Zebra Technologies
Second Quarter 2025 Results

August 5, 2025

ZEBRA

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Agenda

01 **Q2 Summary**
Bill Burns, CEO

02 **Q2 Financials and Outlook**
Nathan Winters, CFO

03 **Advancing Enterprise Asset Intelligence**
Bill Burns, CEO

04 **Q&A**
Bill Burns, CEO
Nathan Winters, CFO

Second Quarter 2025 Summary [(1)]

- Delivered results above expectations
- Sales of $1,293M, reflecting 6.3% organic net sales growth
  - Strong growth in North America, Asia Pacific and Latin America
  - Relative outperformance in mobile computing, scanning, and RFID
  - Transportation & Logistics and Retail & E-Commerce top performing verticals
- Adjusted EBITDA Margin of 20.6%, increased 10bps
  - Adjusted Gross Margin declined 70bps primarily due to U.S import tariffs
  - Adjusted Operating Expenses as a percent of sales improved by 80bps
- Non-GAAP Diluted EPS $3.61, up 13.5%

Continued demand recovery, lower than expected U.S. import tariff expense, operating leverage and strong execution drove year-on-year profitable growth.

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

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Second Quarter P&L Summary[1]

In millions, except per share data	2Q25	2Q24	Change
Net Sales	$1,293	$1,217	+6.2%
Organic Net Sales Growth			+6.3%
Adjusted Gross Profit	$619	$591	+4.7%
Adjusted Gross Margin	47.9%	48.6%	(70)bps
Adjusted Operating Expenses	$370	$358	+3.4%
Adjusted EBITDA	$267	$250	+6.8%
Adjusted EBITDA Margin	20.6%	20.5%	+10bps
Non-GAAP Diluted EPS	$3.61	$3.18	+13.5%

SEGMENT ORGANIC NET SALES GROWTH

- Asset Intelligence & Tracking +5.8%
- Enterprise Visibility & Mobility +6.5%

REGIONAL ORGANIC NET SALES GROWTH/(DECLINE)

- North America +8%
- EMEA (1)%
- Asia Pacific +20%
- Latin America +11%

[1] Refer to the appendix of this presentation for reconciliations of GAAP to non-GAAP financial measures

Cash Flow & Balance Sheet[1]

Cash Flow: YTD 2Q25

- Free cash flow of $288M, $101M lower YoY
  - Higher incentive compensation payments
  - Timing of inventory purchases
  - Prior year interest rate swap settlements
- $250M share repurchases

Strong Liquidity Position: 2Q25

- $872M cash & cash equivalents
- $2.2B balance sheet debt
- 1.2x net debt to adjusted EBITDA ratio
- $1.5B revolving credit facility capacity

[1] Refer to the appendix of this presentation for reconciliations of GAAP to non-GAAP financial measures

Working to Mitigate U.S. Import Tariffs

- We have made good progress diversifying our global sourcing footprint, improving resiliency
- Over the last decade, shifted U.S. imports from China to approximately 30% from 85%; now expecting to further reduce exposure to 20% by year end 2025
- ~ $30M expected gross profit impact for FY25, net of mitigation, from U.S. import tariffs
  - Improved from $70M as of prior guide
  - 1H25: $12M YoY net impact
  - 3Q25: ~ $10M anticipated YoY net impact
- ~ $40M annualized gross profit impact, net of mitigation, from U.S. import tariffs
  - Improved from $80-90M as of prior guide primarily due to lower China rate
  - Assumes current effective rates along with electronics and USMCA exemptions
  - Inclusive of ~ $40M annualized U.S. price adjustments – $40M less than prior guide due to moderating tariff policy
- Evaluating additional potential actions to further mitigate, while monitoring policy changes
  - Shifting more production to lower-cost locations
  - Product portfolio optimization and pricing

Outlook & Assumptions[1]

3Q25

- Sales growth between 2% and 6%
  - Includes approximately 30bps favorable impact from Photoneo acquisition[2] and net neutral impact from FX
- Adjusted EBITDA margin ~ 21%
- Non-GAAP diluted EPS $3.60 - $3.80
- *Approximately $10M gross profit net impact from import tariffs*

FY25

- Sales growth between 5% and 7%
  - 50bps favorable combined impact from Photoneo Acquisition[2] and FX
- Adjusted EBITDA margin between 21% - 22%
- Non-GAAP diluted EPS $15.25 - $15.75
- Free cash flow at least $800M
- Capital expenditures $70M - $80M
- Depreciation $65M - $75M and Amortization $90M - $100M
- Stock-based compensation expense $140M - $160M
- Non-GAAP tax rate ~17% - 18%
- *Approximately $30M gross profit net impact from import tariffs*

Raised full-year outlook for sales growth, adjusted EBITDA margin, non-GAAP diluted EPS, and free cash flow.

[1] These outlook statements do not include any projected results from the pending acquisition of Elo, which is expected to close in 2025
[2] Impact to sales growth for 12 months following business acquisition; Photoneo acquisition closed February 28, 2025

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Enabling Improved Outcomes Across Our End Markets

Retail & E-Commerce

Elevated Customer Experience

Optimized Inventory

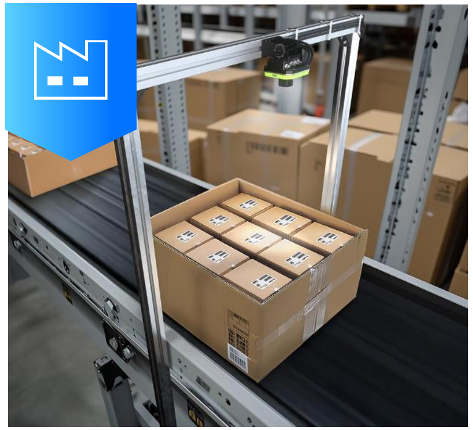
Engaged Associates

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 Modernization and Asset Management

Public Safety and Field Mobility

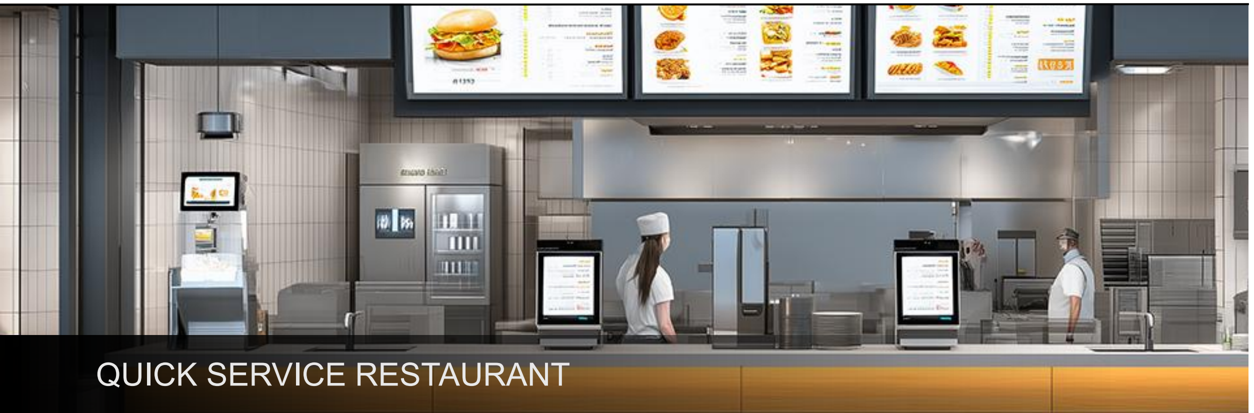
Critical Communications

Retail & E-Commerce and Transportation & Logistics outperformed in the second quarter.

Elo Acquisition To Significantly Expand Connected Frontline Solutions

Advances Vision of Digitizing and Automating Frontline Operations

- ~$8B addressable market, enabling Zebra to drive the digitization of consumer engagement points
- Leading provider of Point-of-Sale, Interactive Display, and Self-Service Kiosks solutions
- Annual sales ~$400M, serving retail, hospitality/restaurants, healthcare and industrial end markets
- Elo has a similar EBITDA margin profile as Zebra; Combination immediately accretive to earnings after close
- Expect to achieve an incremental $25M annual EBITDA synergies



Opportunity Across Our End Markets

Market Served	Longer-Term Opportunity
Retail & E-commerce	• Technology equipped frontline workers to drive productivity and satisfaction • Reimagining point-of-sale and solutions to address shrink • E-commerce growth with shorter lead time expectations
Transportation & Logistics	• 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	• Investments in supply chain traceability, efficiency and resiliency • Transform operations with machine vision, robotics and AI • Shifts in global manufacturing operations
Healthcare	• Digitally connecting assets, patients and staff for safe and efficient care • Patient engagement and virtual care, including home healthcare opportunity
Other Markets	• Modernizing end-to-end supply chain • Digitizing workflows in public safety and field service

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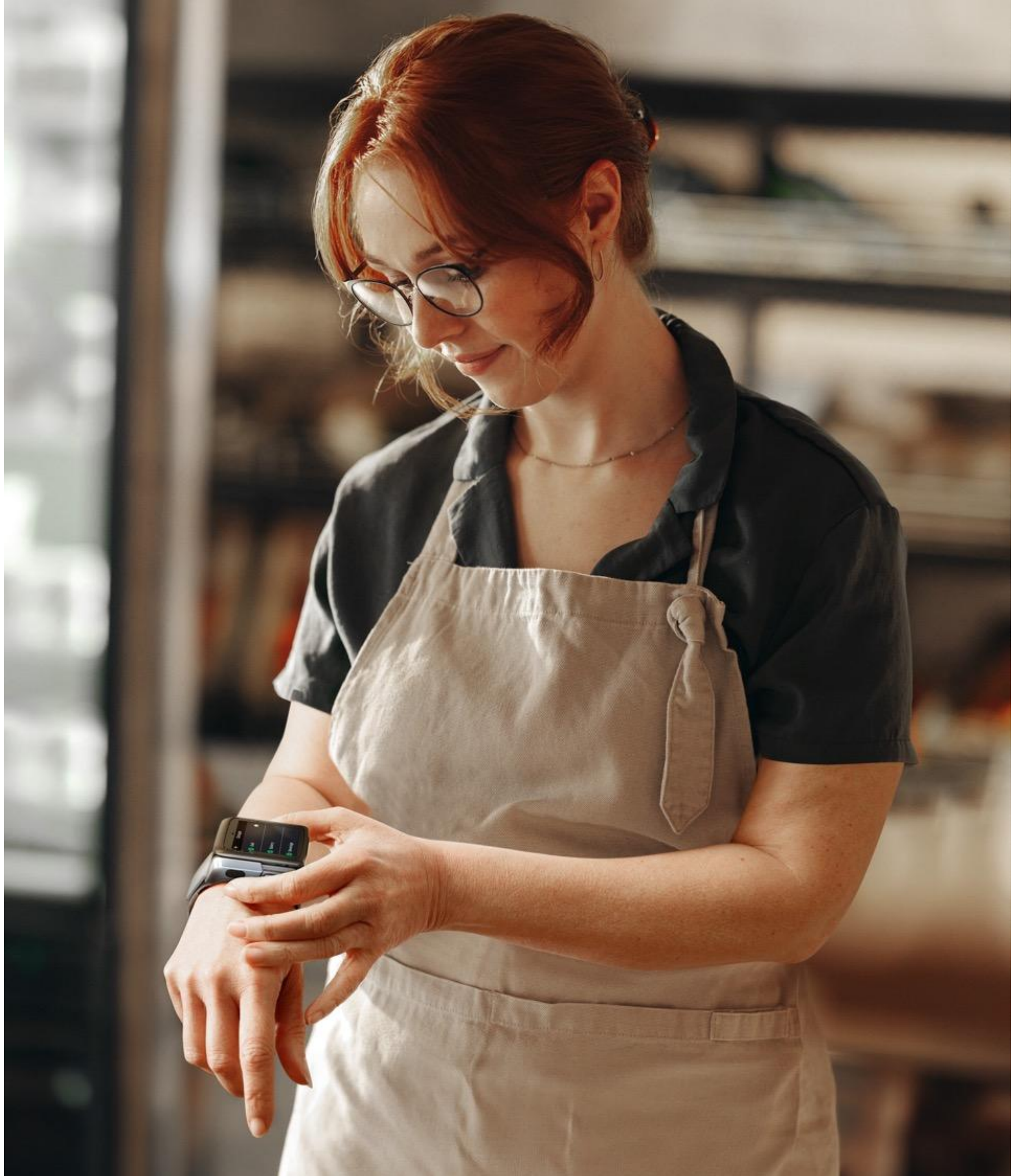
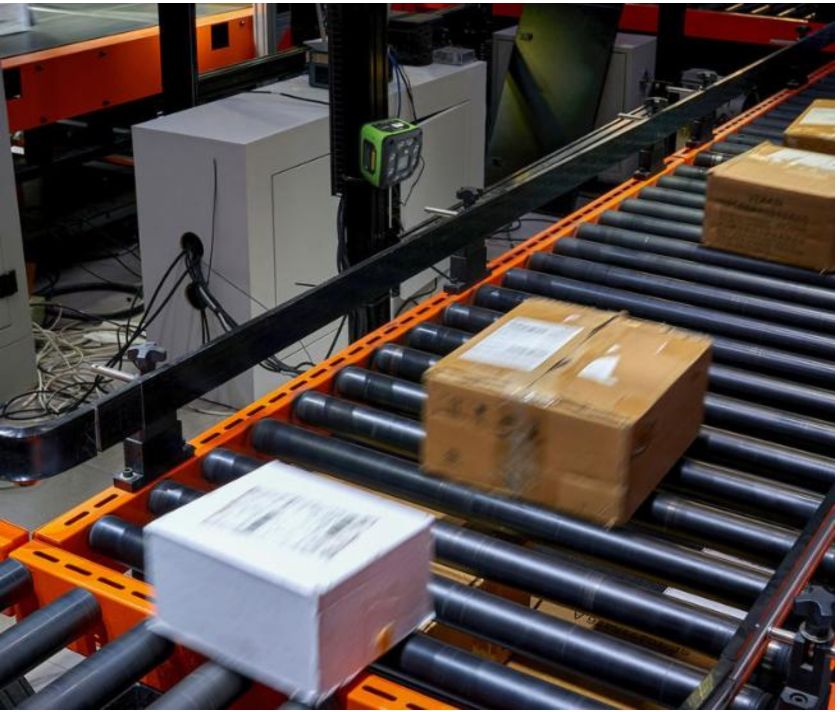


Q&A



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,” “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,” and “regional organic net sales growth.” 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 June 28, 2025		
	AIT	EVM	Consolidated
Reported GAAP Consolidated Net sales growth	5.3 %	6.7 %	6.2 %
Adjustments:			
Impact of foreign currency translations [(1)]	0.5 %	0.1 %	0.3 %
Impact of acquisitions [(2)]	— %	(0.3)%	(0.2)%
Consolidated Organic Net sales growth	5.8 %	6.5 %	6.3 %

	Six Months Ended June 28, 2025		
	AIT	EVM	Consolidated
Reported GAAP Consolidated Net sales growth	11.5 %	7.4 %	8.7 %
Adjustments:			
Impact of foreign currency translations [(1)]	0.5 %	0.3 %	0.4 %
Impact of acquisitions [(2)]	— %	(0.2)%	(0.1)%
Consolidated Organic Net sales growth	12.0 %	7.5 %	9.0 %

(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 Growth Reconciliation (Unaudited)

	Three Months Ended June 28, 2025				
	North America	EMEA	Asia-Pacific	Latin America	Consolidated
Reported GAAP Regional Net sales growth (decline)	8.0 %	(1.0)%	19.5 %	11.1 %	6.2 %
Adjustments:					
Impact of foreign currency translations (1)	— %	0.3 %	1.0 %	0.2 %	0.3 %
Impact of acquisitions (2)	(0.1)%	(0.3)%	(0.7)%	— %	(0.2)%
Regional Organic Net sales growth (decline)	7.9 %	(1.0)%	19.8 %	11.3 %	6.3 %

(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 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					
	June 28, 2025			June 29, 2024		
	AIT	EVM	Consolidated	AIT	EVM	Consolidated
GAAP						
Reported Net sales	$ 418	$ 875	$ 1,293	$ 397	$ 820	$ 1,217
Reported Gross profit	203	413	616	187	402	589
Gross Margin	48.6 %	47.2 %	47.6 %	47.1 %	49.0 %	48.4 %
Non-GAAP						
Adjusted Net sales	$ 418	$ 875	$ 1,293	$ 397	$ 820	$ 1,217
Adjusted Gross profit (1)	205	414	619	187	404	591
Adjusted Gross Margin	49.0 %	47.3 %	47.9 %	47.1 %	49.3 %	48.6 %

	Six Months Ended					
	June 28, 2025			June 29, 2024		
	AIT	EVM	Consolidated	AIT	EVM	Consolidated
GAAP						
Reported Net sales	$ 880	$ 1,721	$ 2,601	$ 789	$ 1,603	$ 2,392
Reported Gross profit	439	822	1,261	371	781	1,152
Gross Margin	49.9 %	47.8 %	48.5 %	47.0 %	48.7 %	48.2 %
Non-GAAP						
Adjusted Net sales	$ 880	$ 1,721	$ 2,601	$ 789	$ 1,603	$ 2,392
Adjusted Gross profit (1)	442	826	1,268	372	784	1,156
Adjusted Gross Margin	50.2 %	48.0 %	48.8 %	47.1 %	48.9 %	48.3 %

(1) Adjusted Gross profit excludes share-based compensation expense.

GAAP to Non-GAAP Net Income Reconciliation

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

	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
GAAP Net income	$ 112	$ 113	$ 248	$ 228
Adjustments to Net sales[1]				
Adjustments to Cost of sales[1]				
Share-based compensation	3	2	7	4
Total adjustments to Cost of sales	3	2	7	4
Adjustments to Operating expenses[1]				
Amortization of intangible assets	25	25	49	51
Acquisition and integration costs	4	1	7	2
Share-based compensation	34	35	83	54
Exit and restructuring costs	—	3	—	13
Total adjustments to Operating expenses	63	64	139	120
Adjustments to Other expense, net[1]				
Amortization of debt issuance costs and discounts	—	1	1	1
Investment loss	10	6	10	6
Foreign exchange loss (gain)	11	—	16	(3)
Forward interest rate swap (gain)	—	(11)	—	(31)
Total adjustments to Other expense, net	21	(4)	27	(27)
Income tax effect of adjustments[2]				
Reported income tax expense	26	23	55	50
Adjusted income tax	(39)	(33)	(82)	(63)
Total adjustments to income tax	(13)	(10)	(27)	(13)
Total adjustments	74	52	146	84
Non-GAAP Net income	$ 186	$ 165	$ 394	$ 312
GAAP earnings per share				
Basic	$ 2.20	$ 2.19	$ 4.85	$ 4.43
Diluted	$ 2.19	$ 2.17	$ 4.81	$ 4.40
Non-GAAP earnings per share				
Basic	$ 3.63	$ 3.20	$ 7.69	$ 6.06
Diluted	$ 3.61	$ 3.18	$ 7.63	$ 6.02
Basic weighted average shares outstanding	50,939,474	51,489,735	51,154,241	51,444,179
Diluted weighted average and equivalent shares outstanding	51,282,273	51,830,245	51,546,410	51,815,899

(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		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
GAAP Net income	$ 112	$ 113	$ 248	$ 228
Add back:				
Depreciation (excluding exit and restructuring)	18	17	35	34
Amortization of intangible assets	25	25	49	51
Total Other expense, net	45	31	75	48
Income tax expense	26	23	55	50
EBITDA (Non-GAAP)	226	209	462	411
Adjustments to Cost of sales				
Share-based compensation	3	2	7	4
Total adjustments to Cost of sales	3	2	7	4
Adjustments to Operating expenses				
Acquisition and integration costs	4	1	7	2
Share-based compensation	34	35	83	54
Exit and restructuring costs	—	3	—	13
Total adjustments to Operating expenses	38	39	90	69
Total adjustments to EBITDA	41	41	97	73
Adjusted EBITDA (Non-GAAP)	$ 267	$ 250	$ 559	$ 484
Adjusted EBITDA margin (Non-GAAP)	20.6 %	20.5 %	21.5 %	20.2 %

GAAP to Non-GAAP Free Cash Flow Reconciliation

($ in millions)
(Unaudited)

	Six Months Ended	
	June 28, 2025	June 29, 2024
Net cash provided by operating activities	$ 325	$ 413
Less: Purchases of property, plant and equipment	(37)	(24)
Free cash flow (Non-GAAP)[1]	$ 288	$ 389

(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)

	Six Months Ended	
	June 28, 2025	June 29, 2024
Total Debt	$ 2,183	$ 2,183
Less: Cash and cash equivalents	(872)	(411)
Net Debt (Non-GAAP)[(1)]	$ 1,311	$ 1,772
Net Debt to Adjusted EBITDA ratio (Non-GAAP)[(2)]	1.2	2.4

(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 tools to help businesses grow with asset visibility, connected frontline workers and intelligent automation. The company operates in more than 100 countries, and our customers include over 80% of the Fortune 500. Designed for the frontline, Zebra's award-winning portfolio includes hardware, software, and services, all backed by our 50+ years of innovation and global partner ecosystem.

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