

Investor Presentation

May 2026

Safe Harbor

This presentation includes forward looking statements. These statements reflect our expectations about future operating and financial performance and speak only as of the date of this presentation. Actual results, performance, or developments could differ materially from those expressed or implied by the forward looking statements contained in this presentation as a result of known and unknown risks, uncertainties, and other factors including those identified in the Company's most recent Form 10-K and other subsequent periodic filings with the Securities and Exchange Commission.

DGII is a Global Industrial IoT (IIoT) Leader

- We provide IIoT solutions that deliver remote presence enabling customers to operate more effectively and efficiently
- Digi's top priority is growing annualized recurring revenue (ARR)
- Digi's experienced team has led the company through its transition from zero to \$184 million in ARR, now approximately 36% of trailing twelve-month revenue
- A +40-year rich history of innovation supported by investing 15% of revenue into R&D
- Consistent profitability and strong cash generation with capital light model enables allocation of capital to M&A, furthering Digi's market leadership
- Massive addressable market, approaching \$0.8T, growing double-digits long-term

Industrial IoT Market is Large and Growing

- Massive but fragmented market with double-digit growth opportunity
- Historically, hardware drove growth. Now, growth is fueled by faster growing software, connectivity applications, and services segments
- The profitability opportunity is driven by growing high margin annual recurring revenue in security, software and services

IIoT Tech Stack Market Size/Growth Rates

\$0.3T → \$0.8T

Global IIoT Market 2024 → 2034 | 10.3% CAGR

Hardware

Share of IIoT Market

47%

CAGR: ~7%

Sensors, gateways, routers, embedded modules; largest segment today

Connectivity

Share of IIoT Market

20%

CAGR: ~10%

Cellular, Wi-Fi, Zigbee, LoRa, private 5G, and satellite connectivity

Software

Share of IIoT Market

18%

CAGR: ~13%

Device mgmt platforms, analytics, AI/ML, digital twins, SCADA

Services

Share of IIoT Market

15%

CAGR: ~18%

Integration, managed services, remote ops; highest CAGR segment

Market asking for fewer vendors with more complete solutions

Sources: Emergen Research, Mordor Intelligence, Grand View Research (2024–2026 reports), Digi Estimates

Digi Transforms How Businesses Work by Enabling Remote Presence and Control

Solving **MISSION** and **BUSINESS CRITICAL** machine communications challenges in the most **DEMANDING ENVIRONMENTS**

- Digi is led by a highly experienced management team that has driven revenue growth and profitability
- Customers rely on Digi's expertise, quality and secure products

Differentiated by technical expertise, impeccable service and a commitment to uptime, Digi provides value-added software and services that are enabled by hardware, and are supported by responsive and knowledgeable resources

- Proven, no-nonsense **ACTIVELY MANAGED SOLUTIONS THAT WORK** and keep working

DGII

NASDAQ

1985

Year
Founded

~900

Employees
Worldwide

23

Consecutive Years
of Profitability

\$430

Million
FY25 Revenue

25%

FY25 A-EBITDA
Margin



RELIABILITY



SCALABILITY



SECURITY



MANAGEABILITY

Fiscal Second Quarter 2026 Set New **Records**

FQ2 2026 Results YoY

- Revenue +25% to **\$131 million**
- Annualized recurring revenue (ARR) +50% to **\$184 million**
- Gross margin +190 bps to **64.0%**
- Adj. EBITDA +32% to **\$34 million**

FY26 Guidance YoY

- Revenue +20% to +22%
- ARR +25%
- Adj. EBITDA +23% to +26%

Digi's Business Segments

Products and Services Segment

CELLULAR SOLUTIONS



INFRASTRUCTURE MANAGEMENT



PARTICLE BY DIGI

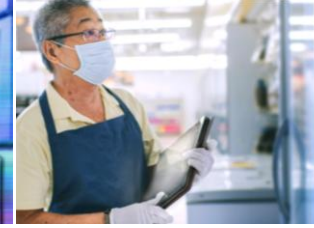


opengear A DIGI COMPANY



Solutions Segment

SMART SENSE BY DIGI



DIGI Ventus Managed Connectivity



Cellular solutions to connect people, places and machines for business enterprises, industrial applications and transportation.



Industrial-networking solutions to maintain a secure, constant flow of data between devices with serial, USB and I/O connectivity.



Complete suite of embedded solutions for customers to develop, build, deploy and manage IoT devices.



Console servers enabling secure access to network devices for Day One provisioning, every-day device management, and when the primary network goes down.



Automated workflows, task management, condition monitoring, and compliance for healthcare, food service, convenience and grocery stores and logistics verticals.



Managed Network as a Service (MNaaS) for Financial Services, Lottery/Gaming, Retail, and IIoT verticals.



Fiscal Second Quarter 2026 Segment Results

Products & Services FQ2 2026 YoY

- Revenue +20% to \$94 million
- ARR +104% to \$57 million
- Operating margin +40 bps to 14.9%

Solutions FQ2 2026 YoY

- Revenue +39% to \$37 million
- ARR +34% to \$127 million
- Operating margin -80 bps to 8.3%

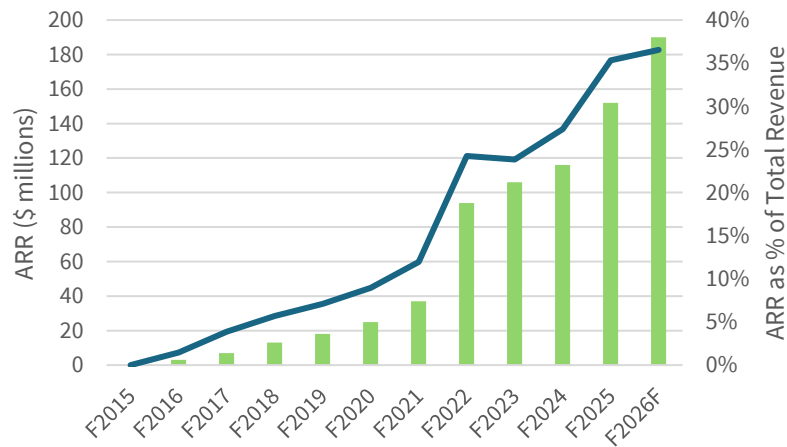
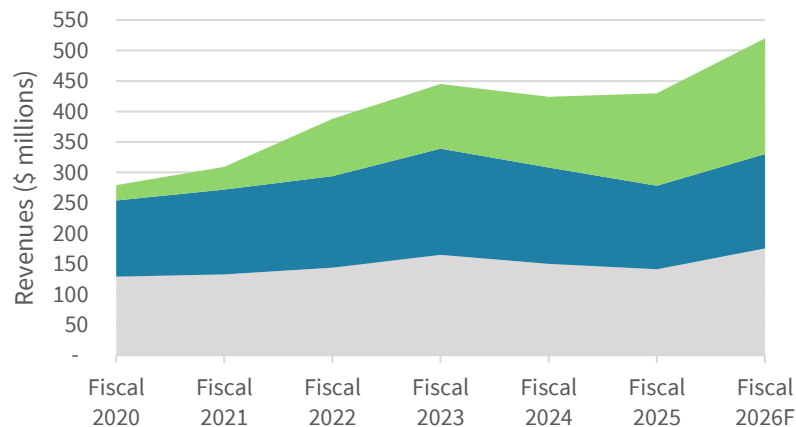
ARR Improving Quality of Revenue and Expanding Gross Margins

Revenue Categories:

- **Recurring (ARR):** subscriptions with extended visibility
- **Reoccurring:** design wins that produce repeated product shipments with ever increasing visibility
- **Non-Reoccurring:** one time product shipments

Revenue Growth and Drivers:

- ARR projected to be 36% of revenue by end of FY26. Prioritizing ARR over one-time revenue
- Total revenue growth five-year CAGR of +9%; disciplined acquisitions and a shift to subscription revenue initiatives
- ARR growth five-year CAGR of 44% as company focuses on solutions



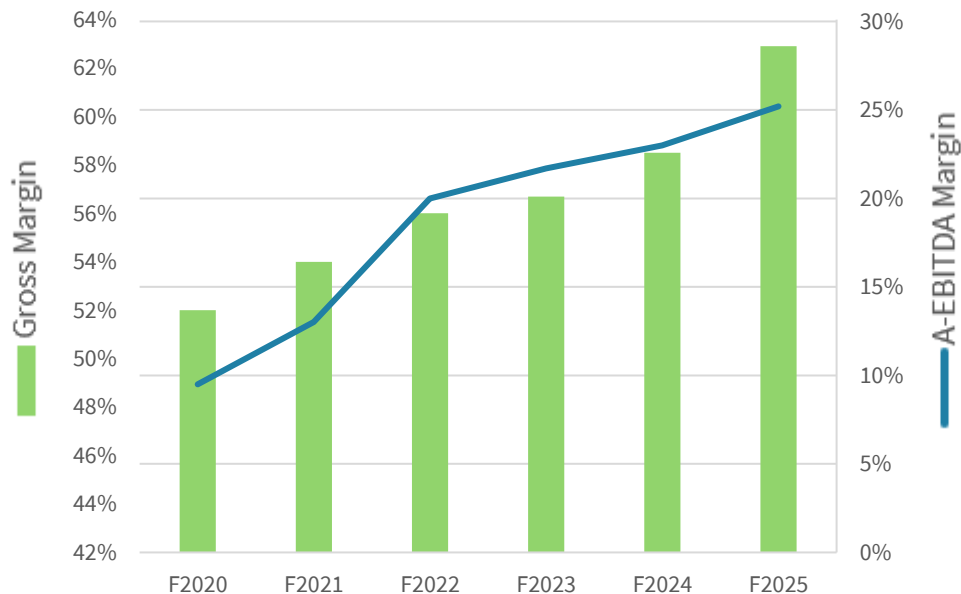
ARR Pushing Gross Margin and Expanding Profit Margins

Gross Margin Dynamics:

- Increase in high margin subscription ARR
- ~1100 basis point improvement since 2020, reaching +63%
- Differentiated offerings delivering high value

A-EBITDA Margin Dynamics:

- Improvement of ~1500 basis points since 2020
- Thoughtful management of operating expenses
- Forecasting FY2026 A-EBITDA margin improvement

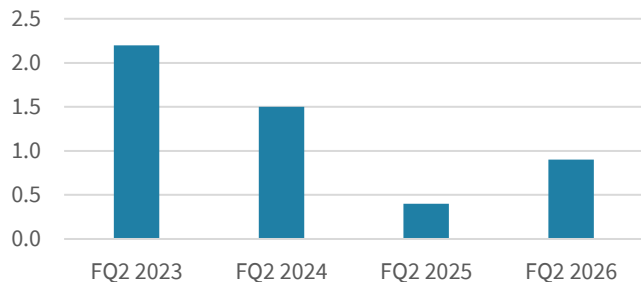


Strong Balance Sheet and Cash Flow

Balance Sheet

(\$ millions)	FQ2 2026
Cash and Equivalents	\$32
Total Debt	\$143
Net Debt	\$111
TTM A-EBITDA	\$123
Net Debt / A-EBITDA	0.9x

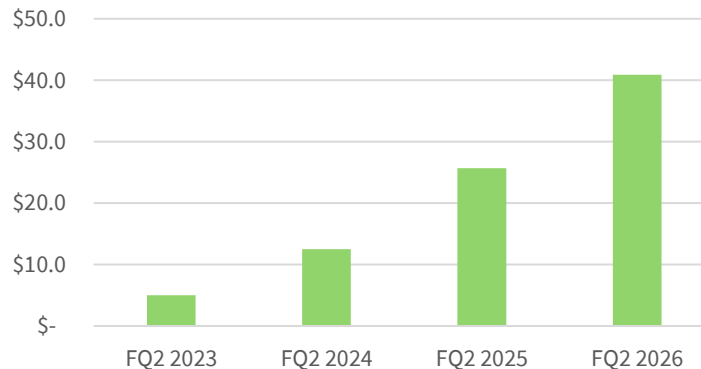
Net Debt / TTM A-EBITDA



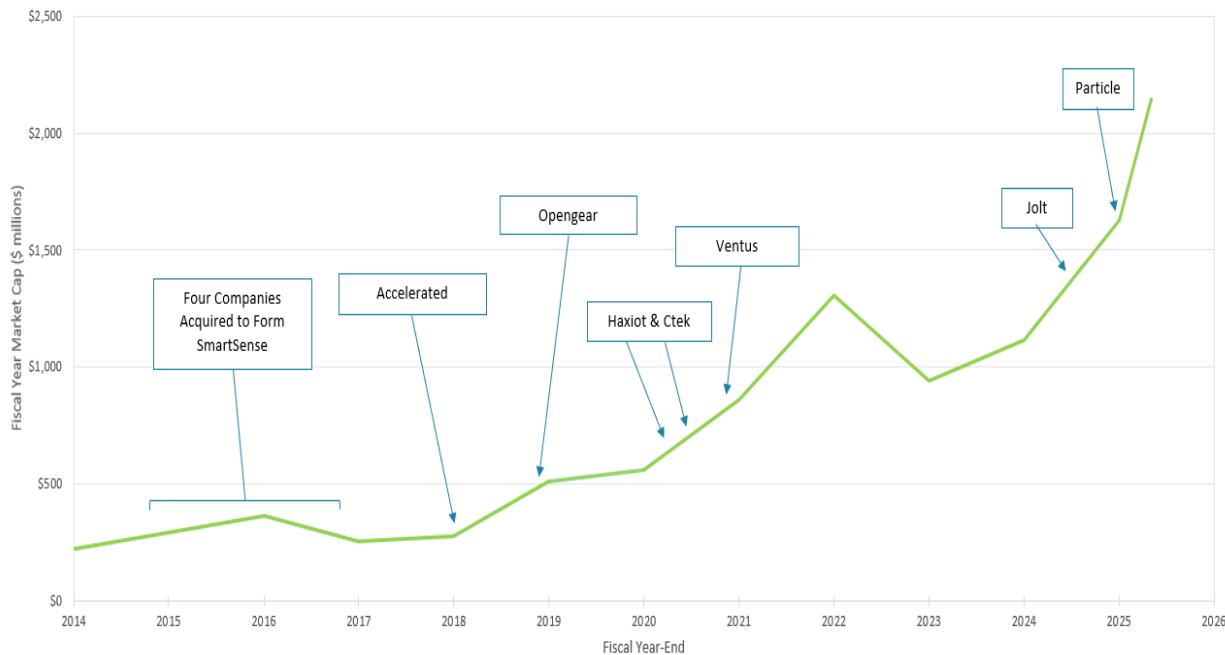
Quarterly Cash Flow

(\$ millions)	FQ2 2025	FQ2 2026	YoY
Operating Cash Flow	\$26.3	\$41.5	58%
Capital Expenditures	\$0.6	\$0.6	14%
Free Cash Flow*	\$25.7	\$40.9	59%

Free Cash Flow (\$ millions)



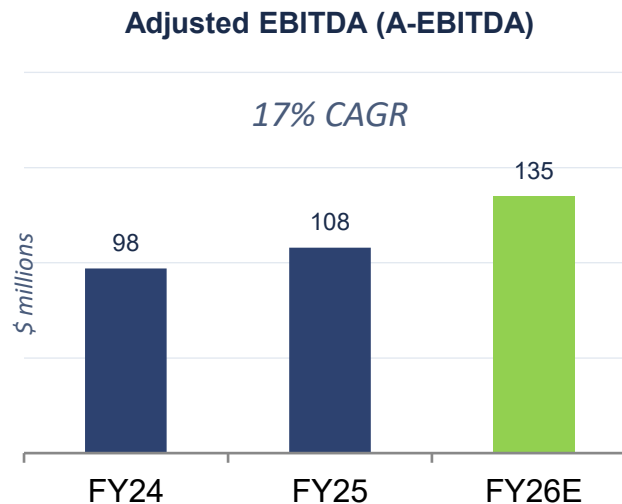
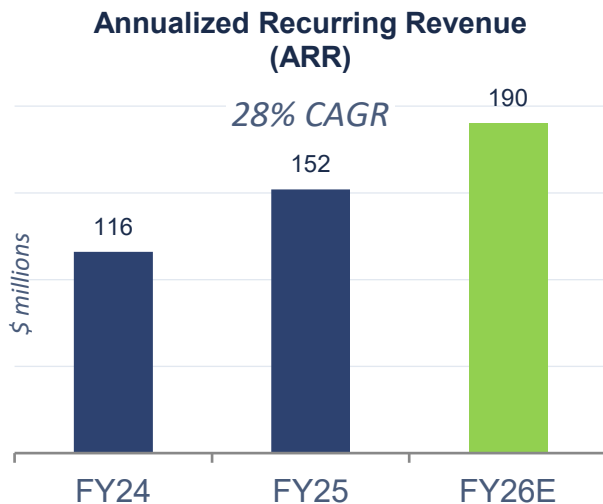
M&A is the Top Capital Allocation Priority



- Digi has acquired 11 companies in the past 11 years
- Debt used for the first time in company history for Opengear acquisition in December 2019
- Ventus was the largest acquisition (~\$350M) in company history in November 2021
- “When a deal closes, we celebrate, but that’s when the real work begins... on integration”

- Digi CEO Ron Konezny

Digi Expects to Double ARR and A-EBITDA by FY28



- ARR on pace to meet our goal
- Operating leverage and ARR growth expected to accelerate A-EBITDA growth



Connect with Confidence