Zebra Technologies
Third Quarter Earnings Results
October 28, 2025

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Agenda

01 **Q3 Summary**
Bill Burns, CEO

02 **Q3 Financials and Q4 Outlook**
Nathan Winters, CFO

03 **Advancing Our Vision**
Bill Burns, CEO

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

Third Quarter 2025 Summary [1]

- Delivered results exceeding our outlook
- Sales of $1,320M, reflecting 4.8% organic net sales growth
  - Solid growth in Asia Pacific, Latin America, North America
  - Relative outperformance in printing, mobile computing, RFID
  - Strength in Retail & E-Commerce
- Adjusted EBITDA Margin of 21.6%, increased 20bps
  - Adjusted Gross Margin declined 90bps primarily due to U.S import tariffs
  - Adjusted Operating Expenses as a percent of sales improved by 110bps
- Non-GAAP Diluted EPS $3.88, up 11.2%

Solid demand and operating expense leverage drove strong profitable growth.

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

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Third Quarter P&L Summary (1)

In millions, except per share data	3Q25	3Q24	Change
Net Sales	$1,320	$1,255	+5.2%
Organic Net Sales Growth			+4.8%
Adjusted Gross Profit	$636	$616	+3.2%
Adjusted Gross Margin	48.2%	49.1%	(90)bps
Adjusted Operating Expenses	$368	$364	+1.1%
Adjusted EBITDA	$285	$268	+6.3%
Adjusted EBITDA Margin	21.6%	21.4%	+20bps
Non-GAAP Diluted EPS	$3.88	$3.49	+11.2%

SEGMENT ORGANIC NET SALES GROWTH(2)

- Asset Intelligence & Tracking +10.6%
- Enterprise Visibility & Mobility +2.0%

REGIONAL ORGANIC NET SALES GROWTH/(DECLINE)

- North America +6%
- EMEA (3)%
- Asia Pacific +23%
- Latin America +8%

(1) Refer to the appendix of this presentation for reconciliations of GAAP to non-GAAP financial measures
(2) 3Q25 is the final quarter reporting under these segments; new segment reporting change effective 4Q25

Cash Flow & Balance Sheet [1]

Cash Flow: YTD 3Q25

- Free cash flow of $504M, $162M lower YoY
  - Timing of inventory purchases
  - Higher incentive compensation payments
  - Prior year interest rate swap settlements
- $62M Photoneo acquisition
- $284M share repurchases

Strong Liquidity Position: 3Q25

- $1,053M cash & cash equivalents
- $2.2B balance sheet debt
- 1.0x net debt to adjusted EBITDA ratio
- $1.5B revolving credit facility capacity

[1] $1.3 billion Elo Touch Solutions acquisition closed on September 30, 2025 (fiscal 4Q25), funded with cash on hand and borrowings from our existing credit facilities

Expect to Substantially Mitigate Tariffs Entering 2026

Driving an efficient and resilient global supply chain with streamlined product portfolio

~ $24M expected gross profit impact for FY25, net of mitigation, from U.S. import tariffs

- Assumes current effective rates along with electronics and USMCA exemptions
- Improved from $30M as of prior guide
- Realizing ~ 1% sales lift (mitigation) from previously announced U.S. pricing actions (~ $14M in 3Q25)
- 3Q25: $6M net impact (expect ~$6M Q4)

Expect to substantially mitigate current U.S. import tariffs entering 2026

- Moving to < 20% of U.S. imports from China
- Rationalization of product portfolio in process
- Strong progress in driving overall supply chain efficiency

Outlook & Assumptions

4Q25

- Sales growth between 8% and 11%
  - Includes ~ 850 basis point favorable impact from acquisitions[1] and FX
- Adjusted EBITDA margin ~ 22%
- Non-GAAP diluted EPS $4.20 - $4.40
- *~ $6M gross profit net impact from import tariffs*

FY25

- ~ 8% sales growth (based on Q4 outlook midpoint)
  - ~250 basis point favorable impact from acquisitions[1] and FX
- Adjusted EBITDA margin ~ 21.5% (based on Q4 outlook)
- Non-GAAP diluted EPS ~ $15.80 (based on Q4 outlook midpoint)
- Free cash flow at least $800M
- Capital expenditures $70M - $80M
- Depreciation $65M - $75M and Amortization $110M - $120M
- Stock-based compensation expense $170M - $180M
- Non-GAAP tax rate ~18%
- *~ $24M gross profit net impact from import tariffs*

Raising outlook for sales growth and non-GAAP EPS to include the accretive Elo acquisition.

Commitment to $500 million share repurchase from 4Q25 through 3Q26.

[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's Portfolio of Solutions Provides the Foundation for Intelligent Operations

EXPECT 5-7% ORGANIC SALES GROWTH CAGR IN A >$35 BILLION SERVED ADDRESSABLE MARKET (SAM)[1]

Connected Frontline

- Enterprise Mobile Computers
- Rugged Tablets
- Self-Service & Point-of-Sale
- Frontline Software
- AI Agents & Toolkits

Asset Visibility & Automation

- Advanced Data Capture
- Printing
- Supplies & Environmental Sensors
- Machine Vision
- RFID & Location Solutions
- Robotics Automation

[1] Connected Frontline and Asset Visibility & Automation each have 5-7% sales growth profile; Connected Frontline SAM >$20B, Asset Visibility & Automation SAM >$15B

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

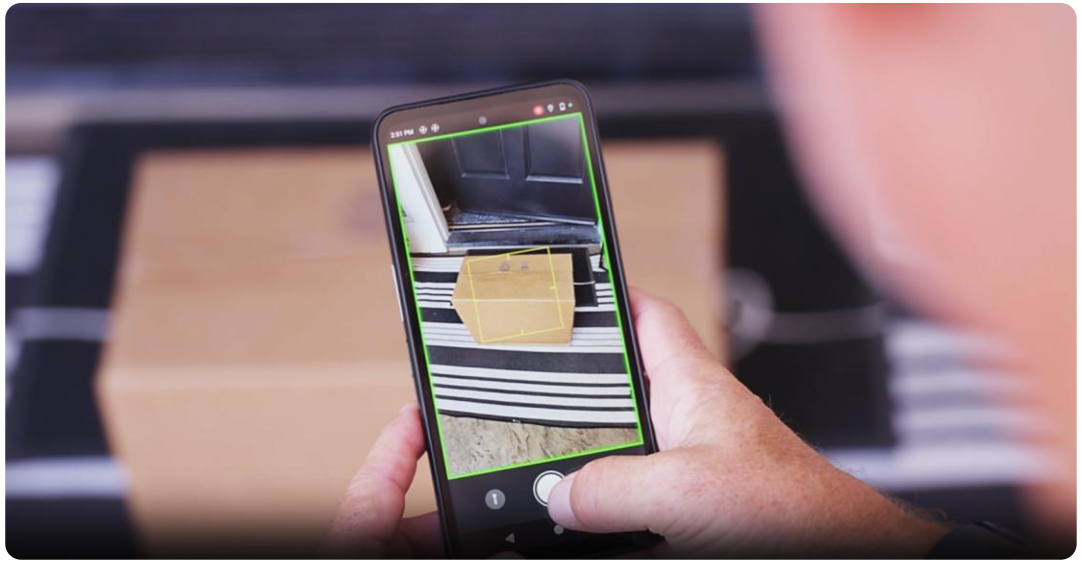
Public Safety and Field Mobility

Critical Communications

Retail & E-Commerce outperformed in the third quarter.

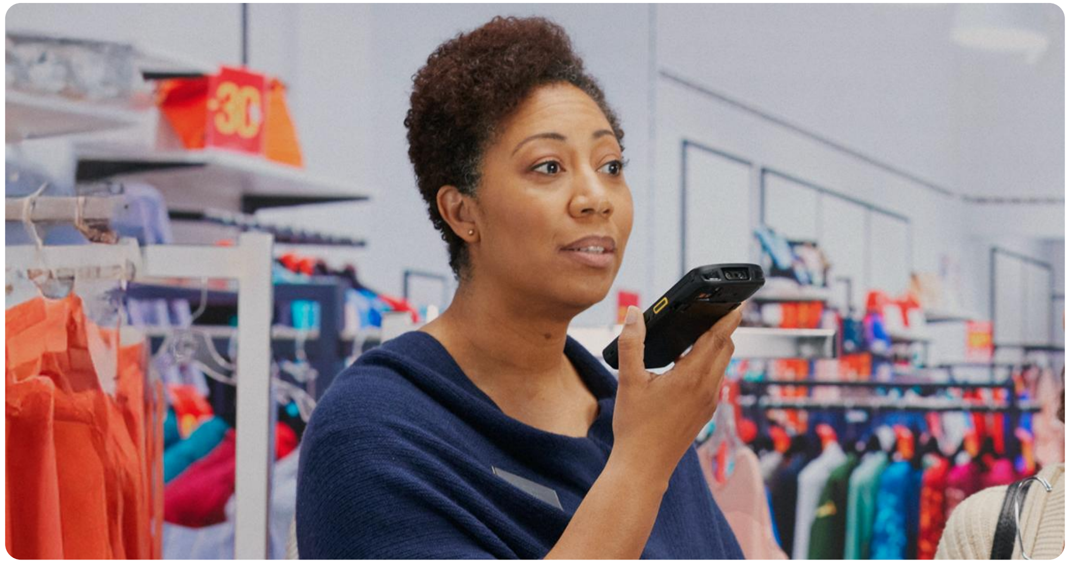
RFID continues to be a bright spot as adoption accelerates across end markets.

Zebra Delivers AI for the Frontline



On-Device AI Suite

Transportation & Logistics customer digitized and accelerated proof-of-delivery with immediate feedback and enhanced compliance



AI Companion agents

Specialty Retail customer utilized Zebra AI Companion to facilitate product recommendations resulting in better sales conversion and upsells, faster employee onboarding and an elevated shopping experience

> “Zebra’s AI approach is the first enterprise strategy I’ve seen that actually makes operational sense at the store level.”
>
> Greg Buzek, President & Principal Analyst, IHL

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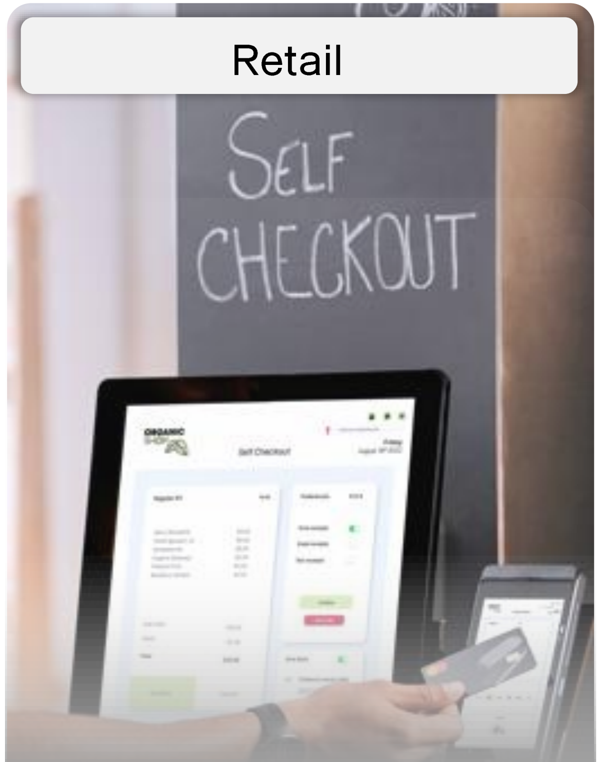
Zebra and Elo Deliver Better Customer Experiences Together

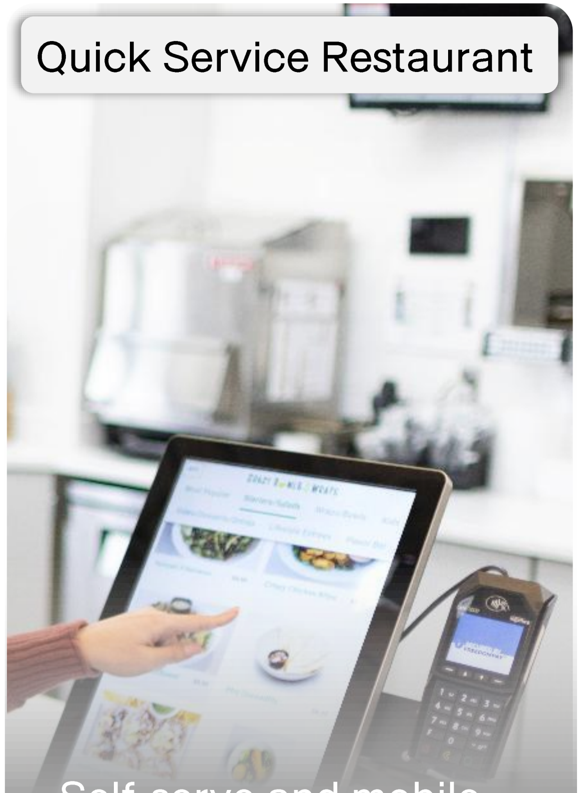
Retail



Modern POS and self-service streamline the checkout experience

Automation and AI speed up work, while retail media drives revenue

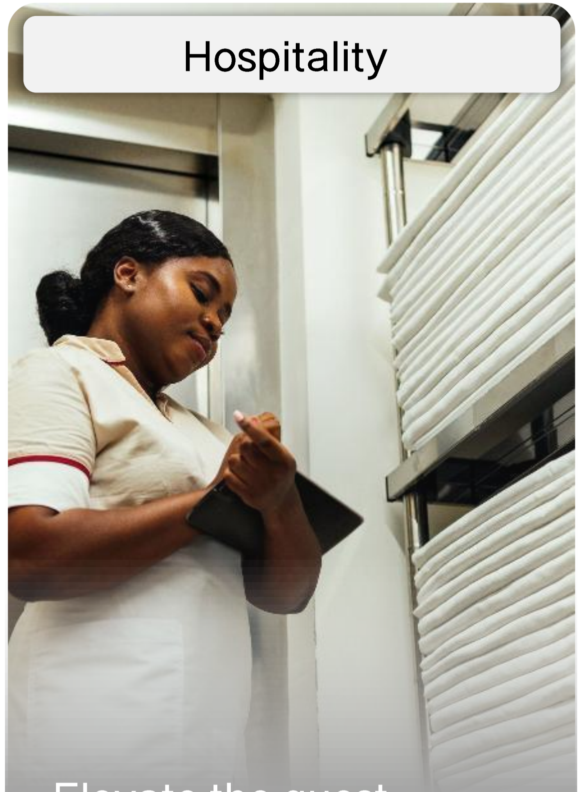
Quick Service Restaurant



Self-serve and mobile tech reduce lines and enable personalization

AI-enabled automation improves accuracy and delivery times

Hospitality



Elevate the guest experience from check-in to check-out

Mobile tools keep guest service teams agile and responsive

Healthcare

Patient self-check in and wayfinding improves flow and reduces wait times

Real-time, connected information is available to all medical staff

Opportunity Across our End Markets

Market Served	Opportunity
Retail & E-commerce	• Technology equipped frontline workers to drive productivity and satisfaction • Reimagining point-of-sale, self-service, and solutions to address shrink • Proliferation of retail media networks • 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 • Improved patient check-in and education
Other Markets	• Modernizing end-to-end supply chain • Digitizing workflows in hospitality/QSR, public safety and field service

Agenda

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Q&A

17

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," "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 September 27, 2025		
	AIT	EVM	Consolidated
Reported GAAP Consolidated Net sales growth	11.0 %	2.4 %	5.2 %
Adjustments:			
Impact of foreign currency translations [1]	(0.4)%	(0.1)%	(0.2)%
Impact of acquisitions [2]	— %	(0.3)%	(0.2)%
Consolidated Organic Net sales growth	10.6 %	2.0 %	4.8 %

	Nine Months Ended September 27, 2025		
	AIT	EVM	Consolidated
Reported GAAP Consolidated Net sales growth	11.3 %	5.6 %	7.5 %
Adjustments:			
Impact of foreign currency translations [1]	0.3 %	0.3 %	0.3 %
Impact of acquisitions [2]	— %	(0.3)%	(0.2)%
Consolidated Organic Net sales growth	11.6 %	5.6 %	7.6 %

(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 September 27, 2025				
	North America	EMEA	Asia-Pacific	Latin America	Consolidated
Reported GAAP Regional Net sales growth (decline)	6.1 %	(2.7)%	23.5 %	7.8 %	5.2 %
Adjustments:					
Impact of foreign currency translations (1)	— %	(0.2)%	0.2 %	0.2 %	(0.2)%
Impact of acquisitions (2)	(0.3)%	(0.3)%	(0.8)%	— %	(0.2)%
Regional Organic Net sales growth (decline)	5.8 %	(3.2)%	22.9 %	8.0 %	4.8 %

(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 directly attributable to business acquisitions are excluded for twelve months following their respective acquisitions.

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GAAP to Non-GAAP Gross Margin Reconciliation

(In millions)
(Unaudited)

	Three Months Ended					
	September 27, 2025			September 28, 2024		
	AIT	EVM	Consolidated	AIT	EVM	Consolidated
GAAP						
Reported Net sales	$ 455	$ 865	$ 1,320	$ 410	$ 845	$ 1,255
Reported Gross profit	230	404	634	199	414	613
Gross Margin	50.5 %	46.7 %	48.0 %	48.5 %	49.0 %	48.8 %
Non-GAAP						
Adjusted Net sales	$ 455	$ 865	$ 1,320	$ 410	$ 845	$ 1,255
Adjusted Gross profit (1)	231	405	636	200	416	616
Adjusted Gross Margin	50.8 %	46.8 %	48.2 %	48.8 %	49.2 %	49.1 %

	Nine Months Ended					
	September 27, 2025			September 28, 2024		
	AIT	EVM	Consolidated	AIT	EVM	Consolidated
GAAP						
Reported Net sales	$ 1,335	$ 2,586	$ 3,921	$ 1,199	$ 2,448	$ 3,647
Reported Gross profit	669	1,226	1,895	570	1,195	1,765
Gross Margin	50.1 %	47.4 %	48.3 %	47.5 %	48.8 %	48.4 %
Non-GAAP						
Adjusted Net sales	$ 1,335	$ 2,586	$ 3,921	$ 1,199	$ 2,448	$ 3,647
Adjusted Gross profit (1)	673	1,231	1,904	572	1,200	1,772
Adjusted Gross Margin	50.4 %	47.6 %	48.6 %	47.7 %	49.0 %	48.6 %

(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		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
GAAP Net income	$ 101	$ 137	$ 349	$ 365
Adjustments to Net sales[(1)]				
Adjustments to Cost of sales[(1)]				
Share-based compensation	2	3	9	7
Total adjustments to Cost of sales	2	3	9	7
Adjustments to Operating expenses[(1)]				
Amortization of intangible assets	25	29	74	80
Acquisition and integration costs	10	1	17	3
Share-based compensation	48	24	131	78
Exit and restructuring costs	—	4	—	17
Total adjustments to Operating expenses	83	58	222	178
Adjustments to Other expense, net[(1)]				
Amortization of debt issuance costs and discounts	1	—	2	1
Investment loss	1	—	11	6
Foreign exchange (gain) loss	(1)	9	15	6
Forward interest rate swap gain	—	—	—	(31)
Total adjustments to Other expense, net	1	9	28	(18)
Income tax effect of adjustments[(2)]				
Reported income tax expense	58	12	113	62
Adjusted income tax	(47)	(38)	(129)	(101)
Total adjustments to income tax	11	(26)	(16)	(39)
Total adjustments	97	44	243	128
Non-GAAP Net income	$ 198	$ 181	$ 592	$ 493
GAAP earnings per share				
Basic	$ 1.98	$ 2.65	$ 6.83	$ 7.09
Diluted	$ 1.97	$ 2.64	$ 6.78	$ 7.04
Non-GAAP earnings per share				
Basic	$ 3.90	$ 3.52	$ 11.59	$ 9.58
Diluted	$ 3.88	$ 3.49	$ 11.51	$ 9.51
Basic weighted average shares outstanding	50,800,552	51,567,216	51,044,563	51,480,812
Diluted weighted average and equivalent shares outstanding	51,171,119	51,918,055	51,429,532	51,845,572

(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		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
GAAP Net income	$ 101	$ 137	$ 349	$ 365
Add back:				
Depreciation (excluding exit and restructuring)	17	16	52	50
Amortization of intangible assets	25	29	74	80
Total Other expense, net	24	42	99	90
Income tax expense	58	12	113	62
EBITDA (Non-GAAP)	225	236	687	647
Adjustments to Cost of sales				
Share-based compensation	2	3	9	7
Total adjustments to Cost of sales	2	3	9	7
Adjustments to Operating expenses				
Acquisition and integration costs	10	1	17	3
Share-based compensation	48	24	131	78
Exit and restructuring costs	—	4	—	17
Total adjustments to Operating expenses	58	29	148	98
Total adjustments to EBITDA	60	32	157	105
Adjusted EBITDA (Non-GAAP)	$ 285	$ 268	$ 844	$ 752
Adjusted EBITDA margin (Non-GAAP)	21.6 %	21.4 %	21.5 %	20.6 %

GAAP to Non-GAAP Free Cash Flow Reconciliation

($ in Millions)
(Unaudited)

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Net cash provided by operating activities	$ 560	$ 707
Less: Purchases of property, plant and equipment	(56)	(41)
Free cash flow (Non-GAAP)[1]	$ 504	$ 666

(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.

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GAAP to Non-GAAP Net Debt to Adjusted EBITDA Reconciliation

($ in Millions)
(Unaudited)

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Total Debt	$ 2,183	$ 2,183
Less: Cash and cash equivalents	(1,053)	(676)
Net Debt (Non-GAAP)[1]	$ 1,130	$ 1,507
Net Debt to Adjusted EBITDA ratio (Non-GAAP)[2]	1.0	1.7

(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 provides the foundation for intelligent operations with an award-winning portfolio of connected frontline, asset visibility and automation solutions. 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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