37	\$ 0.04	\$ 0.27	\$ 0.18
Transaction Costs	-	-	-	0.07
Restructuring Charges	-	-	0.28	-
Product Retrofit Costs	-	-	0.09	-
Non-GAAP Diluted Earnings Per Share	\$ 0.37	\$ 0.04	\$ 0.63	\$ 0.25



# Reconciliation of Segment GAAP to Non-GAAP Operating Profit

Amounts in thousands  
(Unaudited)

	Three Months Ended						Nine Months Ended					
	October 28, 2023			October 29, 2022			October 28, 2023			October 29, 2022		
	Product Identification	Test & Measurement	Total	Product Identification	Test & Measurement	Total	Product Identification	Test & Measurement	Total	Product Identification	Test & Measurement	Total
GAAP - Segment Operating Profit	\$ 4,794	\$ 2,558	\$ 7,352	\$ 2,960	\$ 1,711	\$ 4,671	\$ 6,848	\$ 6,548	\$ 13,396	\$ 6,019	\$ 5,783	\$ 11,802
Restructuring Charges	-	-	-	-	-	-	2,568	-	2,568	-	-	-
Product Retrofit Costs	-	-	-	-	-	-	852	-	852	-	-	-
Non-GAAP - Segment Operating Profit	\$ 4,794	\$ 2,558	\$ 7,352	\$ 2,960	\$ 1,711	\$ 4,671	\$ 10,268	\$ 6,548	\$ 16,816	\$ 6,019	\$ 5,783	\$ 11,802

# Use of Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), this presentation contains the non-GAAP financial measures. The Company believes that these non-GAAP financial measures help investors gain a meaningful understanding of changes in the Company's core operating results, and also can help investors who wish to make comparisons between AstroNova and other companies on both a GAAP and a non-GAAP basis. AstroNova's management uses these non-GAAP measures, in addition to GAAP financial measures, as the basis for measuring its core operating performance and comparing such performance to that of prior periods and to the performance of its competitors. These measures are also used by the Company's management to assist with their financial and operating decision-making. Non-GAAP financial measures are not a substitute for GAAP financial measures and may not be comparable to similarly titled measures of other companies.