Zebra Technologies

Second Quarter Earnings Results

August 4, 2026

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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 Record performance in Q2, demonstrating the strength of our business and supporting an increased fiscal year 2026 outlook

02 Customers are leveraging Zebra's AI-powered solutions to improve productivity, visibility and decision-making

03 Executing on our strategic priorities to drive long-term profitable growth, build on our industry leadership and track record of innovation, and enhance financial strength and flexibility

Q2 2026 Highlights [1]

Results

$1.56B
Sales

53.3%
Adjusted Gross Margin[2]

27.7%
Adjusted EBITDA Margin[2]

26.9%
Adjusted Operating Expense % of Sales

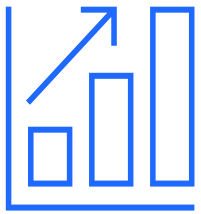
$6.35
Non-GAAP Diluted EPS[2]

$268M
Share Repurchase

Highlights

- 20.4% sales growth (9.2% organic [3])
- Solid growth across all regions
- Retail, Manufacturing, Healthcare outperformance
- Strong profitable growth of Elo Touch business
- 710 basis points adj. EBITDA margin expansion driven by record gross margin (including $73M tariff recoveries) and strong adj. operating expense leverage
- 76% Non-GAAP Diluted EPS growth

Outlook



- Initiating Q3 guidance reflecting a strong start to the quarter and continued demand momentum
- Increased FY26 sales, profitability, and cash flow guide reflects our strong results, continued momentum, and increased confidence in the balance of the year

(1) Refer to the appendix of this presentation for reconciliations of GAAP to non-GAAP financial measures
(2) Recorded $73 million IEEPA tariff recoveries, of which $14 million received in Q2 and an additional $27 million received in July
(3) Excludes net impact to sales growth for 12 months following business acquisitions/dispositions and foreign currency translation

Strong Q2 Performance and Momentum Across Primary End Markets

Retail & E-Commerce

- Double-digit growth in Q2 with e-commerce and convenience stores bright spots
- Elo Touch acquisition delivered strong growth benefiting from self-service trends
- Customers piloting Zebra AI Suite solutions

Transportation & Logistics

- Flat sales on strong Q2 2025 comparisons
- Third Party Logistics and warehousing bright spots
- Zebra AI solutions resonating with customers
- Robust multi-year pipeline of large deployments

Manufacturing

- Continued macro recovery driving double-digit growth this year
- Electronics, Pharmaceuticals, and Medical Devices bright spots
- Machine vision outperformance
- Shifts in global manufacturing continue to be an opportunity

Healthcare

- Highest growth end market in Q2 with Urgent Care a bright spot
- Strong growth in mobile computing as we equip more caregivers with enterprise-grade secure solutions

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Enhancing Customer Value Through AI-Powered Solutions

Building on Zebra's unique competitive advantage as the foundation for intelligent operations

SENSE

Real-Time Frontline Visibility

DECIDE

AI-Powered Orchestration

LEARN

Continuous Workflow Improvement

ACT

AI-Driven Frontline Execution

WSJ

BEST COMPANIES FOR THE FUTURE

AI READINESS

2026

Strategic Priorities

1.

Growing our business profitably

Driving sustainable 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

*Source: VDC Research and Zebra Analysis

Zebra offers a clear and 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

Q2 2026 Financials and Outlook

P&L Summary [1]

In millions, except per share data	2Q 26	2Q 25	Change
Net Sales	$1,557	$1,293	+20.4%
Organic Net Sales Growth			+9.2%
Adjusted Gross Profit[2]	$830	$619	+34.1%
Adjusted Gross Margin[2]	53.3%	47.9%	+540bps
Adjusted Operating Expenses	$419	$370	+13.2%
Adjusted EBITDA[2]	$431	$267	+61.4%
Adjusted EBITDA Margin[2]	27.7%	20.6%	+710bps
Non-GAAP Diluted EPS[2]	$6.35	$3.61	+75.9%

SEGMENT ORGANIC NET SALES GROWTH

- Connected Frontline +7.5%
- Asset Visibility & Automation +11.4%

REGIONAL ORGANIC NET SALES GROWTH

- North America +9%
- EMEA +7%
- Asia Pacific +13%
- Latin America +15%

(1) Refer to the appendix of this presentation for reconciliations of GAAP to non-GAAP financial measures
(2) Recorded $73 million IEEPA tariff recoveries, with $14 million received in Q2

Cash Flow & Balance Sheet [1]

Cash Flow: YTD 2Q 2026

- $361M Free cash flow, $73M higher YoY
- $568M of share repurchases

Strong Liquidity Position: 2Q 2026

- $157M cash & cash equivalents
- $2.8B balance sheet debt
- 1.9x net debt to adjusted EBITDA
- $925M revolving credit facility capacity

$871M share repurchases 4Q 2025 through 2Q 2026 supported by our strong balance sheet and cash flow

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

Successfully Managing Through Memory Component Supply Constraints

Continuing to expect ~ $120M increase in FY26 memory component costs from prior year

- Memory cost increases approximately in-line with expectations
- Price increases mitigating memory impact
- Suppliers delivering on commitments, supporting our strong sales growth
- Transitioning to memory types with greater availability
- Leveraging alternative supply options

Leveraging our proven track record of successfully navigating supply chain challenges

Outlook & Assumptions

3Q 2026

- Sales growth between 17% and 20%
  - ~10.5 point favorable impact from acquisitions(1) and FX
- Adjusted EBITDA margin ~ 22%
- Non-GAAP diluted EPS $4.70 - $4.90

FY 2026

- Sales growth between 14% and 16%
  - ~8 point favorable impact from acquisitions(1) and FX
- Adjusted EBITDA margin between 23.5% and 24.0% (2)
- Non-GAAP diluted EPS $20.75 - $21.25 (2)
- Free cash flow at least $1B
- Capital expenditures $70M - $80M
- Depreciation $75M - $85M; Amortization $145M - $155M
- Stock-based compensation expense $160M - $180M
- Non-GAAP tax rate ~ 19%

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

(1) Net impact to sales growth for 12 months following business acquisitions/dispositions
(2) Recorded $73 million IEEPA tariff recoveries in Q2; $14 million received in the quarter, $27 million received in July

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Closing Remarks

01 Record performance in Q2, demonstrating the strength of our business and supporting an increased fiscal year 2026 outlook

02 Customers are leveraging Zebra's AI-powered solutions to improve productivity, visibility and decision-making

03 Executing on our strategic priorities to drive long-term 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.

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GAAP to Non-GAAP Organic Net Sales Growth Reconciliation

(Unaudited)

	Three Months Ended July 4, 2026		
	CF	AVA	Consolidated
Consolidated Reported GAAP Net sales growth	25.9 %	13.5 %	20.4 %
Adjustments:			
Impact of foreign currency translations (1)	(2.5)%	(2.3)%	(2.5)%
Impact of acquisitions and dispositions (2)	(15.9)%	0.2 %	(8.7)%
Consolidated Organic Net sales growth	7.5 %	11.4 %	9.2 %

	Six Months Ended July 4, 2026		
	CF	AVA	Consolidated
Reported GAAP Consolidated Net sales growth	23.3 %	10.3 %	17.3 %
Adjustments:			
Impact of foreign currency translations (1)	(2.3)%	(2.2)%	(2.2)%
Impact of acquisitions and dispositions (2)	(15.3)%	(0.1)%	(8.3)%
Consolidated Organic Net sales growth	5.7 %	8.0 %	6.8 %

(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.

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GAAP to Non-GAAP Regional Organic Net Sales Growth Reconciliation

(Unaudited)

	Three Months Ended July 4, 2026				
	North America	EMEA	Asia-Pacific	Latin America	Consolidated
Reported GAAP Regional Net sales growth	21.3 %	19.1 %	23.1 %	15.6 %	20.4 %
Adjustments:					
Impact of foreign currency translations [1]	— %	(6.4)%	(2.0)%	(0.8)%	(2.5)%
Impact of acquisitions and dispositions [2]	(12.0)%	(6.1)%	(7.8)%	— %	(8.7)%
Regional Organic Net sales growth	9.3 %	6.6 %	13.3 %	14.8 %	9.2 %

	Six Months Ended July 4, 2026				
	North America	EMEA	Asia-Pacific	Latin America	Consolidated
Reported GAAP Regional Net sales growth	17.6 %	16.1 %	22.5 %	13.2 %	17.3 %
Adjustments:					
Impact of foreign currency translations [1]	— %	(5.9)%	(2.1)%	(0.8)%	(2.2)%
Impact of acquisitions and dispositions [2]	(11.0)%	(6.2)%	(8.1)%	— %	(8.3)%
Regional Organic Net sales growth	6.6 %	4.0 %	12.3 %	12.4 %	6.8 %

(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					
	July 4, 2026			June 28, 2025		
	CF	AVA	Consolidated	CF	AVA	Consolidated
GAAP						
Reported Net sales	$ 903	$ 654	$ 1,557	$ 717	$ 576	$ 1,293
Reported Gross profit [1]	462	368	825	339	280	616
Gross Margin	51.2 %	56.3 %	53.0 %	47.3 %	48.6 %	47.6 %
Operating Income [2]	219	192	321	142	107	183
Non-GAAP						
Adjusted Net sales	$ 903	$ 654	$ 1,557	$ 717	$ 576	$ 1,293
Adjusted Gross profit [1]	462	368	830	339	280	619
Adjusted Gross Margin	51.2 %	56.3 %	53.3 %	47.3 %	48.6 %	47.9 %
Adjusted Operating Income [2]	219	192	411	142	107	249

	Six Months Ended					
	July 4, 2026			June 28, 2025		
	CF	AVA	Consolidated	CF	AVA	Consolidated
GAAP						
Reported Net sales	$ 1,728	$ 1,324	$ 3,052	$ 1,401	$ 1,200	$ 2,601
Reported Gross profit [1]	867	716	1,567	672	596	1,261
Gross Margin	50.2 %	54.1 %	51.3 %	48.0 %	49.7 %	48.5 %
Operating Income [2]	388	351	536	282	242	378
Non-GAAP						
Adjusted Net sales	$ 1,728	$ 1,324	$ 3,052	$ 1,401	$ 1,200	$ 2,601
Adjusted Gross profit [1]	867	716	1,583	672	596	1,268
Adjusted Gross Margin	50.2 %	54.1 %	51.9 %	48.0 %	49.7 %	48.8 %
Adjusted Operating Income [2]	388	351	739	282	242	524

(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		Six Months Ended	
	July 4, 2026	June 28, 2025	July 4, 2026	June 28, 2025
GAAP Net income	$ 233	$ 112	$ 368	$ 248
Adjustments to Net sales[1]				
Adjustments to Cost of sales[1]				
Purchase accounting adjustments	—	—	5	—
Share-based compensation	5	3	11	7
Total adjustments to Cost of sales	5	3	16	7
Adjustments to Operating expenses[1]				
Amortization of intangible assets	37	25	74	49
Acquisition and integration costs	2	4	3	7
Share-based compensation	38	34	94	83
Exit and restructuring costs	8	—	16	—
Total adjustments to Operating expenses	85	63	187	139
Adjustments to Other expense, net[1]				
Amortization of debt issuance costs and discounts	1	—	2	1
Losses on long-term investments	—	10	15	10
Foreign exchange loss	2	11	2	16
Gain on sale of business	—	—	(5)	—
Other adjustments to Other expense, net	(3)	—	(3)	—
Total adjustments to Other expense, net	—	21	11	27
Income tax effect of adjustments[2]				
Reported income tax expense	52	26	84	55
Adjusted income tax	(70)	(39)	(126)	(82)
Total adjustments to income tax	(18)	(13)	(42)	(27)
Total adjustments	72	74	172	146
Non-GAAP Net income	$ 305	$ 186	$ 540	$ 394
GAAP earnings per share				
Basic	$ 4.89	$ 2.2	$ 7.61	$ 4.85
Diluted	$ 4.85	$ 2.19	$ 7.54	$ 4.81
Non-GAAP earnings per share				
Basic	$ 6.40	$ 3.63	$ 11.17	$ 7.69
Diluted	$ 6.35	$ 3.61	$ 11.08	$ 7.63
Basic weighted average shares outstanding	47,717,205	50,939,474	48,364,994	51,154,241
Diluted weighted average and equivalent shares outstanding	48,129,265	51,282,273	48,776,549	51,546,410

(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.

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GAAP to Non-GAAP EBITDA Reconciliation

($ in millions)
(Unaudited)

	Three Months Ended		Six Months Ended	
	July 4, 2026	June 28, 2025	July 4, 2026	June 28, 2025
GAAP Net income	$ 233	$ 112	$ 368	$ 248
Add back:				
Depreciation (excluding exit and restructuring)	20	18	39	35
Amortization of intangible assets	37	25	74	49
Total Other expense, net	36	45	84	75
Income tax expense	52	26	84	55
EBITDA (Non-GAAP)	378	226	649	462
Adjustments to Cost of sales				
Purchase accounting adjustments	—	—	5	—
Share-based compensation	5	3	11	7
Total adjustments to Cost of sales	5	3	16	7
Adjustments to Operating expenses				
Acquisition and integration costs	2	4	3	7
Share-based compensation	38	34	94	83
Exit and restructuring costs	8	—	16	—
Total adjustments to Operating expenses	48	38	113	90
Total adjustments to EBITDA	53	41	129	97
Adjusted EBITDA (Non-GAAP)	$ 431	$ 267	$ 778	$ 559
Adjusted EBITDA margin (Non-GAAP)	27.7 %	20.6 %	25.5 %	21.5 %

GAAP to Non-GAAP Free Cash Flow Reconciliation

($ in millions)
(Unaudited)

	Six Months Ended	
	July 4, 2026	June 28, 2025
Net cash provided by operating activities	$ 387	$ 325
Less: Purchases of property, plant and equipment	(26)	(37)
Free cash flow (Non-GAAP)[1]	$ 361	$ 288

(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			
	July 4, 2026		June 28, 2025	
Total Debt	$	2,776	$	2,183
Less: Cash and cash equivalents		(157)		(872)
Net Debt (Non-GAAP)[1]	$	2,619	$	1,311
Net Debt to Adjusted EBITDA ratio (Non-GAAP)[2]		1.9		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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