
Zebra Technologies

First Quarter Earnings Results

May 12, 2026



Safe Harbor Statement

Forward-looking statements made in this presentation are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995 and are highly dependent upon a variety of important factors, which could cause actual results to differ materially from those expressed or implied in such forward-looking statements. When used in this presentation, the words “anticipate,” “expect,” “believe,” “intend,” “estimate,” “will,” “plan,” “goal,” “target,” and “strategy” and similar expressions or future conditional verbs such as “may,” “will,” “should,” “would,” and “could” as they relate to the Company or its management are intended to identify such forward-looking statements but are not the exclusive means of identifying these statements.

Actual results may differ materially from those expressed or implied by forward-looking statements. Any forward-looking statements represent the Company's views only as of the date of this report and should not be relied upon as representing the Company's views as of any subsequent date. The forward-looking statements include, but are not limited to, the Company's financial outlook for the full year. These forward-looking statements are based on current expectations, forecasts and assumptions, and are subject to the risks and uncertainties inherent in the Company's industry, market conditions, general domestic and international economic conditions, and other factors. These factors include:

- Market acceptance of the Company's products, services, and software solutions and competitors' offerings and the potential effects of emerging technologies and changes in customer requirements,
- The effect of global market conditions, including in North America, Europe, Middle East, and Africa (“EMEA”), Latin America, and Asia-Pacific regions in which we do business,
- The impact of changes in foreign exchange rates, customs duties and trade policies due to the large percentage of our sales and operations being outside the U.S.,
- The Company's ability to effectively manage manufacturing and operating costs,
- Risks related to the manufacturing of the Company's products and conducting business operations in non-U.S. countries, including the risk of depending on key suppliers who are also in non-U.S. countries,
- The Company's ability to purchase sufficient materials, parts, and components, and our ability to provide services, software, and products to meet customer demand, particularly in light of global economic conditions,
- The availability of credit and the volatility of capital markets, which may affect our suppliers, customers, and ourselves,
- Success of integrating acquisitions,
- The Company's ability to attract, retain, develop, and motivate key personnel,
- Interest rate and financial market conditions,
- Access to cash and cash equivalents held outside the U.S.,
- The effect of natural disasters, man-made disasters, public health issues (including pandemics), and cybersecurity incidents on our business, our customers or our contracted third parties,
- The impact of changes in foreign and domestic governmental policies, laws, or regulations,
- The outcome of litigation in which the Company may be involved, particularly litigation or claims related to infringement of third-party intellectual property rights, and
- The outcome of any future tax matters or tax law changes.

Descriptions of certain risks, uncertainties and other factors that could adversely affect the Company's future operations and results can be found in the Company's filings with the Securities and Exchange Commission. In particular, please refer to the Company's latest filing of its Form 10-K and Form 10-Q.

The Company undertakes no obligation, other than as may be required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances, or any other reason after the date of this report.

This presentation includes certain non-GAAP financial measures. Please refer to the reconciliations to the comparable GAAP financial measures and related information contained in the Appendix.

What you'll hear from us today

01

Strong Q1 2026 performance and momentum underpin increased outlook for the year

02

Zebra's integrated portfolio of solutions is a powerful differentiator, enabling customers to automate frontline workflows and improve visibility, execution and productivity

03

Executing a clear strategy to drive profitable growth, build on our industry leadership and track record of innovation, and enhance financial strength and flexibility

Q1 2026 Highlights ⁽¹⁾

Q1 Results

\$1,495M

Sales

23.2%

Adjusted EBITDA
Margin

50.4%

Adjusted Gross
Margin

28.4%

Adjusted Operating
Expense % of Sales

\$4.75

Non-GAAP
Diluted EPS

\$300M

Share Repurchase

Q1 Highlights

- 14.3% sales growth (4.3% organic)
- Growth across all regions, outperformance in Latin America and Asia Pacific
- Manufacturing end market outperformance
- 90 bps adj. EBITDA margin expansion driven by multi-year high gross margin and adj. operating expense leverage
- 18.2% Non-GAAP Diluted EPS growth

Outlook



- Initiating Q2 guidance reflecting a strong start to the quarter and demand momentum
- Increasing full-year sales and EPS guide reflecting our strong results, continued momentum, and increased confidence in the balance of the year



Zebra offers a clear & compelling investment thesis

- Industry leader in mission-critical enterprise workflows, with a proven track record of innovation and execution
- Positioned at the center of durable growth trends, including automation, digitization and workflow transformation across a \$35B+ served market
- Uniquely positioned to be the supplier of choice of AI for the frontline with our integrated platform of hardware and software solutions, serving large and growing end markets
- Strong, resilient financial model with attractive margins and cash generation
- Disciplined capital allocation, balancing investment in the business and shareholder returns

Zebra provides the foundation for intelligent operations across the frontline by connecting data, assets and workflows

Connected Frontline

Provides digital touchpoints to improve productivity, collaboration, and the customer experience



Asset Visibility & Automation

Enables real-time insights from assets, inventory, and operations to automate environments

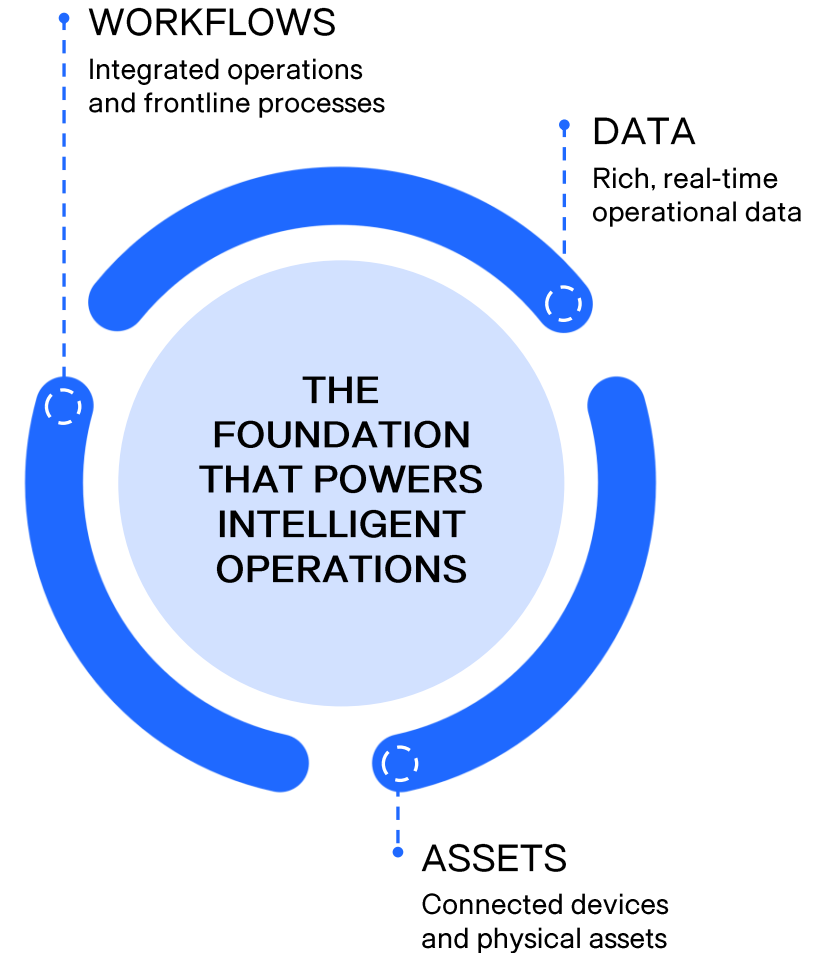


Intelligent Operations

Real-time visibility

Automation that scales

Continuous improvement



Global megatrends make Zebra's solutions increasingly essential

Frontline environments are becoming more complex, increasing demand for technologies that improve visibility, automation and productivity

ARTIFICIAL
INTELLIGENCE

+47%

AI Software Spend

AUTOMATION
OPPORTUNITY

+7%

Warehouse Footprint

ON-DEMAND
ECONOMY

+9%

Ecommerce
Revenue

DIGITIZATION &
IOT ANALYTICS

+8%

IoT Spend

MOBILITY
& CLOUD

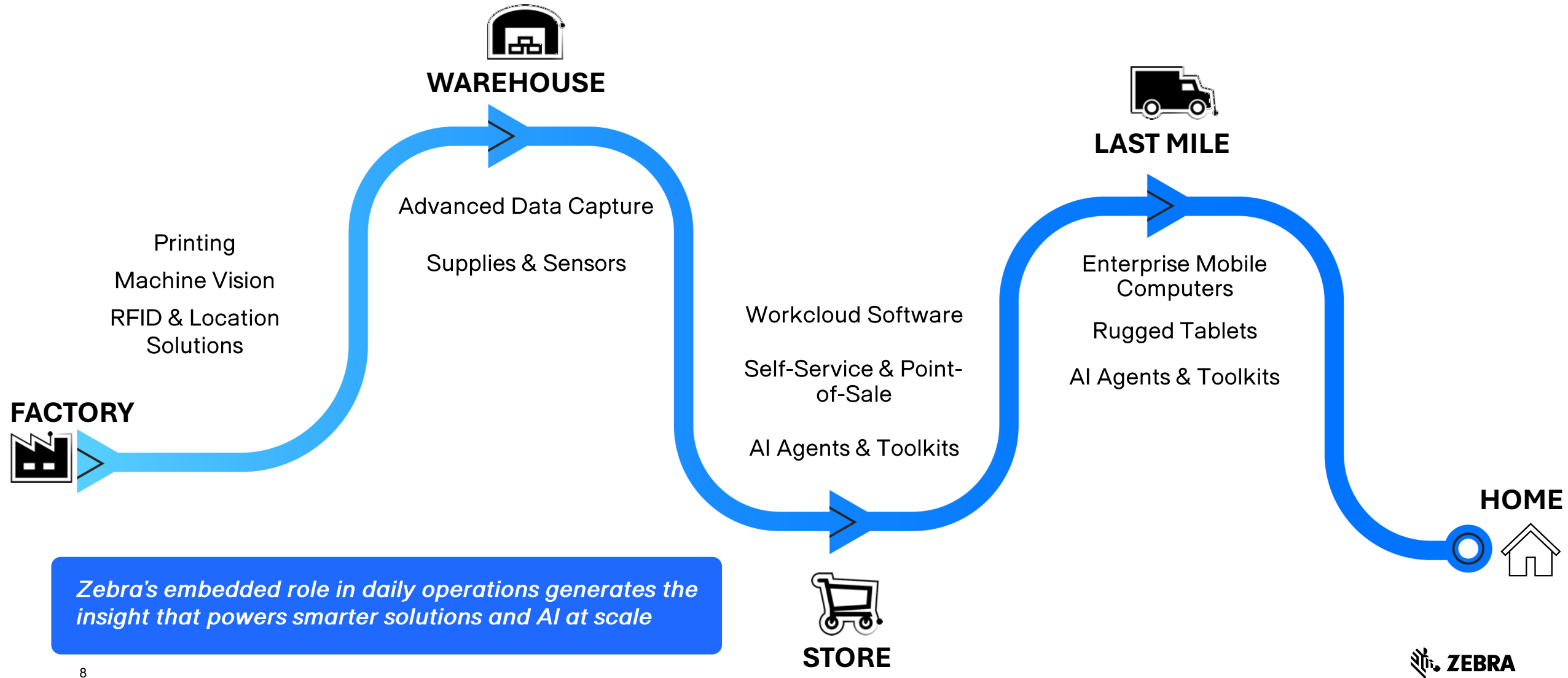
+20%

Public Cloud Spend



Flywheel, Gartner, Transport Intelligence, Interact

Zebra's end-to-end presence across the supply chain is a core differentiator



Well-positioned at the center of large and growing end markets

MARKET SERVED



Retail & E-Commerce



Transportation & Logistics



Manufacturing



Healthcare



Other Markets

OPPORTUNITY

- E-commerce growth with shorter lead time expectations
- Reimagining point-of-sale, self-service, and solutions to address shrink
- Frontline workers seeing increased productivity through AI solutions
- Retail media networks

- 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

- Investments in supply chain traceability, efficiency and resiliency
- Increase production quality with machine vision
- Shifts in global manufacturing operations

- Digitally connecting assets, patients and staff for safe and efficient care
- Patient engagement and virtual care, including home healthcare
- Improved patient check-in and education

- Modernizing end-to-end supply chain
- Digitizing workflows in hospitality/QSR, government, public safety and field service

Strategic Priorities

1.

Growing our business profitably

Driving durable growth across a \$35B+ served market

2.

Building on our industry leadership by advancing innovation

Extending our #1 market positions in enterprise mobile computing, thermal barcode printing, data capture and RFID readers*

3.

Enhancing financial strength and flexibility

Executing with discipline through a capital-light model to drive earnings consistency over time

Q1 Financials and Outlook

P&L Summary ⁽¹⁾

| In millions, except per share data | 1Q26 | 1Q25 | Change |
|------------------------------------|---------|---------|--------|
| Net Sales | \$1,495 | \$1,308 | +14.3% |
| Organic Net Sales Growth | | | +4.3% |
| Adjusted Gross Profit | \$753 | \$649 | +16.0% |
| Adjusted Gross Margin | 50.4% | 49.6% | +80bps |
| Adjusted Operating Expenses | \$425 | \$374 | +13.6% |
| Adjusted EBITDA | \$347 | \$292 | +18.8% |
| Adjusted EBITDA Margin | 23.2% | 22.3% | +90bps |
| Non-GAAP Diluted EPS | \$4.75 | \$4.02 | +18.2% |

SEGMENT ORGANIC NET SALES GROWTH⁽²⁾

- Connected Frontline +3.8%
- Asset Visibility & Automation +4.8%

REGIONAL ORGANIC NET SALES GROWTH

- North America +4%
- EMEA +2%
- Asia Pacific +11%
- Latin America +10%

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

12 (2) Reflects new segment reporting effective 4Q25

Cash Flow & Balance Sheet ⁽¹⁾

Cash Flow: 1Q26

- Free cash flow of \$163M, \$5M higher YoY
- \$300M of share repurchases

Strong Liquidity Position: 1Q26

- \$114M cash & cash equivalents
- \$2.7B balance sheet debt
- 2.1x net debt to adjusted EBITDA
- \$1.1B revolving credit facility capacity

\$300M share repurchases in both 1Q26 and 4Q25, supported by our strong balance sheet and cash flow

Leveraging Our Proven Track Record of Successfully Navigating Supply Chain Challenges

Executing on plans to manage through memory component supply constraints and cost inflation:

- Global price increases on mobile computers effective late March
- Suppliers delivering on commitments, with capacity planning ongoing
- Transitioning to memory types with greater availability
- Leveraging alternative supply options

Outlook & Assumptions

2Q26

- Sales growth between 14% and 17%
 - ~10.5 point favorable impact from acquisitions⁽¹⁾ and FX
- Adjusted EBITDA margin slightly higher than 21%
- Non-GAAP diluted EPS \$4.20 - \$4.50

FY26

- Sales growth between 10% and 14%
 - ~7 point favorable impact from acquisitions⁽¹⁾ and FX
- Adjusted EBITDA margin ~ 22%
- Non-GAAP diluted EPS \$18.30 - \$18.70
- Free cash flow at least \$900M
- Capital expenditures \$80M - \$90M
- Depreciation \$75M - \$85M and Amortization \$145M - \$155M
- Stock-based compensation expense \$160M - \$180M
- Non-GAAP tax rate ~ 19%

Expect to drive profitable growth through solid demand and productivity initiatives

Closing Remarks

01

Strong Q1 2026 performance and momentum underpin increased outlook for the year

02

Zebra's integrated portfolio of solutions is a powerful differentiator, enabling customers to automate frontline workflows and improve visibility, execution and productivity

03

Executing a clear strategy to drive profitable growth, build on our industry leadership and track record of innovation, and enhance financial strength and flexibility

Q&A



Appendix

Use of Non-GAAP Financial Information

This presentation contains certain non-GAAP financial measures. The Company presents 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. Management believes non-GAAP financial measures are useful to investors because such measures enable investors to perform meaningful comparisons of past and present operating results. Such non-GAAP financial measures may include: “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 (decline);” and “regional organic net sales growth (decline).” 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.

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.

Non-GAAP financial measures should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the Company’s performance measures calculated in accordance with GAAP.

GAAP to Non-GAAP Organic Net Sales Growth Reconciliation

(Unaudited)

| | Three Months Ended | | |
|--|--------------------|--------|--------------|
| | April 4, 2026 | | |
| | CF | AVA | Consolidated |
| Consolidated Reported GAAP Net sales growth | 20.6 % | 7.4 % | 14.3 % |
| Adjustments: | | | |
| Impact of foreign currency translations ⁽¹⁾ | (2.1)% | (2.2)% | (2.1)% |
| Impact of acquisitions ⁽²⁾ | (14.7)% | (0.4)% | (7.9)% |
| Consolidated Organic Net sales growth | 3.8 % | 4.8 % | 4.3 % |

(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 attributable to business acquisitions or dispositions are excluded for twelve months following or preceding the respective acquisition or disposition, respectively.

GAAP to Non-GAAP Regional Organic Net Sales Growth Reconciliation

(Unaudited)

| | Three Months Ended | | | | |
|--|--------------------|--------|--------------|---------------|--------------|
| | April 4, 2026 | | | | |
| | North America | EMEA | Asia-Pacific | Latin America | Consolidated |
| Reported GAAP Regional Net sales growth (decline) | 13.9 % | 13.2 % | 21.9 % | 10.7 % | 14.3 % |
| Adjustments: | | | | | |
| Impact of foreign currency translations ⁽¹⁾ | — % | (5.4)% | (2.3)% | (0.8)% | (2.1)% |
| Impact of acquisitions ⁽²⁾ | (9.9)% | (6.3)% | (8.3)% | — % | (7.9)% |
| Regional Organic Net sales growth (decline) | 4.0 % | 1.5 % | 11.3 % | 9.9 % | 4.3 % |

- (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 attributable to business acquisitions or dispositions are excluded for twelve months following or preceding the respective acquisition or disposition, respectively.

GAAP to Non-GAAP Gross Margin and Operating Income Reconciliation

(\$ in millions)
(Unaudited)

| | Three Months Ended | | | | | |
|--|--------------------|--------|--------------|----------------|--------|--------------|
| | April 4, 2026 | | | March 29, 2025 | | |
| | CF | AVA | Consolidated | CF | AVA | Consolidated |
| <u>GAAP</u> | | | | | | |
| Reported Net sales | \$ 825 | \$ 670 | \$ 1,495 | \$ 684 | \$ 624 | \$ 1,308 |
| Reported Gross profit ⁽¹⁾ | 405 | 348 | 742 | 333 | 316 | 645 |
| Gross Margin | 49.1 % | 51.9 % | 49.6 % | 48.7 % | 50.6 % | 49.3 % |
| Operating Income ⁽²⁾ | 169 | 159 | 215 | 140 | 135 | 195 |
| <u>Non-GAAP</u> | | | | | | |
| Adjusted Net sales | \$ 825 | \$ 670 | \$ 1,495 | \$ 684 | \$ 624 | \$ 1,308 |
| Adjusted Gross profit ⁽¹⁾ | 405 | 348 | 753 | 333 | 316 | 649 |
| Adjusted Gross Margin | 49.1 % | 51.9 % | 50.4 % | 48.7 % | 50.6 % | 49.6 % |
| Adjusted Operating Income ⁽²⁾ | 169 | 159 | 328 | 140 | 135 | 275 |

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

(2) Segment and Non-GAAP Operating income excludes share-based compensation expense, business acquisition purchase accounting adjustments, amortization of intangible assets, acquisition and integration costs, exit and restructuring costs, as well as certain other non-recurring costs (impairment of goodwill and other intangible assets).

GAAP to Non-GAAP Net Income Reconciliation

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

| | Three Months Ended | |
|--|--------------------|----------------|
| | April 4, 2026 | March 29, 2025 |
| GAAP Net income | \$ 135 | \$ 136 |
| Adjustments to Net sales ⁽¹⁾ | | |
| Adjustments to Cost of sales ⁽¹⁾ | | |
| Purchase accounting adjustments | 5 | — |
| Share-based compensation | 6 | 4 |
| Total adjustments to Cost of sales | 11 | 4 |
| Adjustments to Operating expenses ⁽¹⁾ | | |
| Amortization of intangible assets | 37 | 24 |
| Acquisition and integration costs | 1 | 3 |
| Share-based compensation | 56 | 49 |
| Exit and restructuring costs | 8 | — |
| Total adjustments to Operating expenses | 102 | 76 |
| Adjustments to Other expense, net ⁽¹⁾ | | |
| Amortization of debt issuance costs and discounts | 1 | 1 |
| Loss on sale of investments | 15 | — |
| Foreign exchange loss | — | 5 |
| Gain on sale of business | (5) | — |
| Total adjustments to Other expense, net | 11 | 6 |
| Income tax effect of adjustments ⁽²⁾ | | |
| Reported income tax expense | 32 | 29 |
| Adjusted income tax | (56) | (43) |
| Total adjustments to income tax | (24) | (14) |
| Total adjustments | 100 | 72 |
| Non-GAAP Net income | \$ 235 | \$ 208 |
| GAAP earnings per share | | |
| Basic | \$ 2.74 | \$ 2.64 |
| Diluted | \$ 2.72 | \$ 2.62 |
| Non-GAAP earnings per share | | |
| Basic | \$ 4.79 | \$ 4.06 |
| Diluted | \$ 4.75 | \$ 4.02 |
| Basic weighted average shares outstanding | 49,017,288 | 51,365,011 |
| Diluted weighted average and equivalent shares outstanding | 49,428,337 | 51,806,550 |

(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 | |
|---|--------------------|-------------------|
| | April 4, 2026 | March 29, 2025 |
| GAAP Net income | \$ 135 | \$ 136 |
| Add back: | | |
| Depreciation (excluding exit and restructuring) | 19 | 17 |
| Amortization of intangible assets | 37 | 24 |
| Total Other expense, net | 48 | 30 |
| Income tax expense | 32 | 29 |
| EBITDA (Non-GAAP) | 271 | 236 |
| Adjustments to Cost of sales | | |
| Share-based compensation | 6 | 4 |
| Total adjustments to Cost of sales | 11 | 4 |
| Adjustments to Operating expenses | | |
| Acquisition and integration costs | 1 | 3 |
| Share-based compensation | 56 | 49 |
| Exit and restructuring costs | 8 | — |
| Total adjustments to Operating expenses | 65 | 52 |
| Total adjustments to EBITDA | 76 | 56 |
| Adjusted EBITDA (Non-GAAP) | \$ 347 | \$ 292 |
| Adjusted EBITDA margin (Non-GAAP) | 23.2 % | 22.3 % |

GAAP to Non-GAAP Free Cash Flow Reconciliation

(\$ in millions)
(Unaudited)

| | Three Months Ended | |
|--|--------------------|-------------------|
| | April 4, 2026 | March 29, 2025 |
| Net cash provided by operating activities | \$ 176 | \$ 178 |
| Less: Purchases of property, plant and equipment | (13) | (20) |
| Free cash flow (Non-GAAP) ⁽¹⁾ | <u>\$ 163</u> | <u>\$ 158</u> |

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

GAAP to Non-GAAP Net Debt to Adjusted EBITDA Reconciliation

(\$ in millions)
(Unaudited)

| | Three Months Ended | |
|---|--------------------|-------------------|
| | April 4, 2026 | March 29, 2025 |
| Total Debt | \$ 2,660 | \$ 2,183 |
| Less: Cash and cash equivalents | (114) | (879) |
| Net Debt (Non-GAAP) ⁽¹⁾ | <u>\$ 2,546</u> | <u>\$ 1,304</u> |
| Net Debt to Adjusted EBITDA ratio (Non-GAAP) ⁽²⁾ | 2.1 | 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 ratio, a non-GAAP ratio, is defined as Net debt divided by adjusted EBITDA for the trailing 12 months.

About Zebra

Zebra (NASDAQ: ZBRA) provides the foundation for intelligent operations with an award-winning portfolio of connected frontline, asset visibility and automation solutions which empower our customers to deploy AI on the frontline. 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. Learn more at www.zebra.com.



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