



DIGI INTERNATIONAL, INC.

January 2019

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 Form 10-K and other periodic filings with the Securities and Exchange Commission.



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

You get proven, no-nonsense **SOLUTIONS THAT WORK** — and keep working.



RELIABILITY



SCALABILITY



SECURITY



MANAGEABILITY

**THE
INTERNET
OF
GETTING
THINGS
DONE**

DIGI – AT A GLANCE*

**FOUNDED IN 1985:
IoT PIONEER**

**IOT FOR
BUSINESS/INDUSTRIAL
VERTICALS**

NASDAQ: DGII

~\$320M MARKET CAP

**GLOBAL
~72% NORTH AMERICA
~17% EMEA**

**~\$11/share
Analyst Target =
~ \$17/Share**

**TRANSFORM
PRODUCT TO
RECURRING**

**SOLUTIONS
\$50M-\$100M
IN 3-5 YEARS**

BACKED BY A STRONG COMPANY

STRENGTH*

\$228M Revenue
14 Yrs Profitability
~\$63M Cash, No Debt

TALENT

500+ Employees
16 Global Offices
150+ Patents

EXPERIENCE

100M+ Products to
35K+ Customers
8B+ Readings/Month
30 Years

A green background featuring a network of white lines connecting various icons. The icons include a factory, a warehouse, a location pin, a Wi-Fi symbol, and an airplane. At the bottom, there is a faint image of an industrial facility with tall chimneys and structures.

**PRODUCTS
&
SERVICES**

DIGI'S IOT BUSINESS SEGMENTS

A blue background showing a hand holding a tablet. The tablet screen displays a technical drawing or blueprint. The background is slightly blurred, focusing on the tablet and the hand.

SOLUTIONS

PRODUCT & SERVICES SUCCESS

OEM AND ENTERPRISE PRODUCTS



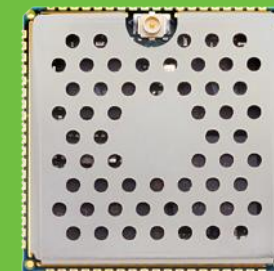
DIGI CONNECT®
SENSOR+



DIGI XBEE® ZIGBEE



WIRELESS VEHICLE
ADAPTER



DIGI CONNECTCORE®
6UL



DIGI TRANSPORT®
WR11

TECHNICAL SUPPORT | PROFESSIONAL SERVICES | WIRELESS DESIGN SERVICES

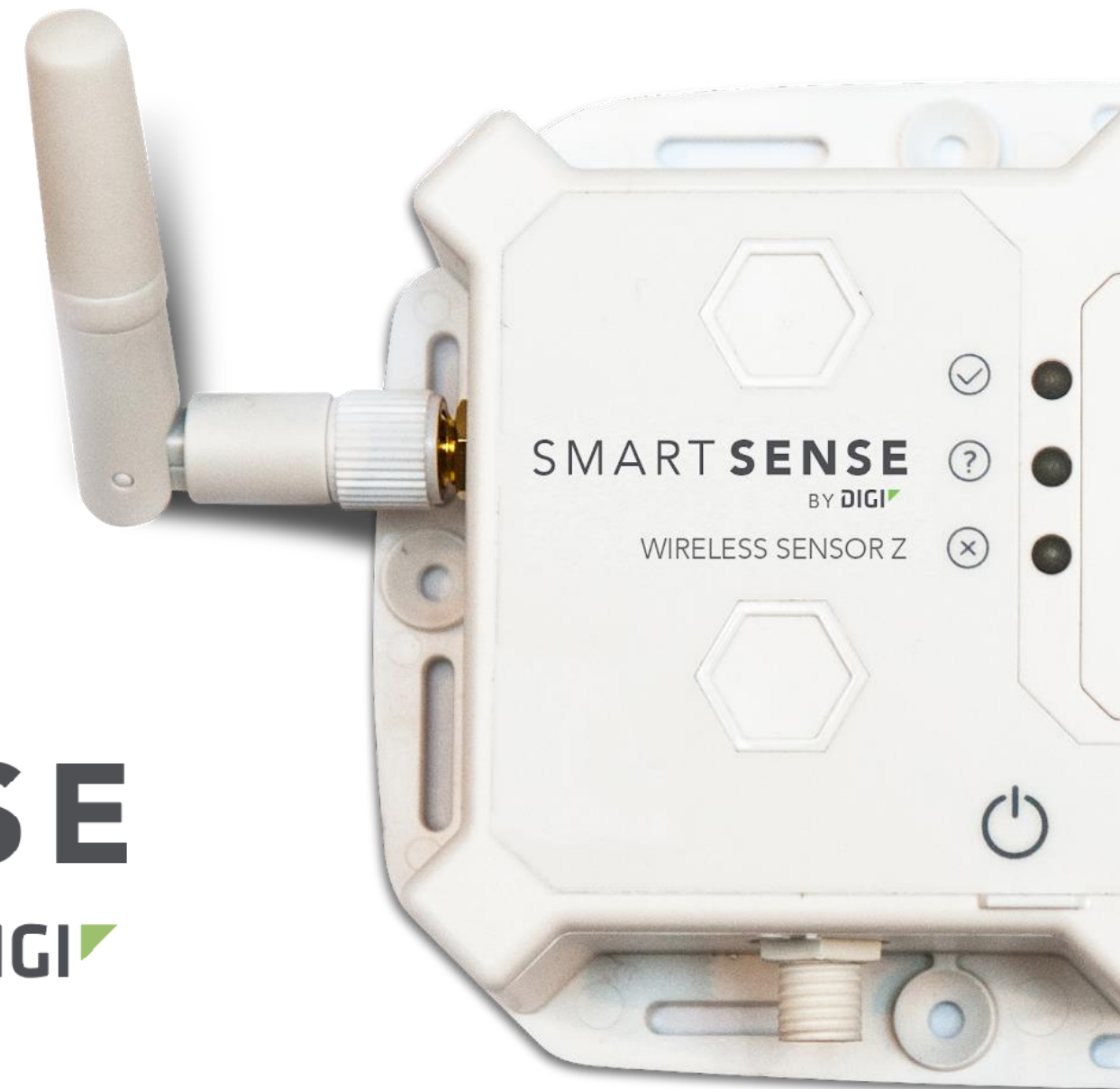
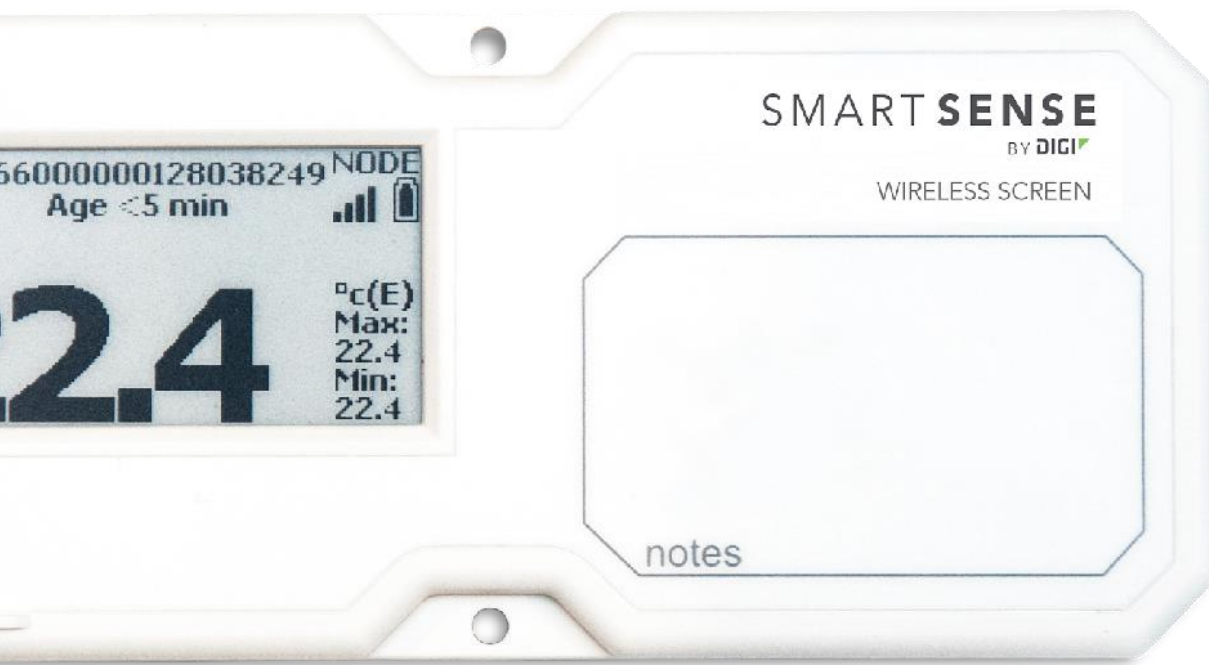
PRODUCTS & SERVICES IMPERATIVES

Past

- ☒ 5,000+ Custom SKUs
- ☒ Every Part of the Value Chain
- ☒ Inward NPI
- ☒ Selling Speeds and Feeds
- ☒ Diverse Acquisitions

Present

- ☒ <1,000 Wide-Appeal SKUs
- ☒ Focused Efforts, Partner
- ☒ Market NPI
- ☒ Solution Selling
- ☒ Focused Acquisitions

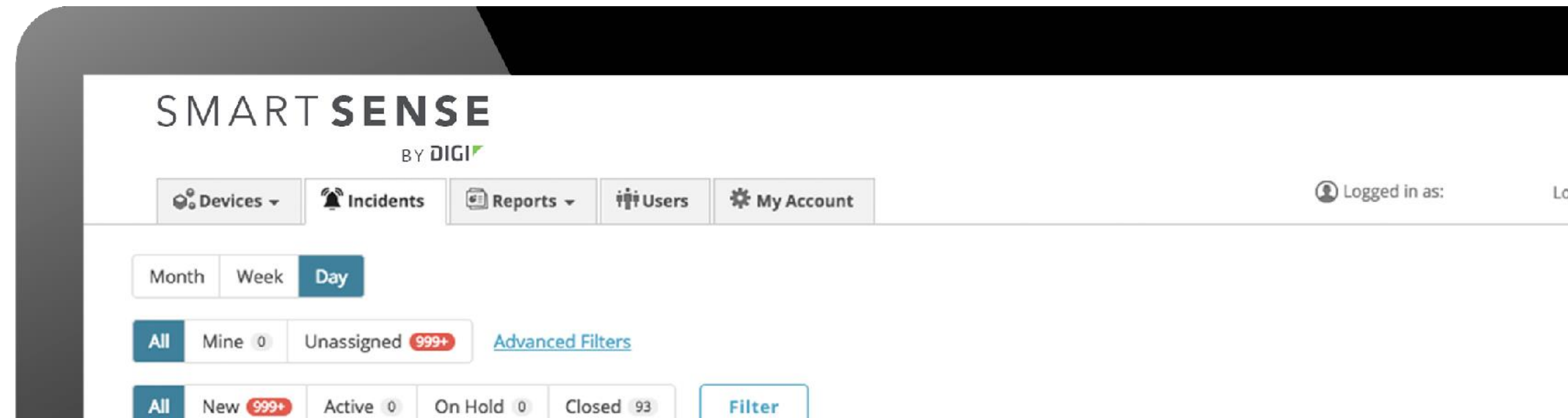


SMART SENSE

BY DIGI

SMART SENSE
BY DIGI
B GATEWAY

NAL, INC.



VERTICAL FOCUS, EXPERTISE AND SUCCESS

Food Service

Transportation
& Logistics

Healthcare

Education

Retail



Tim Hortons



Davita



Stanford
University



KOWALSKI'S
MARKETS



SMART SENSE BY DIGI™ SOLUTIONS IMPERATIVES

- ❑ Create/Embrace Raving Fans
- ❑ Integration
- ❑ Grow the Subscriber Base
- ❑ Broaden Monitoring and Alerting
- ❑ Advance Analytics



RESULTS

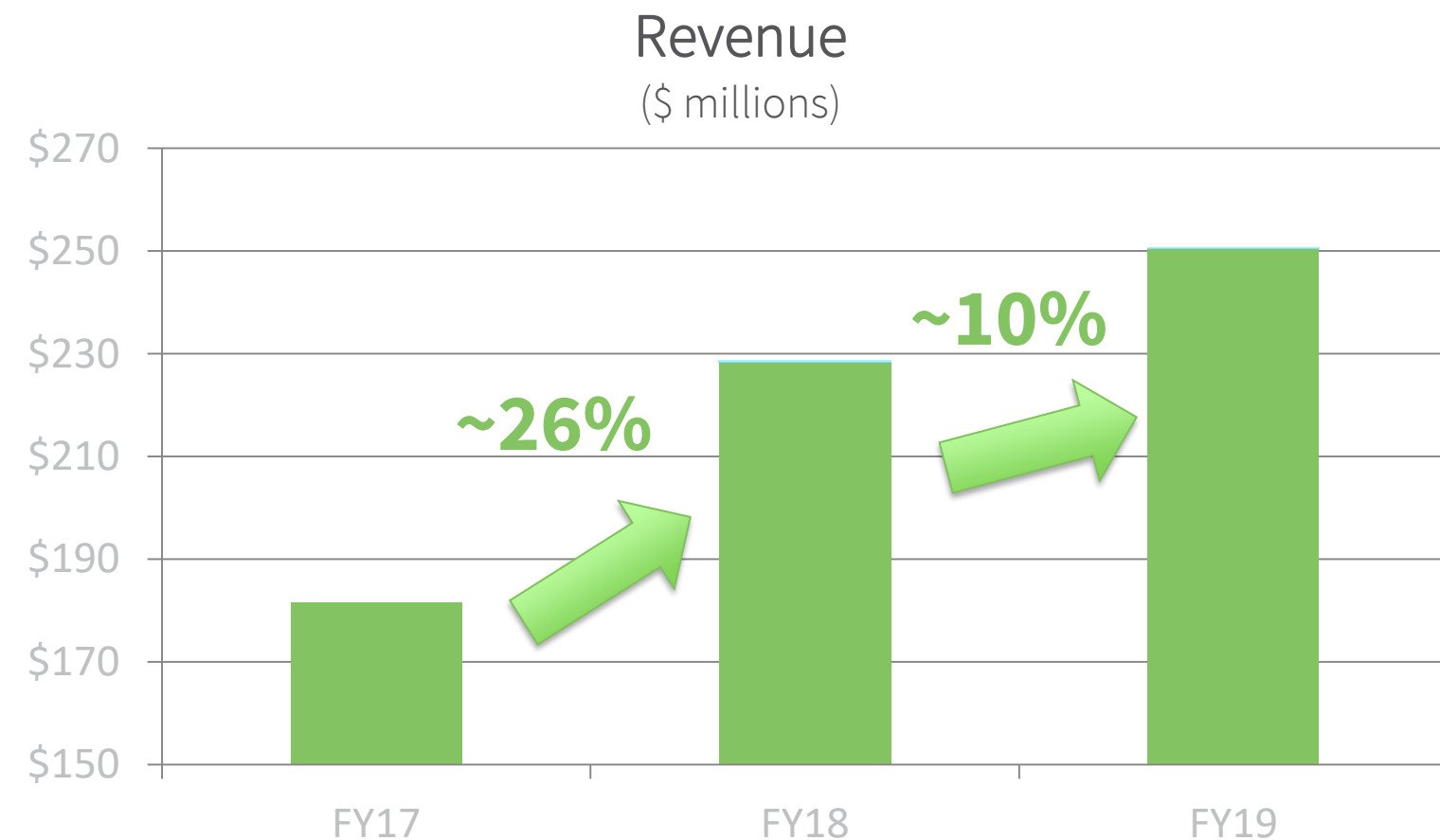
SUSTAINABLE GROWTH

IoT Products and Services:

- Double digit growth (including Accelerated acquisition)
- Cellular leads the way
- Strong growth in Services

IoT Solutions:

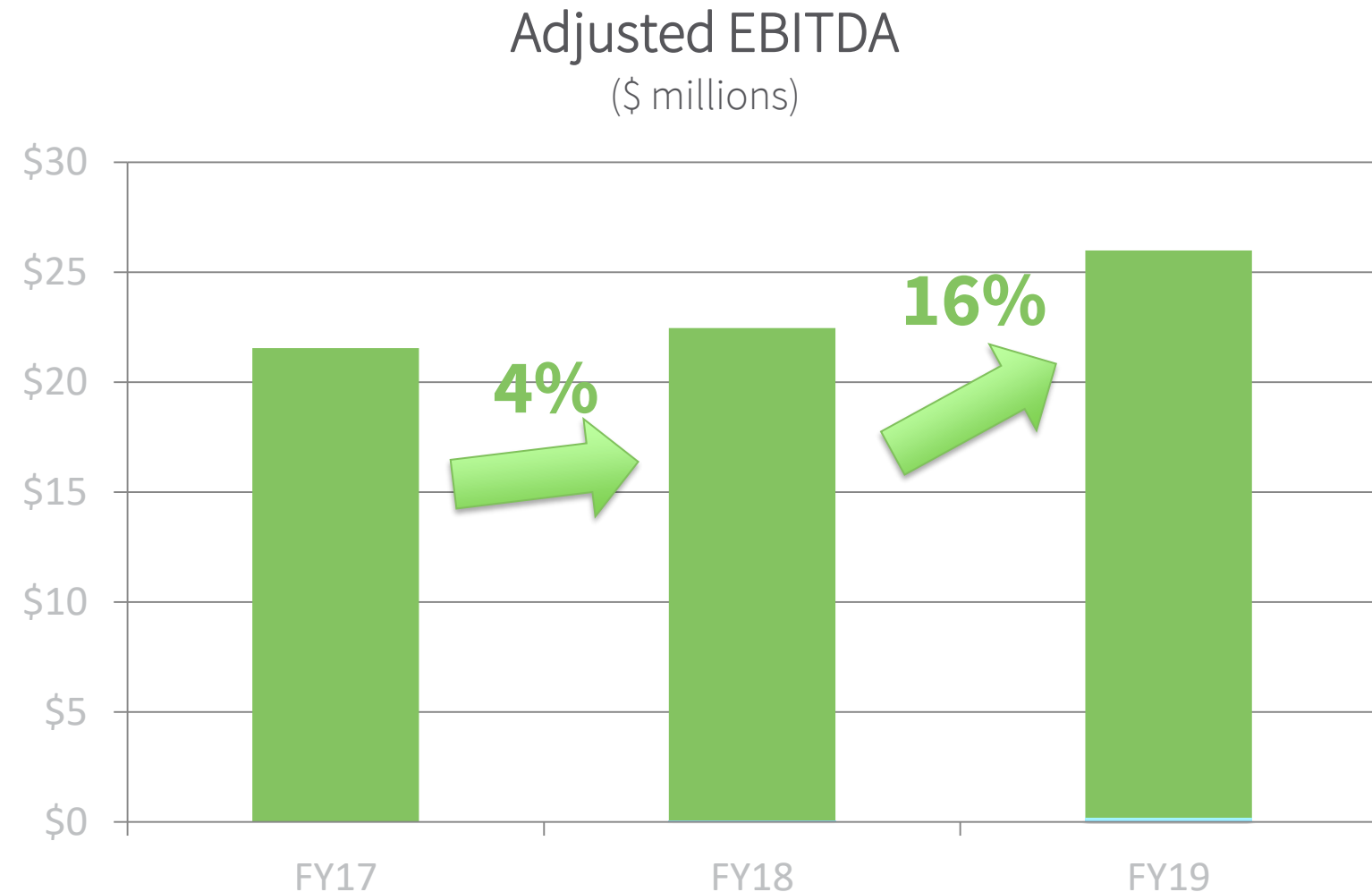
- Assuming >20% annual growth rate
- Strong in health and transportation verticals; Food/Retain next conquest
- Subscriber base and backlog have grown significantly



FY19 = mid-point of guidance issued 11/15/2018

SCALE PROFITABILITY

- Improved IoT Products & Services profitability
- Invest a portion in fast growing IoT Solutions business
- Maintain strong balance sheet. Over \$63M in Cash
- Generate free cash flow in asset light model (capital expenditures <5% of revenues)
- Potential for inorganic contributions (both Products/Services and Solutions)



FY19 = mid-point of guidance issued 11/15/2018



Connect with Confidence