



# Zebra Technologies Corporation

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## Zebra Technologies Announces Third-Quarter 2025 Results

### Third-Quarter Financial Highlights

- Net sales of \$1,320 million; year-over-year increase of 5.2%
- Net income of \$101 million and net income per diluted share of \$1.97
- Non-GAAP diluted EPS increased year-over-year to \$3.88
- Adjusted EBITDA increased year-over-year to \$285 million
- Returning value to shareholders with \$284 million of share repurchases year to date, and expect to repurchase an additional \$500 million through the third quarter of 2026

**Lincolnshire, Ill., October 28, 2025** — [Zebra Technologies Corporation](https://www.zebra.com) (NASDAQ: ZBRA), a global leader in digitizing and automating workflows to deliver intelligent operations, today announced results for the third quarter ended September 27, 2025.

“Our strong third quarter results were driven by solid demand, lower-than-expected tariffs, operating expense leverage and continued excellent execution by our teams,” said Bill Burns, Chief Executive Officer of Zebra Technologies. “We continue to advance our industry leadership with solutions that digitize and automate our customers’ workflows, and are excited about the opportunity to accelerate our connected frontline vision through our recent acquisition of Elo Touch Solutions. We are also building on our track record of value creation for shareholders, committing to \$500 million of share repurchases over the next twelve months, supported by our strong balance sheet and cash flow.”

| \$ in millions, except per share amounts | 3Q25     | 3Q24     | Change    |
|------------------------------------------|----------|----------|-----------|
| Select reported measures:                |          |          |           |
| Net sales                                | \$ 1,320 | \$ 1,255 | 5.2%      |
| Gross profit                             | 634      | 613      | 3.4%      |
| <i>Gross margin</i>                      | 48.0 %   | 48.8 %   | (80) bps  |
| Net income                               | 101      | 137      | (26.3%)   |
| <i>Net income margin</i>                 | 7.7 %    | 10.9 %   | (320) bps |
| Net income per diluted share             | \$ 1.97  | \$ 2.64  | (25.4%)   |
| Select Non-GAAP measures:                |          |          |           |
| Adjusted net sales                       | \$ 1,320 | \$ 1,255 | 5.2%      |
| <i>Organic net sales growth</i>          |          |          | 4.8%      |
| Adjusted gross profit                    | 636      | 616      | 3.2%      |
| <i>Adjusted gross margin</i>             | 48.2 %   | 49.1 %   | (90) bps  |
| Adjusted EBITDA                          | 285      | 268      | 6.3%      |
| <i>Adjusted EBITDA margin</i>            | 21.6 %   | 21.4 %   | 20 bps    |
| Non-GAAP net income                      | \$ 198   | \$ 181   | 9.4%      |
| Non-GAAP diluted earnings per share      | \$ 3.88  | \$ 3.49  | 11.2%     |

Net sales were \$1,320 million in the third quarter of 2025 compared to \$1,255 million in the prior year. Net sales in the Enterprise Visibility & Mobility ("EVM") segment were \$865 million in the third quarter of 2025 compared to \$845 million in the prior year. Asset Intelligence & Tracking ("AIT") segment net sales were \$455 million in the third quarter of 2025 compared to \$410 million in the prior year. Consolidated organic net sales for the third quarter of 2025 increased 4.8% year-over-year, with a 2.0% increase in the EVM segment and a 10.6% increase in the AIT segment<sup>(1)</sup>.

Third quarter 2025 gross profit was \$634 million compared to \$613 million in the prior year. Gross margin decreased to 48.0% for the third quarter of 2025 compared to 48.8% in the prior year primarily due to approximately \$6 million of U.S. import tariff expense net of mitigating actions. Adjusted gross margin was 48.2% in the third quarter of 2025 compared to 49.1% in the prior year.

Operating expenses increased to \$451 million in the third quarter of 2025 from \$422 million in the prior year primarily due to increased stock based compensation expense. Adjusted operating expenses increased to \$368 million in the third quarter of 2025 from \$364 million in the prior year.

Net income for the third quarter of 2025 was \$101 million, or \$1.97 per diluted share, compared to net income of \$137 million, or \$2.64 per diluted share, in the prior year. Non-GAAP net income increased to \$198 million for the third quarter of 2025, or \$3.88 per diluted share, compared to \$181 million, or \$3.49 per diluted share, for the prior year.

Adjusted EBITDA for the third quarter of 2025 increased to \$285 million, or 21.6% of adjusted net sales, compared to \$268 million, or 21.4% of adjusted net sales in the prior year due to lower adjusted operating expense as a percentage of sales, partially offset by lower gross margin.

*(1) Effective with the fourth quarter of 2025, the Company's reportable segments will be changed to Connected Frontline and Asset Visibility & Automation. Reference the appendix of this press release for additional information, including recast financial performance.*

## **Balance Sheet and Cash Flow**

As of September 27, 2025, the Company had cash and cash equivalents of \$1,053 million and total debt of \$2,183 million.

For the first nine months of 2025, net cash provided by operating activities was \$560 million and the Company invested \$56 million in capital expenditures, resulting in free cash flow of \$504 million. The Company also made share repurchases of \$284 million and acquired Photoneo for \$62 million.

## **Outlook**

The Company expects fourth quarter sales growth between 8% and 11% compared to the prior year. This expectation includes approximately 850 basis points of favorable impact from acquisitions and foreign currency translation.

Adjusted EBITDA margin for the fourth quarter is expected to be approximately 22% which includes the impact of approximately \$6 million U.S. import tariff expense, net of mitigating actions, assuming current rates and exemptions. Non-GAAP diluted earnings per share are expected to be in the range of \$4.20 to \$4.40. This assumes an adjusted effective tax rate of approximately 18%.

Free Cash Flow for the full year 2025 is expected to be greater than \$800 million.

Beginning in the fourth quarter of 2025 and continuing through the next 12 months, the Company expects to repurchase \$500 million of its common stock.

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 the most directly comparable forward-looking GAAP financial measure as discussed under the "Forward-Looking Statements" caption below. This would include items that have not yet occurred, are out of the Company's control

and/or cannot be reasonably predicted, and that would impact diluted net earnings per share. 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.

### **Conference Call Notification**

Investors are invited to listen to a live webcast of Zebra's conference call regarding the Company's financial results. The conference call will be held today at 7:30 a.m. Central Time (8:30 a.m. Eastern Time). To view the webcast, visit the investor relations section of the Company's website at [investors.zebra.com](https://investors.zebra.com).

### **About Zebra**

Zebra (NASDAQ: ZBRA) 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. Learn more at [www.zebra.com](https://www.zebra.com). Follow Zebra on our [Blog](#), [LinkedIn](#), [Facebook](#), [X](#), [Instagram](#), and [YouTube](#).

### **Forward-Looking Statements**

This press release contains forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995, including, without limitation, the statements regarding the company's outlook. Actual results may differ from those expressed or implied in the company's forward-looking statements. These statements represent estimates only as of the date they were made. Zebra 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 release.

These forward-looking statements are based on current expectations, forecasts and assumptions and are subject to the risks and uncertainties inherent in Zebra's industry, market conditions, general domestic and international economic conditions, and other factors. These factors include customer acceptance of Zebra's offerings and competitors' offerings, and the potential effects of emerging technologies and changes in customer requirements. The effect of global market conditions, and the availability of credit and capital markets volatility may have adverse effects on Zebra, its suppliers and its customers. In addition, natural disasters, man-made disasters, public health issues (including pandemics), and cybersecurity incidents may have negative effects on Zebra's business and results of operations. Zebra's ability to purchase sufficient materials, parts, and components, and ability to provide services, software and products to meet customer demand could negatively impact Zebra's results of operations and customer relationships. Profits and profitability will be affected by Zebra's ability to control manufacturing and operating costs. Because of its debt, interest rates and financial market conditions may also have an adverse impact on results. Foreign exchange rates, customs duties and trade policies may have an adverse effect on financial results because of the global nature of Zebra's business. The impacts of changes in foreign and domestic governmental policies, regulations, or laws, as well as the outcome of litigation or tax matters in which Zebra may be involved are other factors that could adversely affect Zebra's business and results of operations. The success of integrating acquisitions could also adversely affect profitability, reported results and the company's competitive position in its industry. These and other factors could have an adverse effect on Zebra's sales, gross profit margins and results of operations and increase the volatility of Zebra's financial results. When used in this release and documents referenced, the words "anticipate," "believe," "outlook," and "expect" and similar expressions, 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. Descriptions of certain risks, uncertainties and other factors that could adversely affect the company's future operations and results can be found in Zebra's filings with the Securities and Exchange Commission, including the company's most recent Form 10-K and Form 10-Q.

## **Use of Non-GAAP Financial Information**

This press release 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,” “non-GAAP diluted earnings per share,” “non-GAAP earnings per share,” “non-GAAP net income,” “organic net sales,” and “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 press release 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 (including the information under “Outlook” above) 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 diluted net earnings per share, 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 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.

## **Contacts**

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**ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In millions, except per share data)

|                                                                                                                         | September 27,<br>2025 | December 31,<br>2024 |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
|                                                                                                                         | (Unaudited)           |                      |
| <b>Assets</b>                                                                                                           |                       |                      |
| Current assets:                                                                                                         |                       |                      |
| Cash and cash equivalents                                                                                               | \$ 1,053              | \$ 901               |
| Accounts receivable, net of allowances for doubtful accounts of \$1 each as of September 27, 2025 and December 31, 2024 | 655                   | 692                  |
| Inventories, net                                                                                                        | 663                   | 693                  |
| Income tax receivable                                                                                                   | 106                   | 20                   |
| Prepaid expenses and other current assets                                                                               | 99                    | 134                  |
| Total Current assets                                                                                                    | 2,576                 | 2,440                |
| Property, plant and equipment, net                                                                                      | 327                   | 305                  |
| Right-of-use lease assets                                                                                               | 165                   | 167                  |
| Goodwill                                                                                                                | 3,931                 | 3,891                |
| Other intangibles, net                                                                                                  | 376                   | 422                  |
| Deferred income taxes                                                                                                   | 475                   | 512                  |
| Other long-term assets                                                                                                  | 217                   | 231                  |
| <b>Total Assets</b>                                                                                                     | <b>\$ 8,067</b>       | <b>\$ 7,968</b>      |
| <b>Liabilities and Stockholders' Equity</b>                                                                             |                       |                      |
| Current liabilities:                                                                                                    |                       |                      |
| Current portion of long-term debt                                                                                       | \$ 66                 | \$ 79                |
| Accounts payable                                                                                                        | 533                   | 633                  |
| Accrued liabilities                                                                                                     | 497                   | 503                  |
| Deferred revenue                                                                                                        | 456                   | 453                  |
| Income taxes payable                                                                                                    | 51                    | 36                   |
| Total Current liabilities                                                                                               | 1,603                 | 1,704                |
| Long-term debt                                                                                                          | 2,107                 | 2,092                |
| Long-term lease liabilities                                                                                             | 151                   | 155                  |
| Deferred income taxes                                                                                                   | 65                    | 57                   |
| Long-term deferred revenue                                                                                              | 318                   | 304                  |
| Other long-term liabilities                                                                                             | 76                    | 70                   |
| <b>Total Liabilities</b>                                                                                                | <b>4,320</b>          | <b>4,382</b>         |
| Stockholders' Equity:                                                                                                   |                       |                      |
| Preferred stock, \$.01 par value; authorized 10,000,000 shares; none issued                                             | —                     | —                    |
| Class A common stock, \$.01 par value; authorized 150,000,000 shares; issued 72,151,857 shares                          | 1                     | 1                    |
| Additional paid-in capital                                                                                              | 781                   | 669                  |
| Treasury stock at cost, 21,414,382 and 20,645,798 shares as of September 27, 2025 and December 31, 2024, respectively   | (2,181)               | (1,900)              |
| Retained earnings                                                                                                       | 5,209                 | 4,860                |
| Accumulated other comprehensive loss                                                                                    | (63)                  | (44)                 |
| <b>Total Stockholders' Equity</b>                                                                                       | <b>3,747</b>          | <b>3,586</b>         |
| <b>Total Liabilities and Stockholders' Equity</b>                                                                       | <b>\$ 8,067</b>       | <b>\$ 7,968</b>      |

**ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In millions, except share data)

(Unaudited)

|                                   | <b>Three Months Ended</b>     |                               | <b>Nine Months Ended</b>      |                               |
|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                   | <b>September 27,<br/>2025</b> | <b>September 28,<br/>2024</b> | <b>September 27,<br/>2025</b> | <b>September 28,<br/>2024</b> |
| Net sales:                        |                               |                               |                               |                               |
| Tangible products                 | \$ 1,081                      | \$ 1,019                      | \$ 3,198                      | \$ 2,931                      |
| Services and software             | 239                           | 236                           | 723                           | 716                           |
| Total Net sales                   | 1,320                         | 1,255                         | 3,921                         | 3,647                         |
| Cost of sales:                    |                               |                               |                               |                               |
| Tangible products                 | 557                           | 526                           | 1,652                         | 1,539                         |
| Services and software             | 129                           | 116                           | 374                           | 343                           |
| Total Cost of sales               | 686                           | 642                           | 2,026                         | 1,882                         |
| Gross profit                      | 634                           | 613                           | 1,895                         | 1,765                         |
| Operating expenses:               |                               |                               |                               |                               |
| Selling and marketing             | 159                           | 151                           | 478                           | 449                           |
| Research and development          | 146                           | 141                           | 441                           | 425                           |
| General and administrative        | 111                           | 96                            | 324                           | 274                           |
| Amortization of intangible assets | 25                            | 29                            | 74                            | 80                            |
| Acquisition and integration costs | 10                            | 1                             | 17                            | 3                             |
| Exit and restructuring costs      | —                             | 4                             | —                             | 17                            |
| Total Operating expenses          | 451                           | 422                           | 1,334                         | 1,248                         |
| Operating income                  | 183                           | 191                           | 561                           | 517                           |
| Other income (loss), net:         |                               |                               |                               |                               |
| Foreign exchange gain (loss)      | 1                             | (9)                           | (15)                          | (6)                           |
| Interest expense, net             | (23)                          | (31)                          | (71)                          | (71)                          |
| Other expense, net                | (2)                           | (2)                           | (13)                          | (13)                          |
| Total Other expense, net          | (24)                          | (42)                          | (99)                          | (90)                          |
| Income before income tax          | 159                           | 149                           | 462                           | 427                           |
| Income tax expense                | 58                            | 12                            | 113                           | 62                            |
| Net income                        | \$ 101                        | \$ 137                        | \$ 349                        | \$ 365                        |
| Basic earnings per share          | \$ 1.98                       | \$ 2.65                       | \$ 6.83                       | \$ 7.09                       |
| Diluted earnings per share        | \$ 1.97                       | \$ 2.64                       | \$ 6.78                       | \$ 7.04                       |

**ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)

(Unaudited)

|                                                                                   | <b>Nine Months Ended</b>      |                               |
|-----------------------------------------------------------------------------------|-------------------------------|-------------------------------|
|                                                                                   | <b>September 27,<br/>2025</b> | <b>September 28,<br/>2024</b> |
| Cash flows from operating activities:                                             |                               |                               |
| Net income                                                                        | \$ 349                        | \$ 365                        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                               |                               |
| Depreciation and amortization                                                     | 126                           | 130                           |
| Share-based compensation                                                          | 130                           | 68                            |
| Deferred income taxes                                                             | 61                            | (62)                          |
| Unrealized gain on forward interest rate swaps                                    | —                             | (31)                          |
| Other, net                                                                        | 13                            | 12                            |
| Changes in operating assets and liabilities:                                      |                               |                               |
| Accounts receivable, net                                                          | 57                            | (120)                         |
| Inventories, net                                                                  | 30                            | 161                           |
| Other assets                                                                      | 16                            | 5                             |
| Accounts payable                                                                  | (115)                         | 79                            |
| Accrued liabilities                                                               | (49)                          | 68                            |
| Deferred revenue                                                                  | 16                            | (34)                          |
| Income taxes                                                                      | (71)                          | 25                            |
| Settlement liability                                                              | —                             | (45)                          |
| Cash receipts on forward interest rate swaps                                      | —                             | 86                            |
| Other operating activities                                                        | (3)                           | —                             |
| Net cash provided by operating activities                                         | <u>560</u>                    | <u>707</u>                    |
| Cash flows from investing activities:                                             |                               |                               |
| Acquisition of businesses                                                         | (62)                          | —                             |
| Purchases of property, plant and equipment                                        | (56)                          | (41)                          |
| Proceeds from sale of short-term investments                                      | —                             | 2                             |
| Proceeds from sale of long-term investments                                       | 1                             | —                             |
| Purchases of long-term investments                                                | (4)                           | (3)                           |
| Net cash used in investing activities                                             | <u>(121)</u>                  | <u>(42)</u>                   |
| Cash flows from financing activities:                                             |                               |                               |
| Payment of debt issuance costs, extinguishment costs and discounts                | —                             | (9)                           |
| Payments of debt                                                                  | —                             | (694)                         |
| Proceeds from issuance of debt                                                    | —                             | 651                           |
| Payments for repurchases of common stock                                          | (284)                         | (16)                          |
| Net payments related to share-based compensation plans                            | (15)                          | (27)                          |
| Change in unremitted cash collections from servicing factored receivables         | 9                             | (35)                          |
| Other financing activities                                                        | 4                             | 3                             |
| Net cash used in financing activities                                             | <u>(286)</u>                  | <u>(127)</u>                  |
| Effect of exchange rate changes on cash and cash equivalents                      | <u>(1)</u>                    | <u>—</u>                      |
| Net increase in cash and cash equivalents                                         | 152                           | 538                           |
| Cash and cash equivalents at beginning of period                                  | 901                           | 138                           |
| Cash and cash equivalents at end of period                                        | <u>\$ 1,053</u>               | <u>\$ 676</u>                 |
| Supplemental disclosures of cash flow information:                                |                               |                               |
| Income taxes paid                                                                 | \$ 124                        | \$ 90                         |
| Interest paid, net of forward interest rate swaps                                 | \$ 79                         | \$ 3                          |

**ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES**  
**RECONCILIATION OF ORGANIC NET SALES GROWTH**  
(Unaudited)

|                                                        | <b>Three Months Ended</b> |            |                     |
|--------------------------------------------------------|---------------------------|------------|---------------------|
|                                                        | <b>September 27, 2025</b> |            |                     |
|                                                        | <b>AIT</b>                | <b>EVM</b> | <b>Consolidated</b> |
| Reported GAAP Consolidated Net sales growth            | 11.0 %                    | 2.4 %      | 5.2 %               |
| Adjustments:                                           |                           |            |                     |
| Impact of foreign currency translations <sup>(1)</sup> | (0.4)%                    | (0.1)%     | (0.2)%              |
| Impact of acquisitions <sup>(2)</sup>                  | — %                       | (0.3)%     | (0.2)%              |
| Consolidated Organic Net sales growth                  | 10.6 %                    | 2.0 %      | 4.8 %               |

|                                                        | <b>Nine Months Ended</b>  |            |                     |
|--------------------------------------------------------|---------------------------|------------|---------------------|
|                                                        | <b>September 27, 2025</b> |            |                     |
|                                                        | <b>AIT</b>                | <b>EVM</b> | <b>Consolidated</b> |
| Reported GAAP Consolidated Net sales growth            | 11.3 %                    | 5.6 %      | 7.5 %               |
| Adjustments:                                           |                           |            |                     |
| Impact of foreign currency translations <sup>(1)</sup> | 0.3 %                     | 0.3 %      | 0.3 %               |
| Impact of acquisitions <sup>(2)</sup>                  | — %                       | (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.

**ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP GROSS MARGIN**  
(\$ In millions)  
(Unaudited)

|                       | Three Months Ended |        |              |                    |        |              |
|-----------------------|--------------------|--------|--------------|--------------------|--------|--------------|
|                       | September 27, 2025 |        |              | September 28, 2024 |        |              |
|                       | AIT                | EVM    | Consolidated | AIT                | EVM    | Consolidated |
| <b><u>GAAP</u></b>    |                    |        |              |                    |        |              |
| 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 %       |

|                                      |        |        |          |        |        |          |
|--------------------------------------|--------|--------|----------|--------|--------|----------|
| <b><u>Non-GAAP</u></b>               |        |        |          |        |        |          |
| Adjusted Net sales                   | \$ 455 | \$ 865 | \$ 1,320 | \$ 410 | \$ 845 | \$ 1,255 |
| Adjusted Gross profit <sup>(1)</sup> | 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 |
| <b><u>GAAP</u></b>    |                    |          |              |                    |          |              |
| 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 %       |

|                                      |          |          |          |          |          |          |
|--------------------------------------|----------|----------|----------|----------|----------|----------|
| <b><u>Non-GAAP</u></b>               |          |          |          |          |          |          |
| Adjusted Net sales                   | \$ 1,335 | \$ 2,586 | \$ 3,921 | \$ 1,199 | \$ 2,448 | \$ 3,647 |
| Adjusted Gross profit <sup>(1)</sup> | 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.

**ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP NET INCOME**  
(\$ In millions, except share data)  
(Unaudited)

|                                                            | <b>Three Months Ended</b>         |                                   | <b>Nine Months Ended</b>          |                                   |
|------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                            | <b>September<br/>27,<br/>2025</b> | <b>September<br/>28,<br/>2024</b> | <b>September<br/>27,<br/>2025</b> | <b>September<br/>28,<br/>2024</b> |
| <b>GAAP Net income</b>                                     | <b>\$ 101</b>                     | <b>\$ 137</b>                     | <b>\$ 349</b>                     | <b>\$ 365</b>                     |
| Adjustments to Cost of sales <sup>(1)</sup>                |                                   |                                   |                                   |                                   |
| Share-based compensation                                   | 2                                 | 3                                 | 9                                 | 7                                 |
| <b>Total adjustments to Cost of sales</b>                  | <b>2</b>                          | <b>3</b>                          | <b>9</b>                          | <b>7</b>                          |
| Adjustments to Operating expenses <sup>(1)</sup>           |                                   |                                   |                                   |                                   |
| 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                                |
| <b>Total adjustments to Operating expenses</b>             | <b>83</b>                         | <b>58</b>                         | <b>222</b>                        | <b>178</b>                        |
| Adjustments to Other expense, net <sup>(1)</sup>           |                                   |                                   |                                   |                                   |
| 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)                              |
| <b>Total adjustments to Other expense, net</b>             | <b>1</b>                          | <b>9</b>                          | <b>28</b>                         | <b>(18)</b>                       |
| Income tax effect of adjustments <sup>(2)</sup>            |                                   |                                   |                                   |                                   |
| Reported income tax expense                                | 58                                | 12                                | 113                               | 62                                |
| Adjusted income tax                                        | (47)                              | (38)                              | (129)                             | (101)                             |
| <b>Total adjustments to income tax</b>                     | <b>11</b>                         | <b>(26)</b>                       | <b>(16)</b>                       | <b>(39)</b>                       |
| <b>Total adjustments</b>                                   | <b>97</b>                         | <b>44</b>                         | <b>243</b>                        | <b>128</b>                        |
| <b>Non-GAAP Net income</b>                                 | <b>\$ 198</b>                     | <b>\$ 181</b>                     | <b>\$ 592</b>                     | <b>\$ 493</b>                     |
| 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.

**ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES**  
**GAAP to NON-GAAP RECONCILIATION TO EBITDA**

(\$ In millions)  
(Unaudited)

|                                                 | <b>Three Months Ended</b>     |                               | <b>Nine Months Ended</b>      |                               |
|-------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                                 | <b>September 27,<br/>2025</b> | <b>September 28,<br/>2024</b> | <b>September 27,<br/>2025</b> | <b>September 28,<br/>2024</b> |
| 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 %                        |

**FREE CASH FLOW**

|                                                  | <b>Nine Months Ended</b>      |                               |
|--------------------------------------------------|-------------------------------|-------------------------------|
|                                                  | <b>September 27,<br/>2025</b> | <b>September 28,<br/>2024</b> |
| Net cash provided by operating activities        | \$ 560                        | \$ 707                        |
| Less: Purchases of property, plant and equipment | (56)                          | (41)                          |
| Free cash flow (Non-GAAP) <sup>(1)</sup>         | \$ 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.

## ZEBRA TECHNOLOGIES CORPORATION AND SUBSIDIARIES

### SEGMENT INFORMATION

Effective with the fourth quarter, the Company's reportable segments will be changed to Connected Frontline ("CF") and Asset Visibility & Automation ("AVA"). The CF segment will consist of our mobile computing products, and related services and software-based offerings that were formerly part of our EVM segment, as well as the Elo Touch Solutions acquisition. The AVA segment will consist of our barcode and card printing products and related supplies and sensors, RFID and RTLS offerings, and related services that collectively represented our former AIT segment, as well as our data capture, machine vision, and robotics automation offerings and related services that were formerly part of our EVM segment. This change aligns with how we are operating our business to advance our strategy and the level of detailed financial information reviewed by our chief operating decision-maker going forward. Our CF and AVA results will also exclude share-based compensation expense from the measurement of segment operating income with respect to how we report our results on both a GAAP and Non-GAAP basis. The table below contains our segment results reflecting these changes in the current and historical periods on a comparable basis. These changes will not have an impact on our Consolidated Financial Statements.

|                                | QTD      |          |          |          |          |          |          |          | Full Year |  |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--|
|                                | 2025     |          |          | 2024     |          |          |          | 2024     | 2023      |  |
|                                | Q1 2025  | Q2 2025  | Q3 2025  | Q1 2024  | Q2 2024  | Q3 2024  | Q4 2024  |          |           |  |
| Net sales:                     |          |          |          |          |          |          |          |          |           |  |
| CF Tangible products           | \$ 481   | \$ 521   | \$ 509   | \$ 436   | \$ 479   | \$ 481   | \$ 520   | \$ 1,916 | \$ 1,522  |  |
| CF Services and software       | 203      | 196      | 196      | 205      | 193      | 194      | 206      | 798      | 758       |  |
| Total CF sales                 | 684      | 717      | 705      | 641      | 672      | 675      | 726      | 2,714    | 2,280     |  |
| AVA Tangible products          | 581      | 534      | 572      | 493      | 504      | 538      | 565      | 2,100    | 2,143     |  |
| AVA Services and software      | 43       | 42       | 43       | 41       | 41       | 42       | 43       | 167      | 161       |  |
| Total AVA sales                | 624      | 576      | 615      | 534      | 545      | 580      | 608      | 2,267    | 2,304     |  |
| Total Net sales                | \$ 1,308 | \$ 1,293 | \$ 1,320 | \$ 1,175 | \$ 1,217 | \$ 1,255 | \$ 1,334 | \$ 4,981 | \$ 4,584  |  |
| Gross profit:                  |          |          |          |          |          |          |          |          |           |  |
| CF                             | \$ 333   | \$ 339   | \$ 324   | \$ 314   | \$ 333   | \$ 331   | \$ 356   | \$ 1,334 | \$ 1,031  |  |
| AVA                            | 316      | 280      | 312      | 251      | 258      | 285      | 294      | 1,088    | 1,098     |  |
| Corporate                      | (4)      | (3)      | (2)      | (2)      | (2)      | (3)      | (2)      | (9)      | (6)       |  |
| Total Gross profit             | \$ 645   | \$ 616   | \$ 634   | \$ 563   | \$ 589   | \$ 613   | \$ 648   | \$ 2,413 | \$ 2,123  |  |
| Gross margin                   |          |          |          |          |          |          |          |          |           |  |
| CF                             | 48.7 %   | 47.3 %   | 46.0 %   | 49.0 %   | 49.6 %   | 49.0 %   | 49.0 %   | 49.2 %   | 45.2 %    |  |
| AVA                            | 50.6 %   | 48.6 %   | 50.7 %   | 47.0 %   | 47.3 %   | 49.1 %   | 48.4 %   | 48.0 %   | 47.7 %    |  |
| Operating expenses             |          |          |          |          |          |          |          |          |           |  |
| CF <sup>(1)</sup>              | \$ 193   | \$ 197   | \$ 192   | \$ 189   | \$ 197   | \$ 191   | \$ 198   | \$ 775   | \$ 703    |  |
| AVA <sup>(1)</sup>             | 181      | 173      | 176      | 159      | 161      | 173      | 175      | 668      | 671       |  |
| Corporate                      | 76       | 63       | 83       | 56       | 64       | 58       | 50       | 228      | 268       |  |
| Total Operating expenses       | \$ 450   | \$ 433   | \$ 451   | \$ 404   | \$ 422   | \$ 422   | \$ 423   | \$ 1,671 | \$ 1,642  |  |
| Operating income:              |          |          |          |          |          |          |          |          |           |  |
| CF <sup>(2)</sup>              | \$ 140   | \$ 142   | \$ 132   | \$ 125   | \$ 136   | \$ 140   | \$ 158   | \$ 559   | \$ 328    |  |
| AVA <sup>(2)</sup>             | 135      | 107      | 136      | 92       | 97       | 112      | 119      | 420      | 427       |  |
| Total segment operating income | 275      | 249      | 268      | 217      | 233      | 252      | 277      | 979      | 755       |  |
| Corporate <sup>(3)</sup>       | (80)     | (66)     | (85)     | (58)     | (66)     | (61)     | (52)     | (237)    | (274)     |  |
| Total Operating income         | \$ 195   | \$ 183   | \$ 183   | \$ 159   | \$ 167   | \$ 191   | \$ 225   | \$ 742   | \$ 481    |  |

- (1) CF and AVA segment operating expenses include Selling and marketing, Research and development, and General and administrative expenses, excluding the amounts classified within Corporate.
- (2) CF and AVA segment operating income includes depreciation expense proportionate to each segment's Net sales.
- (3) To the extent applicable, amounts included in Corporate consist of Share-based Compensation, 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 intangibles, and business acquisition purchase accounting adjustments).

## New Segments Reflect Zebra's Strategic Focus

REPORTING IN THE NEW STRUCTURE EFFECTIVE Q4 2025

| Current Segments                       | Solution Offerings                | New Segments                        |
|----------------------------------------|-----------------------------------|-------------------------------------|
| Enterprise Visibility & Mobility (EVM) | Mobile Computing                  | Connected Frontline (CF)            |
|                                        | Self Service & POS <sup>(1)</sup> |                                     |
|                                        | Services                          |                                     |
|                                        | Software Solutions                |                                     |
|                                        | Data Capture                      |                                     |
| Asset Intelligence & Tracking (AIT)    | Machine Vision                    | Asset Visibility & Automation (AVA) |
|                                        | Robotics Automation               |                                     |
|                                        | Barcode & Card Printing           |                                     |
|                                        | Supplies & Environmental Sensors  |                                     |
|                                        | RFID & Location Solutions         |                                     |
|                                        | Services                          |                                     |

<sup>1</sup> Self Service & POS added to Zebra's portfolio via the Elo acquisition in Q4

