



Investor Presentation

November 2020

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.

Digi Transforms Work by Connecting the World's People and Machines

- **Digi's experience, strength, and quality products are uniquely suited for companies enabling their IoT strategies**
- **Digi differentiates by providing software and service enabled hardware supported by responsive and knowledgeable resources**
- **Digi drives ROI through cost effective, long lasting, and system aware solutions**

***The Internet of
Getting Things
Done...***

***...with Intelligent,
Automated, Zero
Touch Economy
Solutions***

Strength In Numbers



Connect with Confidence

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

DGII

NASDAQ

1985

Year
Founded

650+

Employees
Worldwide

16

Consecutive Years
of Profitability

279

Million In
F20 Revenue

15%

Profit
Margins

A green background featuring a network of white lines connecting various circular icons. The icons include a DNA helix, a bar chart, a Wi-Fi symbol, and an airplane. At the bottom, there is a faint image of an industrial facility with tall chimneys and pipes.

**PRODUCTS
&
SERVICES**

**DIGI'S IOT
BUSINESS
SEGMENTS**

A blue background showing a hand holding a tablet computer. The screen of the tablet displays a grid of data or a document. The background is slightly blurred, focusing on the hand and the device.

SOLUTIONS

Products & Services Powers Its Customers IIoT Path

BUILD

- Embedded solutions to help build a custom solution
- Reduces time to market
- Lowers costs and risks



XBEE® ZIGBEE



CONNECTCORE® 6UL

DEPLOY

- Largely, cellular driven
- Quick deployment and configuration
- Highly secure
- Data center and edge



IX20



OM2200

MANAGE

- Cloud and on-prem software
- Configuration management
- Software updates
- Bandwidth utilization



DIGI REMOTE MANAGER

OPENGear LIGHTHOUSE

Vertical Expertise and Success

ENERGY



SMART CITIES/
TRANSPORTATION



HEALTHCARE



Medtronic



Boston
Scientific

AGRICULTURE/
HEAVY MACHINERY



SIEMENS



INDUSTRIAL



ECOLAB®

OTIS



RETAIL



Walgreens



NETFLIX



A Recognized Market Leader



“Every promise Digi has made, they’ve delivered on – and that’s huge. They have reduced our risk, improved our product, and accelerated our timelines. You can’t ask for much more than that.”

*Erich Hoefflerle
Engineering Manager - Evoqua*



“Digi’s solution was flexible enough to take the data and send it real-time to our cloud environment. Digi also showed it could scale up to support our global footprint.”

*Ezhil Nanjappan
Otis Elevator Director of IoT and Mobility Solutions*



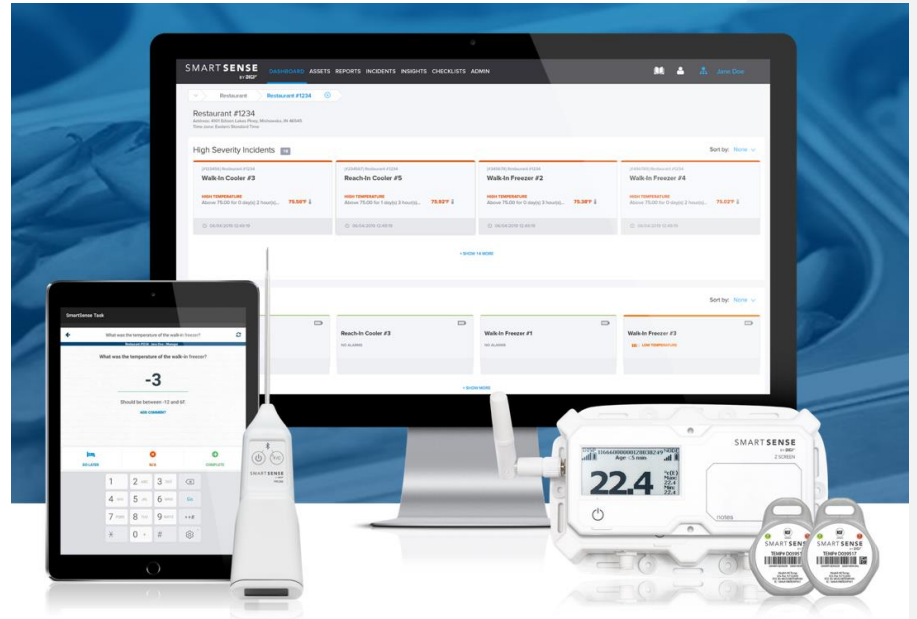
Awards and Recognition



Solutions Goes to Market as SmartSense; Focused on the Safety of Food and Medicine

SMART SENSE BY DIGI®

- Automatically records key conditions, temperature, humidity, pressure, etc.
- Guides work flow through digital task management
- Alerts users and management when out of compliance
- Leverages analytics to drive unique insights



ROI Driven by Key Vertical Focus



Food Service

Transportation & Logistics

Healthcare

Education

Retail

Tim Hortons

Wendy's

Arby's

SUBWAY

taco john's

MDI

VersaCold

SAFEWAY

ASL

SCHWAN'S
HOME DELIVERY

RITE
AID

CVS
Health.

Children's
MINNESOTA

Walmart

MERCYHEALTH

UNIVERSITY OF
NOTRE DAME

BALL STATE
UNIVERSITY.

ELKHART
COMMUNITY SCHOOLS

MOORE
Public Schools

Cumberland
Farms

Loves

RaceTrac

SCHWAN'S
HOME DELIVERY

Schnuck's

- Streamline operational checklists
- Monitor hot/cold equipment and inventory
- Fulfill HACCP, FSMA and company policies

- Real-time asset tracking
- Conditions of trailer and shipments
- Eliminate manual logs
- Simplify FSMA compliance

- Protect medicine and patients
- Eliminate manual, labor intensive logs
- Compliant with CDC and State Pharmacy Board guidelines

- Save inventory
- Reduce labor costs
- Put food and student safety first
- Exceed HACCP compliance

- Monitor equipment and inventory
- Streamline operational checklists
- Reduce product and labor waste
- Improve food safety

Add and Keep Subscribers

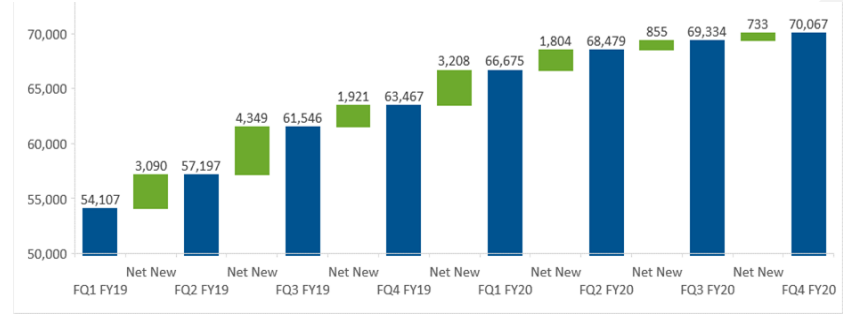
“By implementing IoT throughout the store, your accuracy for temperature monitoring goes through the roof. You know that regular temp checks are being done without having to worry about detracting teammates from taking care of customers.” Vice President, IT



“We are always looking for ways to strengthen our already rigorous quality assurance procedures and safety measures, so we say the value in a continuous remote monitoring system for our refrigerated pharmaceuticals and vaccines. We chose SmartSense because we wanted an experienced partner that shared our commitment to safety.” Manager, Operations



SmartSense Subscribers



SmartSense ARR (\$ millions, fiscal year)



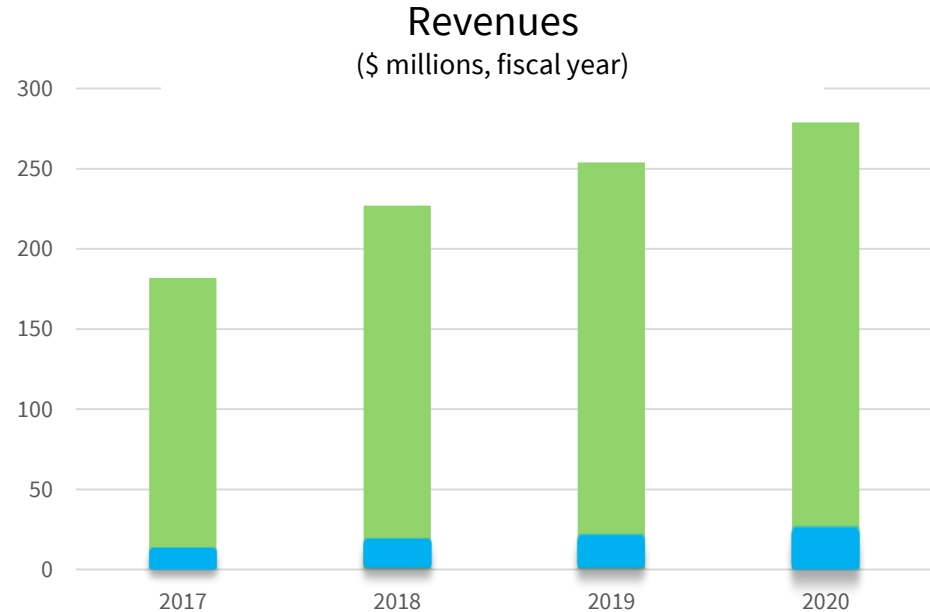
Revenue and Recurring Revenue Growth

Revenue Growth Drivers:

- Growth of cellular IoT
- Data center and edge deployments
- Solutions growth
- Acquisitions (2018, 2019)

Recurring Revenue Growth Drivers:

- Solutions (\$18M ARR @ 9/30/2020)
- Device management platform
- Support Services



- Revenue = 15% CAGR
- Recurring Revenue = 30% CAGR

Improving Margins and Profitability

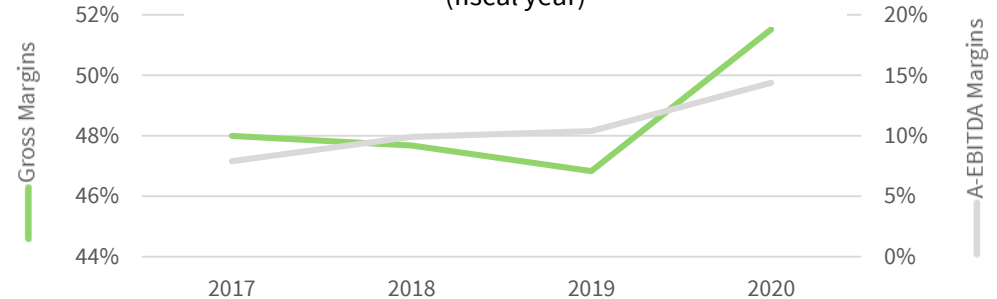
Margin Drivers:

- Increase of high margin recurring revenues
- Opengear acquisition
- Increase in IoT Solutions

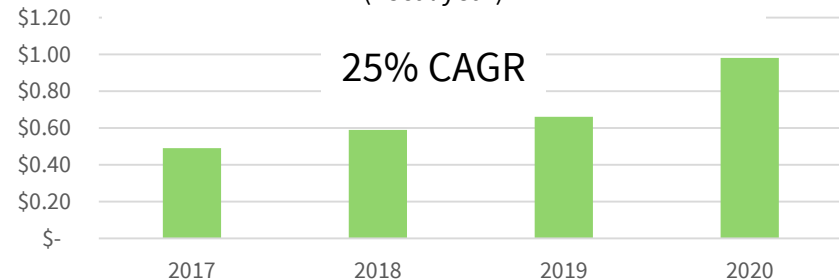
A-EPS Drivers:

- Revenue growth
- Improved profitability
- Non-dilutive acquisitions

Gross and A-EBITDA Margins
(fiscal year)



Adjusted EPS
(fiscal year)



Capital Light, Strong Cash Flow, Strong Balance Sheet

Capital Light:

- Average <\$3M in capital expenditures, annually
- Digi owns design, and relies on third party manufacturers
- Investing in software, edge and cloud

Strong Cash Flow:

- Cash ~90% of A-EBITDA
- Paid down >\$50M in debt in F2020
- Improving DSO

Strong Balance Sheet:

- <\$9M in Net Debt, with <2% annual interest
- Sensible inventory position
- Low reserves



Connect with Confidence