
Zebra Technologies

Fourth Quarter and Full Year 2025

Earnings Results

February 12, 2026



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Agenda

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Q4 Summary
Bill Burns, CEO

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Q4 Financials and 2026 Outlook
Nathan Winters, CFO

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Advancing Our Vision
Bill Burns, CEO

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Q&A
Bill Burns, CEO
Nathan Winters, CFO



Fourth Quarter 2025 Summary ⁽¹⁾

- Delivered results exceeding our outlook
- Sales of \$1,475M, reflecting 2.5% organic net sales growth
 - Exceptional growth in Asia Pacific
 - Relative outperformance in mobile computing, printing, supplies
 - Strength in Healthcare, Manufacturing, Retail & E-Commerce
- Adjusted EBITDA Margin of 22.1%, flat YoY
 - Adjusted Gross Margin declined 50bps primarily due to lower Service and Software margins
 - Adjusted Operating Expenses as a percent of sales improved by 60bps
- Non-GAAP Diluted EPS \$4.33, up 8.3%

Operating expense leverage drove solid profitable growth



⁽¹⁾ Refer to the appendix of this presentation for reconciliations of GAAP to non-GAAP financial measures

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Fourth Quarter P&L Summary (1)

In millions, except per share data	4Q25	4Q24	Change
Net Sales	\$1,475	\$1,334	+10.6%
Organic Net Sales Growth			+2.5%
Adjusted Gross Profit	\$711	\$650	+9.4%
Adjusted Gross Margin	48.2%	48.7%	(50)bps
Adjusted Operating Expenses	\$404	\$373	+8.3%
Adjusted EBITDA	\$326	\$295	+10.5%
Adjusted EBITDA Margin	22.1%	22.1%	-
Non-GAAP Diluted EPS	\$4.33	\$4.00	+8.3%

SEGMENT ORGANIC NET SALES GROWTH⁽²⁾

- Connected Frontline +3.6%
- Asset Visibility and Automation +1.3%

REGIONAL ORGANIC NET SALES (DECLINE)/GROWTH

- North America (1)%
- EMEA +4%
- Asia Pacific +13%
- Latin America +8%

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(1) Refer to the appendix of this presentation for reconciliations of GAAP to non-GAAP financial measures

(2) Reflects new segment reporting effective 4Q25

Cash Flow & Balance Sheet⁽¹⁾

Cash Flow: FY 2025

- Free cash flow of \$831M, \$123M lower YoY
 - Timing of inventory purchases
 - Higher incentive compensation payments on FY 2024 performance
 - Favorable 2024 interest rate swap settlements
- 102% free cash flow conversion
- \$1,365M Elo Touch and Photoneo acquisitions
- \$587M of share repurchases

Strong Liquidity Position: FYE 2025

- \$125M cash & cash equivalents
- \$2.5B balance sheet debt
- 2.0x net debt to adjusted EBITDA ratio
- \$1.2B revolving credit facility capacity

Board of Directors has approved an additional \$1 billion share repurchase authorization

⁽¹⁾ Refer to the appendix of this presentation for reconciliations of GAAP to non-GAAP financial measures

Outlook & Assumptions

1Q26

- Sales growth between 11% and 15%
 - ~10 point favorable impact from acquisitions⁽¹⁾ and FX
- Adjusted EBITDA margin between 21% and 22%
- Non-GAAP diluted EPS \$4.05 - \$4.35

FY26

- Sales growth between 9% and 13%
 - ~7 point favorable impact from acquisitions⁽¹⁾ and FX
- Adjusted EBITDA margin ~ 22%
- Non-GAAP diluted EPS \$17.70 - \$18.30
- Free cash flow at least \$900M
- Capital expenditures \$85M - \$95M
- Depreciation \$75M - \$85M and Amortization \$145M - \$155M
- Stock-based compensation expense \$160M - \$180M
- Non-GAAP tax rate 19%

Focused on driving profitable growth despite industrywide memory component inflation

⁽¹⁾ Impact to sales growth for 12 months following business acquisitions: Elo Touch closed September 30, 2025 and Photoneo closed February 28, 2025

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Zebra Delivers Intelligent Operations

Connected Frontline



UNIFYING WORKERS AND CUSTOMERS FOR BETTER FRONTLINE EXPERIENCES



Asset Visibility & Automation



GIVING ASSETS A DIGITAL VOICE TO AUTOMATE ENVIRONMENTS WITH TECHNOLOGY THAT SCALES



Enabling Improved Outcomes Across our End Markets



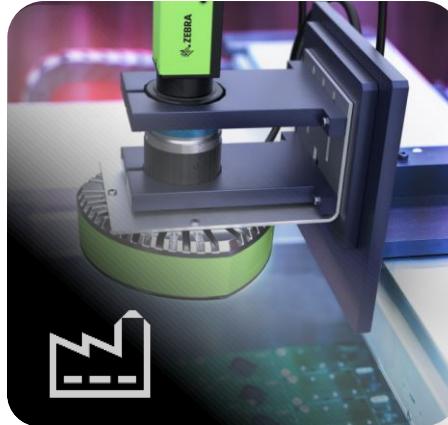
Retail & E-Commerce

Engaged Associates
Optimized Inventory
Elevated Customer Experience



Transportation & Logistics

Enhanced Worker Productivity
Increased Asset and Inventory Visibility
Meet Customer Expectations



Manufacturing

Actionable Visibility
Optimized Quality
Augmented Workforce



Healthcare

Patient Safety
Unified Staff Collaboration
Operational Efficiency



Other Markets

Supply Chain & Asset Management
Public Safety & Field Mobility
Restaurant / Hospitality

*Q4 relative strength in Healthcare, Manufacturing, and Retail & E-Commerce
RFID adoption continues to accelerate across end markets*

Zebra + Elo Touch: Advancing the Modern Store

EMPOWERING RETAIL FRONTLINE OPERATIONS WITH ROBUST PORTFOLIO OF INNOVATIVE SOLUTIONS



Engaged Associates

- Improve task completion time
- Increase time spent with customers
- Streamline task management

Optimized Inventory

- Reduce product shrink rates
- Increase inventory accuracy
- Improve on-shelf availability

Elevated Customer Experience

- Increase checkout speed
- Reduce customer wait times
- Improve in-store order fulfillment

Intelligent Frontline Operations: Powered By Zebra's AI Suite

SUITE OF OPTIONS TO FIT CUSTOMERS¹ NEEDS AND RESOURCES, RANGING FROM FOUNDATION TOOLS TO FULL AGENTS



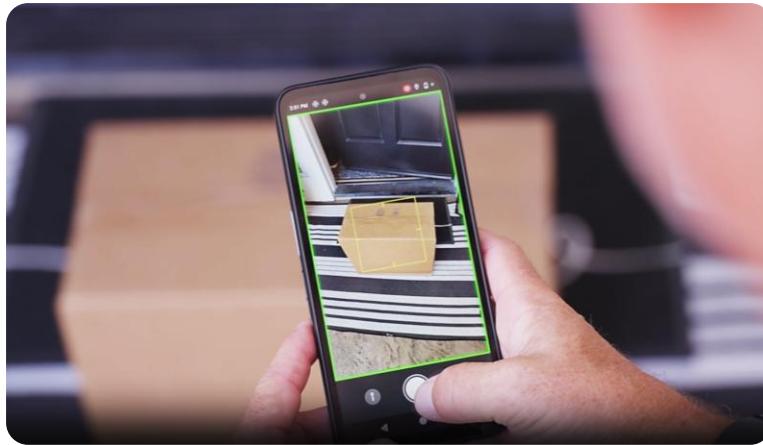
Zebra Frontline AI Enablers

Foundational AI toolkit and APIs that empower developers to custom build applications



Zebra Frontline AI Blueprints

Combine Enablers into purpose-built templates that streamline multistep workflows



Zebra Companion

Fully operational agents by Zebra: Knowledge, Sales, Merchandising, and Device Manager



Opportunity Across our End Markets

Market Served	Opportunity
Retail & E-commerce	<ul style="list-style-type: none">• E-commerce growth with shorter lead time expectations• Reimagining point-of-sale, self-service, and solutions to address shrink• Frontline workers driving productivity and effectiveness with AI solutions• Proliferation of retail media networks
Transportation & Logistics	<ul style="list-style-type: none">• On-demand economy and regulations driving need for real-time visibility• Last mile fulfillment productivity to address increased demand• Automation to address labor constraints, safety and operational efficiency
Manufacturing	<ul style="list-style-type: none">• Investments in supply chain traceability, efficiency and resiliency• Transform operations with machine vision• Shifts in global manufacturing operations
Healthcare	<ul style="list-style-type: none">• Digitally connecting assets, patients and staff for safe and efficient care• Patient engagement and virtual care, including home healthcare opportunity• Improved patient check-in and education
Other Markets	<ul style="list-style-type: none">• Modernizing end-to-end supply chain• Digitizing workflows in hospitality/QSR, public safety and field service

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Q&A



Appendix

Use of Non-GAAP Financial Information

This presentation contains certain Non-GAAP financial measures, consisting of "Adjusted EBITDA," "Adjusted EBITDA margin," "adjusted gross margin," "adjusted gross profit," "adjusted net sales," "adjusted operating expenses," "EBITDA," "free cash flow," "free cash flow conversion," "net debt," "net debt to adjusted EBITDA ratio," "non-GAAP diluted earnings per share," "non-GAAP earnings per share," "non-GAAP net income," "organic net sales," "organic net sales growth," "segment organic net sales growth" and "regional organic net sales growth (decline)." Management presents these measures to focus on the on-going operations and believes it is useful to investors because they enable them to perform meaningful comparisons of past and present operating results. The company believes it is useful to present non-GAAP financial measures, which exclude certain significant items, as a means to understand the performance of its ongoing operations and how management views the business. Please see the "Reconciliation of GAAP to non-GAAP Financial Measures" tables and accompanying disclosures at the end of this presentation for more detailed information regarding non-GAAP financial measures herein, including the items reflected in adjusted net earnings calculations. These measures, however, should not be construed as an alternative to any other measure of performance determined in accordance with GAAP.

The company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred, are out of the company's control and/or cannot be reasonably predicted, and that would impact net income, the most directly comparable forward-looking GAAP financial measure. For the same reasons, the company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

As a global company, Zebra's operating results reported in U.S. dollars are affected by foreign currency exchange rate fluctuations because the underlying foreign currencies in which the company transacts change in value over time compared to the U.S. dollar; accordingly, the company presents certain organic growth financial information, which includes impacts of foreign currency translation, to provide a framework to assess how the company's businesses performed excluding the impact of foreign currency exchange rate fluctuations. Foreign currency impact represents the difference in results that are attributable to fluctuations in the currency exchange rates used to convert the results for businesses where the functional currency is not the U.S. dollar. This impact is calculated by translating the current period results at the currency exchange rates used in the comparable prior year period as well as removing realized cash flow hedge gains and losses from both the current and prior year periods. The company believes these measures should be considered a supplement to and not in lieu of the company's performance measures calculated in accordance with GAAP.

GAAP to Non-GAAP Organic Net Sales Growth Reconciliation

(Unaudited)

	Three Months Ended		
	December 31, 2025		
	CF	AVA	Consolidated
Consolidated Reported GAAP Net sales growth	17.6 %	2.1 %	10.6 %
Adjustments:			
Impact of foreign currency translations ⁽¹⁾	(0.8)%	(0.1)%	(0.6)%
Impact of acquisitions ⁽²⁾	(13.2)%	(0.7)%	(7.5)%
Consolidated Organic Net sales growth	3.6 %	1.3 %	2.5 %
Twelve Months Ended			
December 31, 2025			
	CF	AVA	Consolidated
Consolidated Reported GAAP Net sales growth	9.1 %	7.5 %	8.3 %
Adjustments:			
Impact of acquisitions ⁽²⁾	(3.5)	(0.5)%	(2.1)%
Consolidated Organic Net sales growth	5.6 %	7.0 %	6.2 %

(1) Operating results reported in U.S. Dollars are affected by foreign currency exchange rate fluctuations. Foreign currency translation impact represents the difference in results that are attributable to fluctuations in the currency exchange rates used to convert the results for businesses where the functional currency is not the U.S. Dollar. This impact is calculated by translating the current period results at the currency exchange rates used in the comparable prior year period as well as removing realized cash flow hedge gains and losses from both the current and prior year periods.

(2) For purposes of computing Organic Net sales growth, amounts directly attributable to business acquisitions are excluded for twelve months following their respective acquisitions.

GAAP to Non-GAAP Regional Organic Net Sales (Decline)/Growth Reconciliation

(Unaudited)

	Three Months Ended				
	December 31, 2025				
	North America	EMEA	Asia-Pacific	Latin America	Consolidated
Reported GAAP Regional Net sales growth	8.4 %	11.5 %	20.0 %	8.6 %	10.6 %
Adjustments:					
Impact of foreign currency translations ⁽¹⁾	— %	(1.8)%	0.3 %	(0.4)%	(0.6)%
Impact of acquisitions ⁽²⁾	(9.4)%	(5.6)%	(7.7)%	(0.1)%	(7.5)%
Regional Organic Net sales (decline) growth	(1.0)%	4.1 %	12.6 %	8.1 %	2.5 %

	Twelve Months Ended				
	December 31, 2025				
	North America	EMEA	Asia-Pacific	Latin America	Consolidated
Reported GAAP Regional Net sales growth	8.1 %	5.4 %	16.5 %	11.0 %	8.3 %
Adjustments:					
Impact of foreign currency translations ⁽¹⁾	— %	(0.1)%	1.0 %	— %	— %
Impact of acquisitions ⁽²⁾	(2.7)%	(1.6)%	(2.6)%	(0.1)%	(2.1)%
Regional Organic Net sales growth	5.4 %	3.7 %	14.9 %	10.9 %	6.2 %

(1) Operating results reported in U.S. Dollars are affected by foreign currency exchange rate fluctuations. Foreign currency translation impact represents the difference in results that are attributable to fluctuations in the currency exchange rates used to convert the results for businesses where the functional currency is not the U.S. Dollar. This impact is calculated by translating the current period results at the currency exchange rates used in the comparable prior year period as well as removing realized cash flow hedge gains and losses from both the current and prior year periods.

(2) For purposes of computing Organic Net sales growth, amounts directly attributable to business acquisitions are excluded for twelve months following their respective acquisitions.

GAAP to Non-GAAP Gross Margin Reconciliation

(\$ in millions)
(Unaudited)

	Three Months Ended	
	December 31, 2025	December 31, 2024
	Consolidated	Consolidated
<u>GAAP</u>		
Reported Net sales	\$ 1,475	\$ 1,334
Reported Gross profit	698	648
Gross Margin	47.3 %	48.6 %
<u>Non-GAAP</u>		
Adjusted Net sales	\$ 1,475	\$ 1,334
Adjusted Gross profit ⁽¹⁾	711	650
Adjusted Gross Margin	48.2 %	48.7 %
<u>Twelve Months Ended</u>		
	December 31, 2025	December 31, 2024
	Consolidated	Consolidated
<u>GAAP</u>		
Reported Net sales	\$ 5,396	\$ 4,981
Reported Gross profit	2,593	2,413
Gross Margin	48.1 %	48.4 %
<u>Non-GAAP</u>		
Adjusted Net sales	\$ 5,396	\$ 4,981
Adjusted Gross profit ⁽¹⁾	2,615	2,422
Adjusted Gross Margin	48.5 %	48.6 %

(1) Adjusted Gross profit excludes share-based compensation expense and business acquisition purchase accounting adjustments.

GAAP to Non-GAAP Net Income Reconciliation

(\$ in millions, except share data)
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
GAAP Net income	\$ 70	\$ 163	\$ 419	\$ 528
Adjustments to Cost of sales ⁽¹⁾				
Share-based compensation	3	2	12	9
Purchase accounting adjustments	10	—	10	—
Total adjustments to Cost of sales	13	2	22	9
Adjustments to Operating expenses ⁽¹⁾				
Amortization of intangible assets	40	24	114	104
Acquisition and integration costs	7	3	24	6
Share-based compensation	32	23	163	101
Exit and restructuring costs	76	—	76	17
Total adjustments to Operating expenses	155	50	377	228
Adjustments to Other expense, net ⁽¹⁾				
Amortization of debt issuance costs and discounts	—	1	2	2
Investment loss	—	—	11	6
Foreign exchange loss (gain)	3	(11)	18	(5)
Forward interest rate gain	—	—	—	(31)
Total adjustments to Other expense, net	3	(10)	31	(28)
Income tax effect of adjustments ⁽²⁾				
Reported income tax expense	28	45	141	107
Adjusted income tax	(50)	(42)	(179)	(143)
Total adjustments to income tax	(22)	3	(38)	(36)
Total adjustments	149	45	392	173
Non-GAAP Net income	\$ 219	\$ 208	\$ 811	\$ 701
GAAP earnings per share				
Basic	\$ 1.40	\$ 3.17	\$ 8.24	\$ 10.25
Diluted	\$ 1.39	\$ 3.14	\$ 8.18	\$ 10.18
Non-GAAP earnings per share				
Basic	\$ 4.36	\$ 4.04	\$ 15.96	\$ 13.62
Diluted	\$ 4.33	\$ 4.00	\$ 15.84	\$ 13.52
Basic weighted average shares outstanding	50,239,874	51,542,093	50,820,589	51,494,957
Diluted weighted average and equivalent shares outstanding	50,652,194	51,986,818	51,212,395	51,879,709

(1) Presented on a pre-tax basis.

(2) Represents adjustments to GAAP income tax expense commensurate with pre-tax non-GAAP adjustments (including the resulting impacts to U.S. BEAT/GILTI provisions), as well as adjustments to exclude the impacts of certain discrete income tax items and incorporate the anticipated annualized effects of current year tax planning.

GAAP to Non-GAAP EBITDA Reconciliation

(\$ in millions)
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
GAAP Net income	\$ 70	\$ 163	\$ 419	\$ 528
Add back:				
Depreciation (excluding exit and restructuring costs)	19	18	71	68
Amortization of intangible assets	40	24	114	104
Total Other expense, net	41	17	140	107
Income tax expense	28	45	141	107
EBITDA (Non-GAAP)	<u>198</u>	<u>267</u>	<u>885</u>	<u>914</u>
Adjustments to Cost of sales				
Share-based compensation	3	2	12	9
Purchase accounting adjustments	10	—	10	—
Total adjustments to Cost of sales	<u>13</u>	<u>2</u>	<u>22</u>	<u>9</u>
Adjustments to Operating expenses				
Acquisition and integration costs	7	3	24	6
Share-based compensation	32	23	163	101
Exit and restructuring costs	76	—	76	17
Total adjustments to Operating expenses	<u>115</u>	<u>26</u>	<u>263</u>	<u>124</u>
Total adjustments to EBITDA	<u>128</u>	<u>28</u>	<u>285</u>	<u>133</u>
Adjusted EBITDA (Non-GAAP)	<u>\$ 326</u>	<u>\$ 295</u>	<u>\$ 1,170</u>	<u>\$ 1,047</u>
Adjusted EBITDA margin (Non-GAAP)	22.1 %	22.1 %	21.7 %	21.0 %

GAAP to Non-GAAP Free Cash Flow Reconciliation

(\$ in millions)
(Unaudited)

	Twelve Months Ended	
	December 31, 2025	December 31, 2024
Net cash provided by operating activities	\$ 917	\$ 1,013
Less: Purchases of property, plant and equipment	(86)	(59)
Free cash flow (Non-GAAP) ⁽¹⁾	<u>\$ 831</u>	<u>\$ 954</u>
Free cash flow conversion (Non-GAAP) ⁽²⁾	102 %	136 %

(1) Free cash flow, a non-GAAP measure, is defined as Net cash provided by operating activities in a period minus purchases of property, plant and equipment (capital expenditures) made in that period.

(2) Free cash flow conversion, a non-GAAP measure, is defined as Free cash flow divided by Non-GAAP Net income for the period.

GAAP to Non-GAAP Net Debt to Adjusted EBITDA Reconciliation

(\$ in millions)
(Unaudited)

	Twelve Months Ended	
	December 31, 2025	December 31, 2024
Total Debt	\$ 2,511	\$ 2,183
Less: Cash and cash equivalents	(125)	(901)
Net Debt (Non-GAAP) ⁽¹⁾	<u>\$ 2,386</u>	<u>\$ 1,282</u>
Net Debt to Adjusted EBITDA ratio (Non-GAAP) ⁽²⁾	2.0	1.2

(1) Net debt, a non-GAAP measure, is defined as Total debt minus Cash and cash equivalents as of the period end date.

(2) Net debt to adjusted EBITDA, a non-GAAP ratio, is defined as Net debt divided by adjusted EBITDA for the trailing 12 months.

About Zebra

Zebra provides the foundation for intelligent operations with an award-winning portfolio of connected frontline, asset visibility and automation solutions powered by AI. Organizations globally across retail, manufacturing, transportation, logistics, healthcare, and other industries rely on us to deliver outcomes today while driving innovation for what's next. Together with our partners, we create new ways of working that improve productivity and empower organizations to be better every day.

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