



Lakeland
INDUSTRIES, INC
NASDAQ: LAKE



Christopher J. Ryan
President and Chief Executive Officer
June 2016



Emerging Markets Exposure...
...Western Markets Expertise

Safe Harbor Statement



With the exception of historical information, the statements set forth in this presentation include forward-looking statements 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.

Lakeland At A Glance

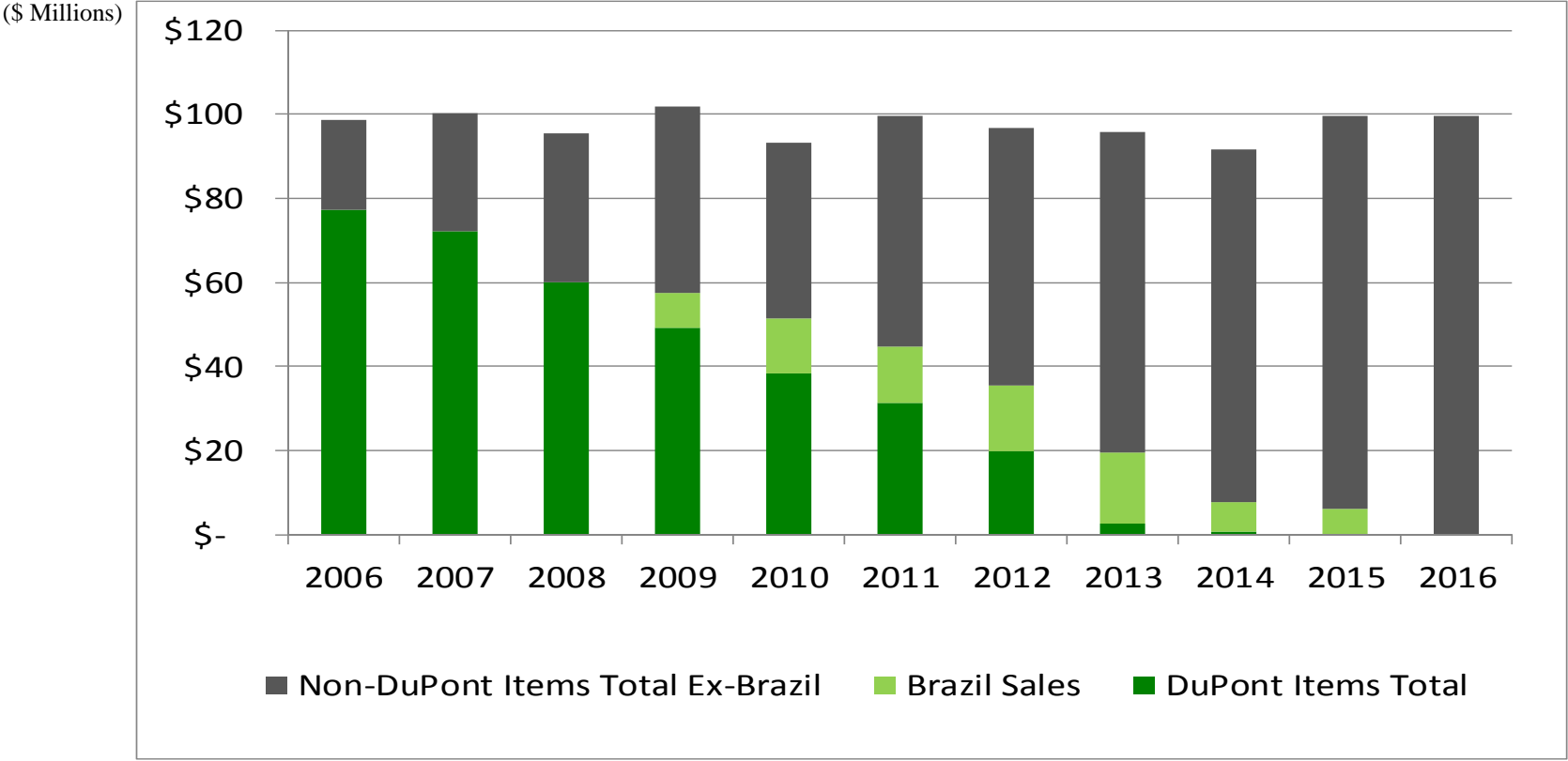


- Leading Manufacturer of Industrial Protective Clothing
- Serving All Major Markets
 - Chemical/Petrochemical
 - Basic Industry: Auto, Steel, Construction, Electric & Gas Utilities
 - Health Care & Food Chain; High Tech
 - Government, Fire Department, Public Safety, DoD, CDC, etc.
- Supplier to U.S. Distributors Since 1982
- Driven by Domestic and International Operations; Margin Expansion
- Positioned for Long Term Growth with Strengthened Balance Sheet and Significant “Opportunity Gap”
- History: Lost \$80 million of DuPont Licensed product sales between 2006-2014 and nearly \$15 million in Brazil revenue from 2012-2015
 - *Drag on Revenues while Organic Growth of over \$70 million was Not Apparent*



HOBBLED BY PRIOR DEPENDENCE ON DUPONT FABRICS & EXIT FROM BRAZIL

Fiscal Year Sales History: Tyvek/Tychem and Brazil Declines Mask Organic Domestic and International Growth*



Lost \$78M in DuPont sales and \$17M in Brazil Sales from 2006-2016

*Chart shows figures for continuing and discontinued operations

Strong Organic Growth Amid Losses of Tyvek/Tychem and Brazil Sales



FISCAL YEAR (\$ 000)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total North American Sales of DuPont Items	\$ 0	\$ 1,000	\$ 3,000	\$ 20,000	\$ 31,000	\$ 38,000	\$ 49,000	\$ 60,000	\$ 72,000	\$ 77,000
Brazil Sales	\$ 6,000	\$ 7,000	\$ 17,000	\$ 16,000	\$ 14,000	\$ 13,000	\$ 8,000	\$ 0	\$ 0	\$ 0
All Other Sales - Non-DuPont, Ex-Brazil	\$ 94,000	\$ 84,000	\$ 76,000	\$ 61,000	\$ 54,000	\$ 42,000	\$ 45,000	\$ 36,000	\$ 28,000	\$ 21,000
Total Sales*	\$ 100,000	\$ 92,000	\$ 96,000	\$ 97,000	\$ 99,000	\$ 93,000	\$ 102,000	\$ 96,000	\$ 100,000	\$ 98,000

Non-DuPont, Ex-Brazil – Sales from Organic Growth	\$ 94,000	\$ 84,000	\$ 76,000	\$ 61,000	\$ 54,000	\$ 42,000	\$ 45,000	\$ 36,000	\$ 28,000	\$ 21,000
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CAGR for Sales from Organic Growth of 16% from 2006-2015

* Includes continuing and discontinued operations; all figures rounded.

Financial Issues Through 2014

Company In A Sharp Turn Around Mode



- Brazil pulled the Company down so completely with \$34 million of losses over a 3 year period to the point where a “Going Concern Opinion” was a very short term reality in May 2013.
- As a result, stock hit all time low below \$4.00 in May 2013.
- First quarter of fiscal 2015 Adjusted EBITDA, excluding Brazil, was \$1.8 million.
- Company completed its financing with AloStar Bank which gave it a 3 year bank loan in June 2013 through June 2016. The “Going Concern Opinion” was then removed 16 days later. The attractiveness and efficacy of this loan was that it had no covenants regarding the future performance of Brazil

Long Term Improvements in Continuing Operations



Summary of Operations
Year Ended January 31,
(in thousands, except share and per share data)

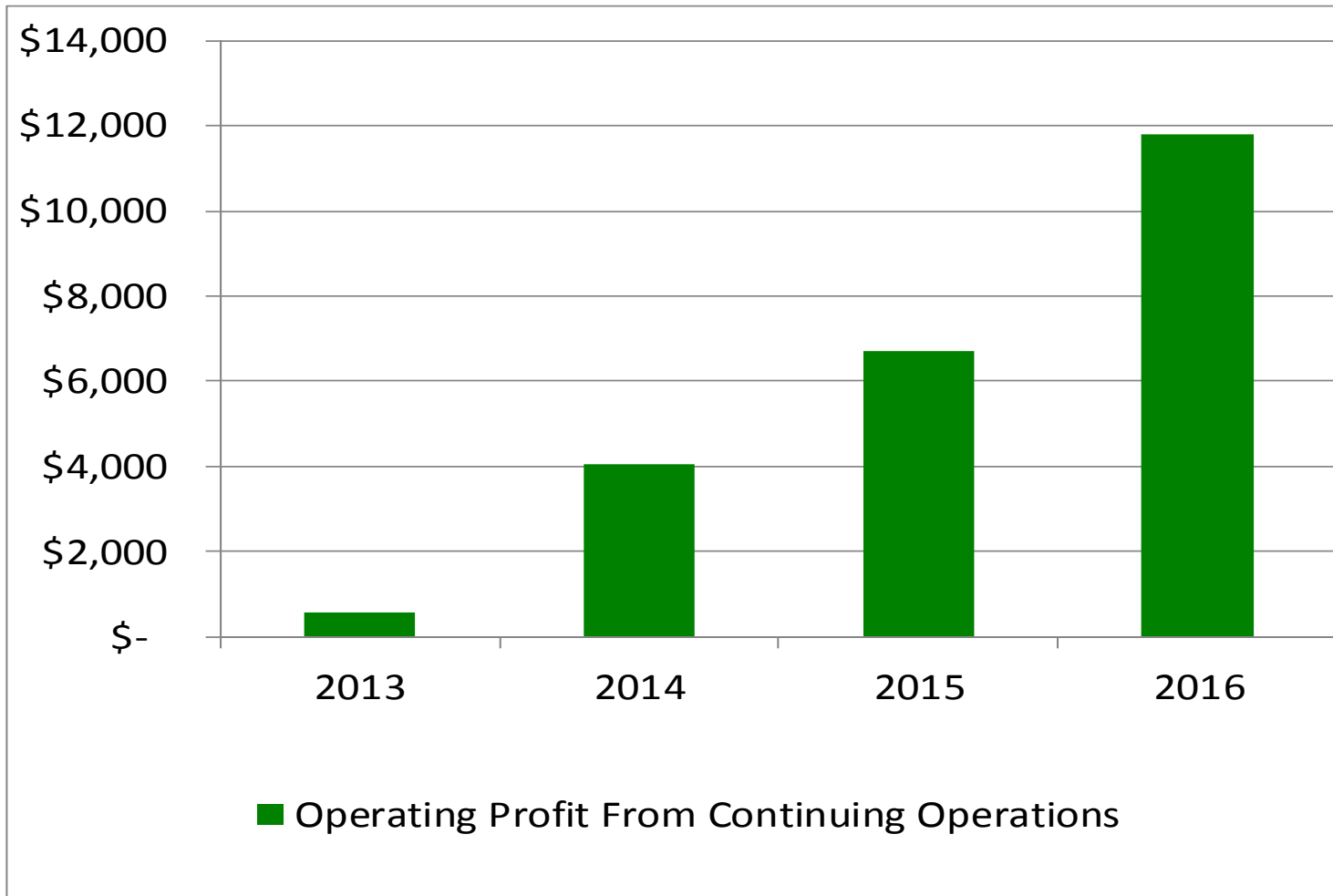
	2016	2015*	2014*	2013*
Income Statement Data:				
Net sales from continuing operations	99,646	\$ 93,419	\$ 84,173	\$ 78,260
Operating profit (loss) from continuing operations	11,812	6,691	4,053	579
Arbitration judgment in Brazil	—	—	—	(7,874)
Income (loss) from continuing operations before income taxes	10,907	2,898	2,679	(8,538)
Income tax expense (benefit)	3,117	(8,188)	(2,851)	4,127
Net income (loss) from continuing operations	7,790	11,086	5,530	(12,665)
Net income (loss) on discontinued operations net of tax	(3,936)	(2,687)	(5,650)	(13,624)
Earnings (loss) per share from continuing operations - basic	\$ 1.09	\$ 1.78	\$ 0.97	\$ (2.39)
Earnings (loss) per share from continuing operations – diluted	\$ 1.07	\$ 1.75	\$ 0.96	\$ (2.39)
Weighted average common shares outstanding				
Basic	7,171,965	6,214,303	5,689,230	5,290,332
Diluted	7,254,340	6,325,525	5,771,226	5,290,332
Balance Sheet Data:				
Current assets	\$ 69,655	\$ 68,635	\$ 65,481	\$ 60,605
Total assets	88,260	93,208	80,483	80,051
Current liabilities	19,958	26,222	26,835	27,761
Long-term liabilities	786	3,730	9,171	8,801
Stockholders' equity	67,516	63,256	44,477	43,489

* Restated for discontinued operations

Growth in Operating Profit From Continuing Operations



(\$ Millions)



Proof Of Turn Around from FY2014-FY2016



New Financings and Return to Growth

- Financing of \$15.0 million Senior debt and \$3.5 million Junior debt during 2QFY14
- PIPE common stock issuance for \$11.1 million completed in 3QFY15
- April 2015: Announced determination to exit Brazil through transfer of shares in a management buyout and adopted discontinued operations
- Financial Results Highlights – Fiscal Year 2016 Ended 1/31/16 (Continuing Operations)
 - Revenue Growth
 - Consolidated sales increased for third consecutive year, despite currency headwinds in fiscal 2016 versus fiscal 2015 which significantly reduced revenues which are reported on a consolidated GAAP basis in US dollars
 - Revenues driven by organic growth in the first three quarters of fiscal 2016 and emergency demand earlier in the year
 - Margin Improvement and Expense Management
 - Gross margin for the year was 36.5% compared to 33.9% last year
 - Operating expenses decreased by \$0.2M and decreased as a percent of sales to 25% from 26% last year
 - Significant Increases in Operating Income, Adjusted EBITDA* and Free Cash Flow
 - Operating income increased to \$11.8M from operating income of \$7.0M last year
 - Operating income as a percentage of sales increased to 11.9% this year vs. 7.5% last year
 - Free cash flow (defined as adjusted EBITDA less cash paid for taxes and less capital exp.) at \$10.8M up from \$7.4M
 - Net Income
 - Fiscal 2016 net income of \$7.8M declined from \$11.1M last year
 - Year over year decline in net income primarily reflects the income tax benefit in fiscal 2015 associated with the Brazil worthless stock deduction of approximately \$34M translating into an approximate \$9.5M tax credit recorded as part of the Company's exit from Brazil
 - Balance Sheet Strength
 - Total liabilities/debt declined for third consecutive year
 - Cash and equivalents increased by \$0.3M from the end of fiscal 2015 to \$7.0M at end of fiscal 2016
 - Uses of cash during fiscal 2016 include payments of arbitration settlement of \$3.8M and VAT tax liability of \$2.3M as part of the Company's exit from Brazil

*Includes non-GAAP measures and other adjustments – see tables included herein for reconciliations.

Lakeland Product Overview



Limited Use/Disposable Protective Clothing



Chemical Suits



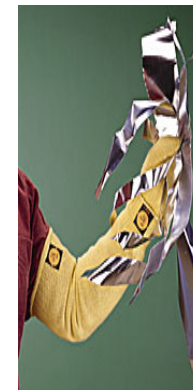
High Visibility Clothing



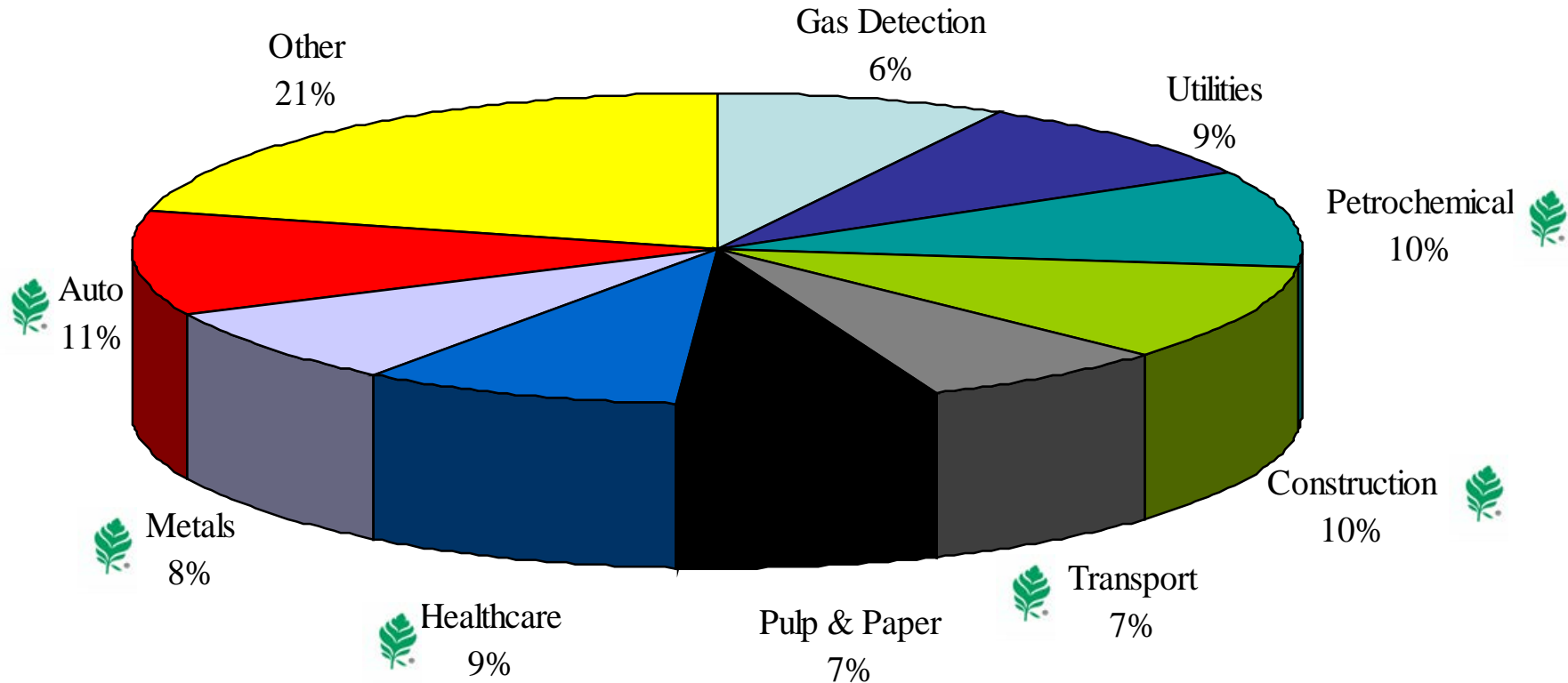
Fire Fighting & Heat Protective Apparel/Reusable Woven Garments



Gloves & Arm Guards

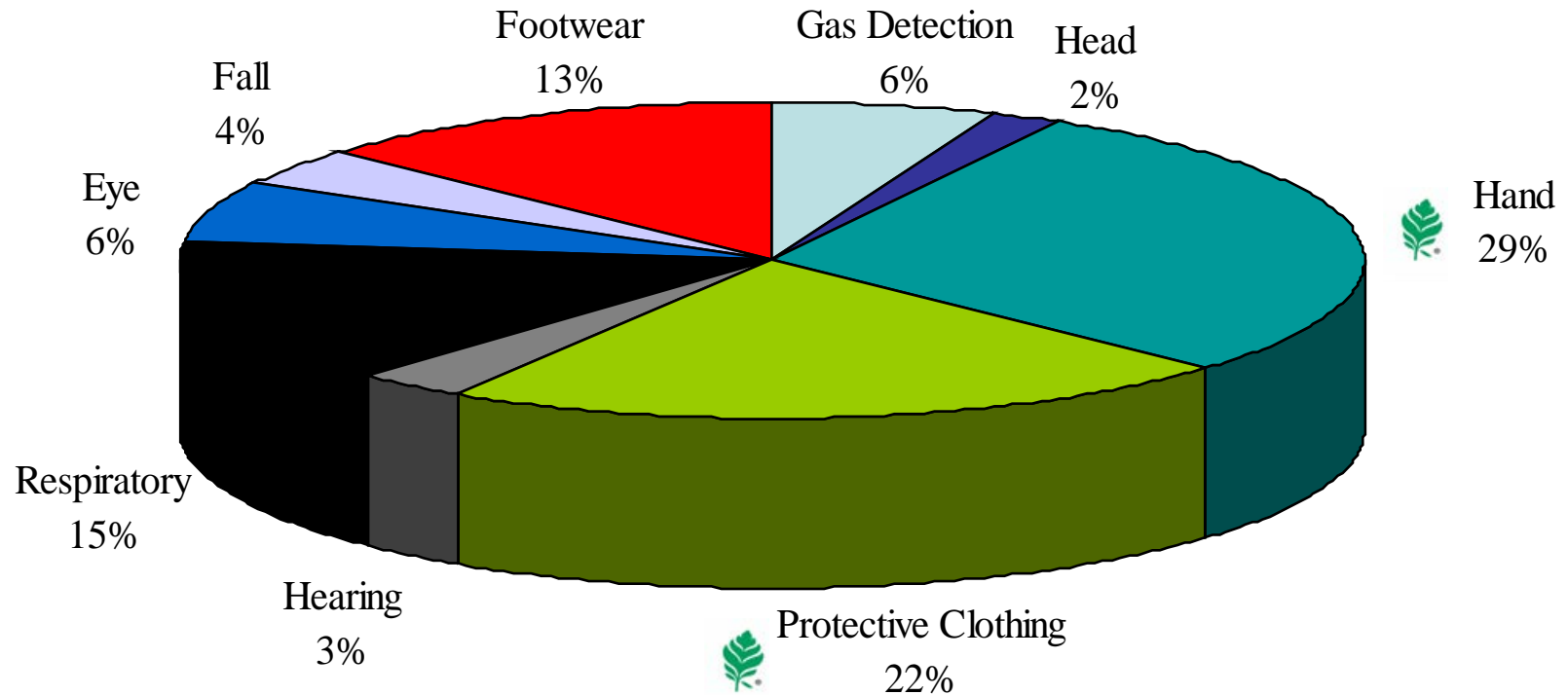


End-user Segments for Personal Protective Equipment



 Lakeland End-user Segments Address Over 55% of Total Market but the Company Possesses Less Than 1%

Personal Protective Equipment Market

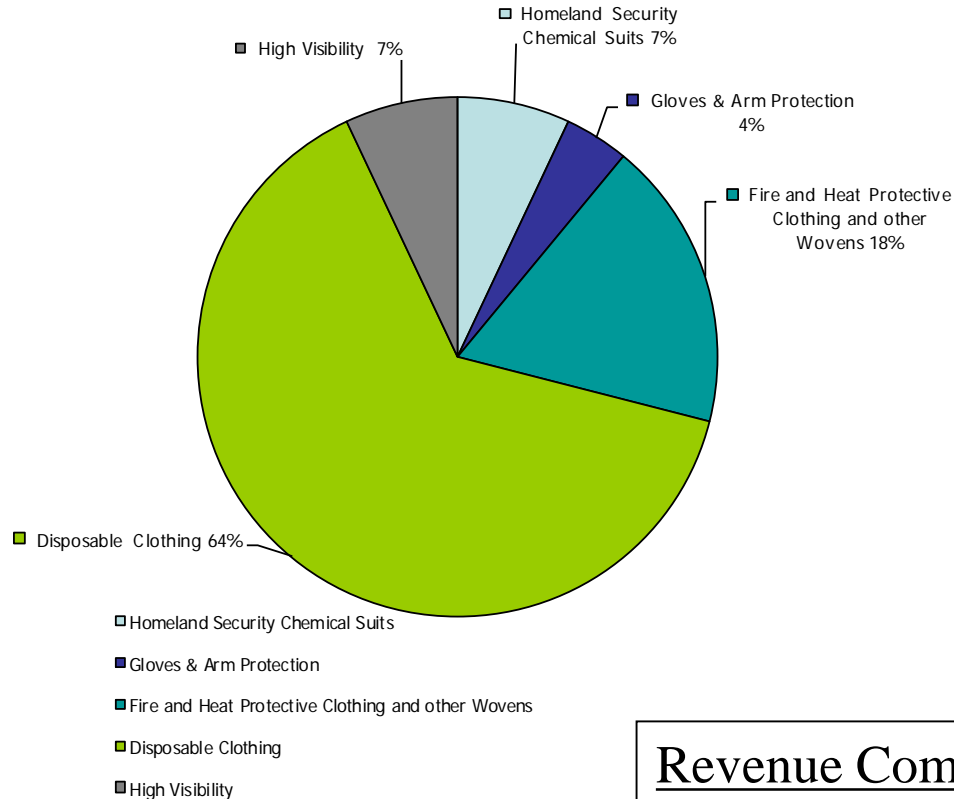


Lakeland Product Segments Address Over 50% of \$23 Billion Market but the Company Presently Represents Less Than 1% of the Total Addressable Market (TAM)

Product Mix



Revenue by Product – Historical Approximation



<u>Revenue Composition FY16*</u>	
Domestic	57%
International	43%

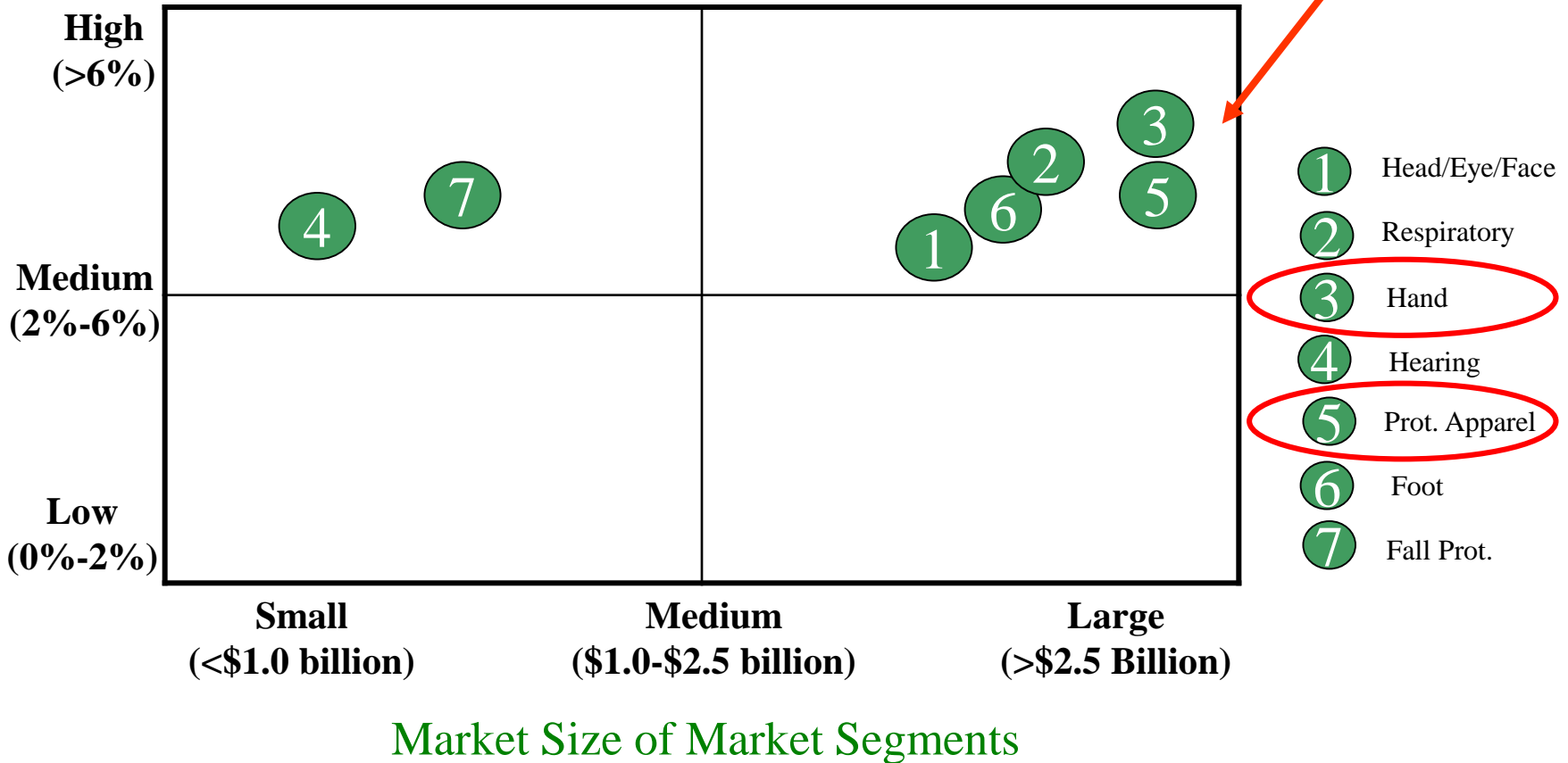
*Revenue from continuing operations

Growth Opportunities



Lakeland Target Markets Among Largest and Fastest Growing

CAGR for Market Segments



Global Presence



Sales Operations (16)



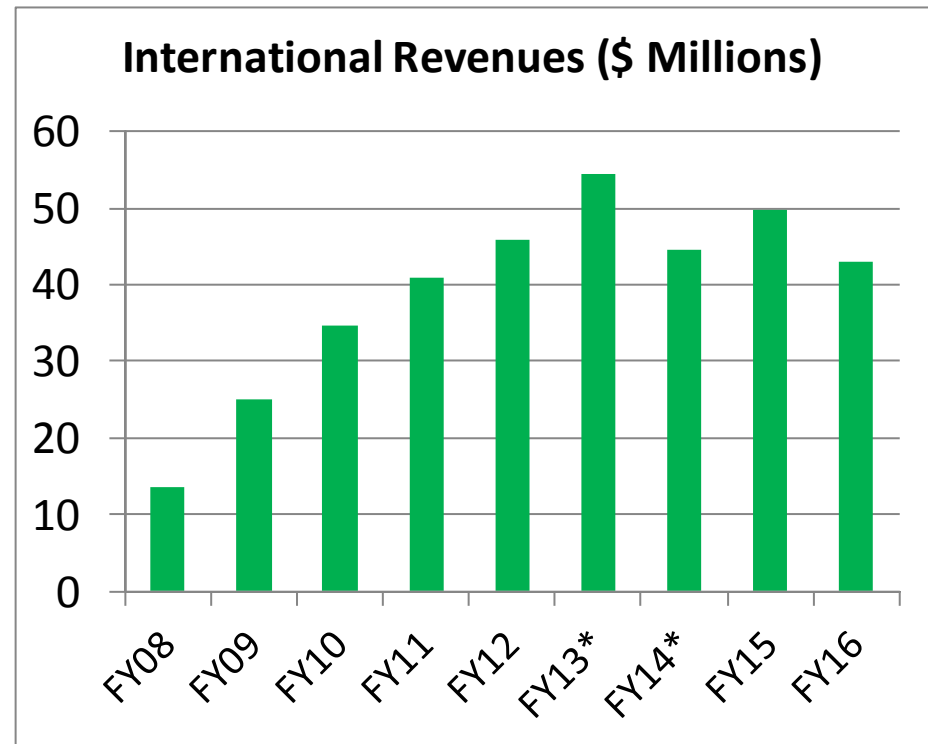
Manufacturing Location (6)

Headquarters: Ronkonkoma, New York

International Traction



- **International Growth – Foreign Revenues Comprised 43% of Total in FY16**
- **Manufacturing Locations**
 - Facilities in US consolidated
 - New, more efficient plant in Mexico
 - Expansion in China
 - India sewing operations, 2014
 - Argentina added 2015/2016
- **Sales Efforts Accelerating Since 2007/08**
 - China in-country sales commenced
 - Russia/Kazakhstan
 - Argentina and Chile subsidiaries formed
 - Mexico/Chile/Argentina sales offices, expansions underway
 - Australia in-country sales, 2016
- **Target Break Even in 2+ Years**
 - China sales, 2008
 - Chile sales, 2008
 - Argentina sales 2009
 - UK sales expanded, 2009
 - Mexico expansion, 2012



Consolidated International Unit Sales Increased in FY16 from FY15 but Strength of US Dollar Distorted Results as Reported

* Direct container shipments from China to USA reclassified to USA sales in 4QFY13

Lakeland Mexico

INDUSTRIAS LAKELAND S.A. DE C.V.







Diversification Strategy & Transition

(Continuing Operations for FY2016 Ended 1/31/16)



Area	FY2005	FY2016
COGS/Raw Materials	Tied to DuPont	Multi-sourced, lower priced fabrics than DuPont
Pricing Power: Gross Margin	Approx. 22%	29.2% in F14, 32.5% in F15 and 36.5% in F16 (excluding Brazil)
Sales Channel	Distributors	Direct Sales and Key Distributors
Customer Concentration	Focused: Auto	Diversified: Fire, Glove, Petro, Food, Healthcare, Auto, Mining
Number of Products	<100	>800
Country Sales Offices	3	16
Geographic Coverage	North America	Global
Manufacturing Locations	U.S., China	China, Mexico, U.S., Argentina, India
Manufacturing Capacity	\$95 Million	\$130+ Million
Profit Power: EBITDA Margin	Approx. 9%	Approx. 13%

Growth Catalysts



- Concentration on High Growth: CHINA, RUSSIA, PACIFIC ALLIANCE & MERCOSUR TRADE PACTS
- Focus on Countries or Industries Benefiting from Industrial and GDP Growth, Global Adoption of OSHA-like Regulations
- Expand/Introduce New Products
 - Reflective line and other higher margin products
 - Turn-out Gear/Fire Coats
 - Chemical Protective Suits-Gov't & Private Industry
 - Disposable clothing: food processing, chicken/fishery farms
 - Gloves and related garments
 - New materials to improve product quality
 - Environmentally friendly disposable garments (to be launched)
- Investments to Improve Output, Quality and Margins; ERP
- Direct Sales Channels for Improved Control/Bidding (International)
- Leverage Global Brand and Worldwide Manufacturing Facilities
- Benefiting from Industry-wide Manufacturing Capacity Shortages
- Incremental Growth: Ebola & Virus/Flu Outbreaks, Oil Spills, Homeland Defense, Natural Disasters, Secondary Area of Nuclear Fallout, Clean Rooms

Unique Operating Platform



- Our Unique Operating Platform Highlighted by Ebola and Avian Flu as Latest of Crises that Positively Impact Business
- Ebola Crisis Case Study
 - Significant Global Demand for ChemMAX® and MicroMAX® Protective Suits
 - ISO 9001 Standards; Certified to Pass Specific Tests Based on Industry Guidelines and Applications, Including ASTM and EN
 - Manufacturing of Select Lines of These Garments Involves Proprietary Processes for Specialized Seam Sealing, a Far Superior Technology for Protecting Against Viral Hazards Including Infected Body Fluids than Non-sealed Products
 - Increased Monthly Production Capacity for Sealed Seam ChemMAX and MicroMAX
 - Nearly 50% from August 2014 to October 2014
 - 100% increase at January 2015
 - Shipments for Crisis Requirements and Organic Growth of Traditional Industrial Customer Orders
- Validation of Product Quality, Design and Manufacturing Expertise
- Improved Global Capabilities, Enhanced Global Brand
- Effectively Compete with Larger Players Leveraging Lakeland's Control of Manufacturing and Scalable Production of High Quality Garments
- Unparalleled Ability to Satisfy Demand During Crisis and Emergency Situations
- Opens Access to Direct/Indirect Sales Channels to New Public/Private Sector Customers, Particularly Healthcare and Government Agency Sectors
- Conversion of Crisis Customers to Traditional, Recurring Customers

Attractive Investment Merits

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- Turn Around Strategy Yielding Results
- Potential for Long Term Domestic and International (excluding Brazil) Sales Growth Driven by Increasing Demand for Lakeland Brands
- Incremental Demand: Anticipate Significant Spending in 2017/2018 for Ebola Preparedness (Pres. Obama's \$1.6B bill)
- Significant Contribution Margin Benefits and Expansion Catalysts Due to Unique Operating Platform
- Enhanced Global Recognition in \$7 Billion Worldwide Market for Purely Protective Apparel
- Strong Balance Sheet; Access to Credit Facilities
- Exit from Brazil, Early Payoff of Liability; Tax Benefit of Over \$9M Credit Expected
- Substantial Insider Ownership

LAKE Stock Information

Share Price	\$8.20
Shares <small>(FD Issued & O/S)</small>	7.3 million
Market Cap	\$60 million
Price/Sales	0.6
Price/Earnings	7.7

Stock price as at 5/17/16; includes warrant shares. Ratios use consolidated results from continuing operations.



Appendix

Balance Sheet

LAKELAND INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands except share data)



ASSETS	January 31, 2016 (\$000's)	January 31, 2015* (\$000's)
Current assets		
Cash and cash equivalents	\$7,022	\$6,709
Accounts receivable, net of allowance for doubtful accounts of \$593 and \$448 at January 31, 2016 and January 31, 2015, respectively	11,476	13,277
Inventories, net of reserves of \$2,566 and \$2,454 at January 31, 2016 and January 31, 2015, respectively	40,841	37,092
Deferred income taxes	1,555	1,144
Assets of discontinued operations in Brazil	-----	6,335
Prepaid VAT tax	1,143	1,717
Other current assets	<u>1,635</u>	<u>2,361</u>
Total current assets	63,672	68,635
Property and equipment, net	9,268	10,144
Assets held for sale	1,101	-----
Deferred income tax, noncurrent	12,783	13,101
Prepaid VAT and other taxes	377	173
Security deposits	93	113
Intangibles, prepaid bank fees and other assets, net	95	171
Goodwill	<u>871</u>	<u>871</u>
Total assets	<u>\$88,260</u>	<u>\$93,208</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$4,254	\$7,763
Accrued compensation and benefits	1,157	1,120
Other accrued expenses	1,575	1,462
Liabilities of discontinued operations in Brazil	238	6,574
Current maturity of long-term debt	50	50
Current maturity of accrued arbitration award	-----	1,000
Short-term borrowing	3,226	2,611
Borrowings under revolving credit facility	<u>9,458</u>	<u>5,642</u>
Total current liabilities	19,958	26,222
Accrued arbitration award, less current portion	-----	2,870
Long-term portion of Canada loan	691	800
VAT taxes payable long term	<u>95</u>	<u>60</u>
Total liabilities	20,744	29,952
Stockholders' equity		
Preferred stock, \$0.01 par; authorized 1,500,000 shares (none issued)	-----	-----
Common stock, \$0.01 par; authorized 10,000,000 shares, Issued 7,610,603 and 7,414,037; outstanding 7,254,162 and 7,057,596 at January 31, 2016 and January 31, 2015, respectively	76	74
Treasury stock, at cost; 356,441 shares at January 31, 2016 and January 31, 2015	(3,352)	(3,352)
Additional paid-in capital	64,468	64,594
Retained earnings	8,508	4,654
Accumulated other comprehensive loss	<u>(2,184)</u>	<u>(2,714)</u>
Total stockholders' equity	<u>67,516</u>	<u>63,256</u>
Total liabilities and stockholders' equity	<u>\$88,260</u>	<u>\$93,208</u>

* Restated for discontinued operations; numbers may not add due to rounding

Annual Income Statement

LAKELAND INDUSTRIES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (In thousands except share data)
 (Unaudited)



	Years Ended	
	January 31,	
	<u>2016</u>	<u>2015*</u>
Net sales from continuing operations	\$99,646	\$93,419
Cost of goods sold from continuing operations	<u>63,313</u>	<u>61,721</u>
Gross profit from continuing operations	36,333	31,698
Operating expenses from continuing operations	<u>24,521</u>	<u>24,737</u>
Operating profit from continuing operations	11,812	6,961
Other income (loss), net from continuing operations	(120)	(2,375)
Interest expense from continuing operations	<u>(785)</u>	<u>(1,688)</u>
Income before taxes from continuing operations	10,907	2,898
Income tax expense (benefit) from continuing operations	<u>3,117</u>	<u>(8,188)</u>
Net income from continuing operations	<u>\$7,790</u>	<u>\$11,086</u>
Non-cash reclassification of Other Comprehensive Income to Statement of Operations (no impact on stockholder's equity)	\$(1,286)	\$----
Loss from operations from discontinued operations	(3,538)	(2,836)
Loss from disposal of discontinued operations	<u>(515)</u>	----
Loss before taxes for discontinued operations	<u>(5,339)</u>	<u>(2,836)</u>
Income tax benefit from discontinued operations	<u>(1,403)</u>	<u>(149)</u>
Net loss from discontinued operations	<u>\$(3,936)</u>	<u>\$(2,687)</u>
Net income	<u>\$3,854</u>	<u>\$8,399</u>
Net income per common share – Basic:		
Income from continuing operations	<u>\$1.09</u>	<u>\$1.78</u>
Loss from discontinued operations	<u>\$(0.55)</u>	<u>\$(0.43)</u>
Net income	<u>\$0.54</u>	<u>\$1.35</u>
Net income per common share – Diluted:		
Income from continuing operations	<u>\$1.07</u>	<u>\$1.75</u>
Loss from discontinued operations	<u>\$(0.54)</u>	<u>\$(0.42)</u>
Net income	<u>\$0.53</u>	<u>\$1.33</u>
Weighted average common shares outstanding:		
Basic	7,171,965	6,214,303
Diluted	7,254,340	6,325,525

* Restated for discontinued operations; numbers may not add due to rounding.

Quarterly Operating Earnings and Adjusted EBITDA Reconciliation



Operating Results as Restated for Discontinued Operations (\$000)
Reconciliation to GAAP Results

	<u>Quarter Ended</u> <u>January 31, 2016</u>	<u>Quarter Ended</u> <u>January 31, 2015</u>
Net sales from continuing operations	\$20,473	\$25,306
Year over year growth	(19.1)%	----
Gross profit from continuing operations	6,010	9,533
Gross profit %	29.4%	37.7%
Operating expenses from continuing operations	6,310	6,512
Operating expenses as a percentage of sales	30.8%	25.7%
Operating income from continuing operations	(300)	3,021
Operating income as a percentage of sales	(1.5)%	11.9%
Interest expense from continuing operations	208	172
Other expense from continuing operations	29	93
Pretax income (loss) from continuing operations	(537)	2,756
Income tax expense (benefit) from continuing operations	(459)	(9,169)
Net income from continuing operations	\$(78)	\$11,925
Loss from discontinued operations	<u>(2,286)</u>	<u>(790)</u>
Loss before taxes for discontinued operations	<u>(2,286)</u>	<u>(790)</u>
Income tax benefit from discontinued operations	(834)	(149)
Net loss from discontinued operations	<u>(1,452)</u>	<u>(641)</u>
Net income (loss)	<u>\$(1,529)</u>	<u>\$11,284</u>
Weighted average shares for EPS-Basic	7,241,802	7,048,357
Net (loss) income per share from continuing operations	\$(0.01)	\$1.69
Net loss per share from discontinued operations	\$(0.20)	\$(0.09)
Net income (loss) per share	\$(0.21)	\$1.60
Operating (loss) income from continuing operations	\$(300)	\$3,021
Depreciation and amortization	284	257
Other expense from continuing operations	29	93
EBITDA from continuing operations	13	3,371
Equity Compensation	165	130
Adjusted EBITDA	178	3,501
Cash paid for taxes (foreign)	449	665
Capital expenditures	125	541
Free cash flow	<u>\$(396)</u>	<u>\$2,295</u>

Full Year Operating Earnings and Adjusted EBITDA Reconciliation



Operating Results as Restated for Discontinued Operations (\$ 000)
Reconciliation to GAAP Results

	<u>Twelve Months</u> <u>Ended January 31,</u> <u>2016</u>	<u>Twelve Months</u> <u>Ended January 31,</u> <u>2015</u>
Net sales from continuing operations	\$99,646	\$93,419
Year over year growth	6.7%	-----
Gross profit from continuing operations	36,333	31,698
Gross profit %	36.5%	33.9%
Operating expenses from continuing operations	24,521	24,737
Operating expenses as a percentage of sales	24.6%	26.5%
Operating income from continuing operations	11,812	6,961
Operating income as a percentage of sales	11.9%	7.5%
Interest expense from continuing operations	785	1,688
Other expense from continuing operations	<u>(120)</u>	<u>(2,375)</u>
Pretax income from continuing operations	10,907	2,898
Income tax expense (benefit) from continuing operations	<u>3,117</u>	<u>(8,188)</u>
Net income from continuing operations	7,790	11,086
Non-cash reclassification of Other Comprehensive Income to Statement of Operations with no impact on stockholder's equity	(1,286)	-----
Loss from operations from discontinued operations	<u>(3,538)</u>	<u>(2,836)</u>
Loss from disposal of discontinued operations	<u>(515)</u>	-----
Loss before taxes for discontinued operations	<u>(5,339)</u>	<u>(2,836)</u>
Income tax expense (benefit) from discontinued operations	<u>(1,403)</u>	<u>(149)</u>
Net loss from discontinued operations	<u>(3,936)</u>	<u>(2,687)</u>
Net income	<u>\$3,854</u>	<u>\$8,399</u>
Weighted average shares for EPS-Basic	7,171,965	6,214,303
Net income per share from continuing operations	\$1.09	\$1.78
Net loss per share from discontinued operations	\$(0.55)	\$(0.43)
Net income per share	\$0.54	\$1.35
Operating income from continuing operations	\$11,812	\$6,961
Depreciation and amortization	987	1,109
Other expense from continuing operations	<u>120</u>	<u>2,375</u>
EBITDA from continuing operations	12,919	10,445
Equity Compensation	585	1,203
Inventory reserve in USA and China – discontinued product lines raw material/finished goods	-----	300
PA plant shutdown costs	-----	235
Severance and recruiter charges in the USA	-----	112
Early extinguishment of debt	-----	<u>(2,295)</u>
Adjusted EBITDA	13,504	10,000
Cash paid for taxes (foreign)	1,826	1,763
Capital expenditures	<u>840</u>	<u>875</u>
Free cash flow	<u>\$10,838</u>	<u>\$7,362</u>

Strategic Initiatives



- Analytics and Market Information Development
- Capitalize and Expand International Markets
- Build the Brand to Increase Profitability
- Cost reduction/Control
- Easy to do Business With