

# Investor Presentation

**February 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.

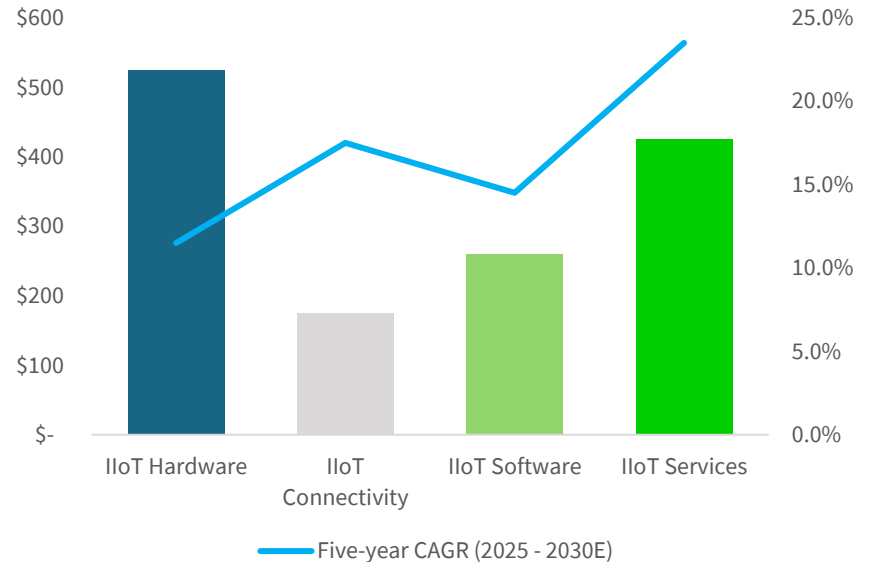
# DGII is a Global Industrial IoT (IIoT) Leader

- 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 \$177 million in ARR, now approximately 40% of annualized revenues when including contribution from our Particle acquisition
- 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 \$1.4T, growing double-digits long-term

# Industrial IoT Market is Large and Growing

- Total 2030 market opportunity ~\$1.4T with the spectrum of IIoT technologies growing double digits
- 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 (\$ billions)



Sources: Research Nester (2025), Grand View Research (2025), Precedence Research (2025)

# 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 First Quarter 2026 Set New **Records**

## FQ1 2026 Results YoY

- Revenue +18% to **\$122 million**
- Annualized recurring revenue (ARR) +31% to **\$157 million**
- Gross margin +40 bps to 62.4%
- Adj. EBITDA +23% to **\$32 million**

## FY26 Guidance YoY

- Revenue +14% to +18%
- ARR +23%
- Adj. EBITDA +17% to +21%

# Digi's Business Segments

## IoT Products and Services Segment

### CELLULAR SOLUTIONS



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



### INFRASTRUCTURE MANAGEMENT



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



### PARTICLE BY DIGI



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



### opengear BY DIGI



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



## IoT Solutions Segment

### SMART SENSE BY DIGI



Automated workflows, task management, condition monitoring, and compliance for Health Care, Food Service, Convenience Stores and Logistics verticals.



### DIGI Ventus Managed Connectivity Solutions



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



# Fiscal First Quarter 2026 Segment Results

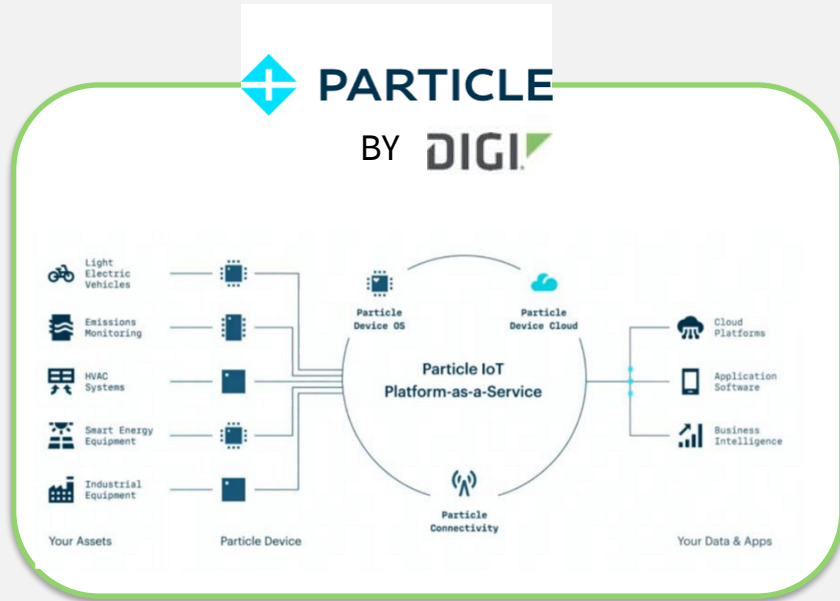
## Products & Services FQ1 2026 YoY

- Revenue +11% to \$86 million
- ARR +26% to \$34 million
- Operating margin -60 bps to 13.5%

## Solutions FQ1 2026 YoY

- Revenue +39% to \$36 million
- ARR +32% to \$123 million
- Operating margin +370 bps to 12.9%

# Introducing Particle by Digi, Enabling Embedded AI



Cloud UI



Muon  
(Connectivity)

Tachyon  
(Compute)

Xbee  
(Connectivity)

ConnectCore  
(Compute)



# Particle Provides the Catalyst for ARR within OEM

## Deal Terms

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- \$50M paid in cash January 27, 2026
- Funded by leveraging Digi's existing line of credit facility
- Particle will merge with OEM Solutions
- Results will be reported in IoT Products & Services business segment

## Financial Impact

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- Particle generated \$20M in ARR at the end of calendar 2025 with consistent double digit annual growth
- Particle growing ARR double-digits annually
- Expect incremental \$5M A-EBITDA in fiscal 2027

***ARR now exceeds \$177M, based on FQ1 results + Particle, accelerating our path to \$200M.***

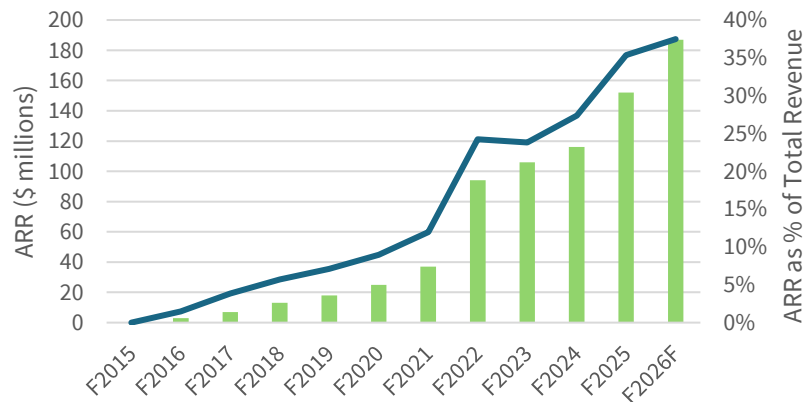
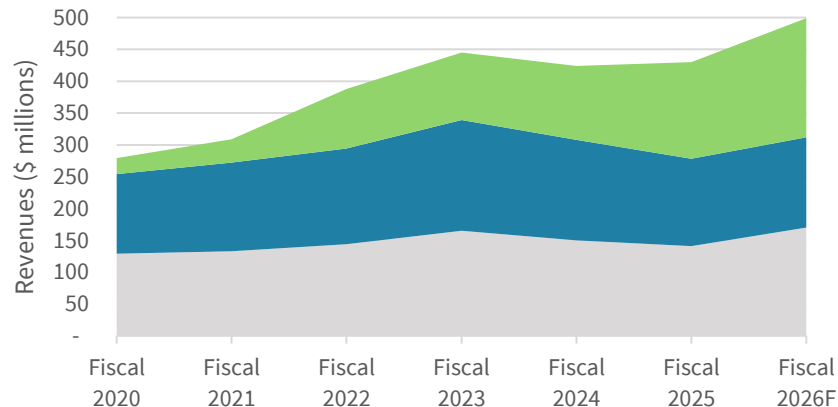
# ARR Improving Quality of Revenue and Expanding Gross Margins

## 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 now represents 35% of total revenue. 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



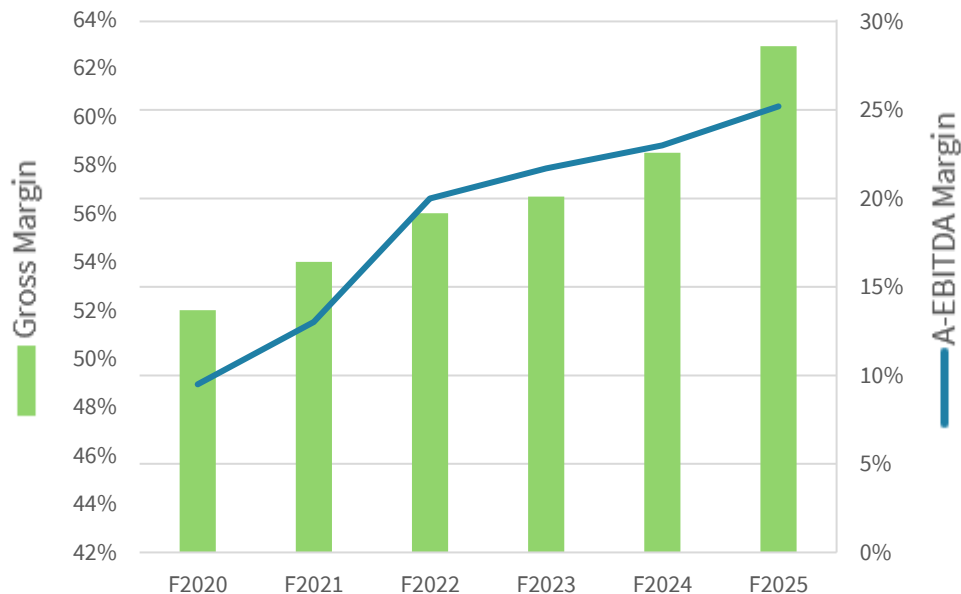
# ARR Pushing Gross Margin and Expanding Profit Margins

## Gross Margin Dynamics:

- Increase in high margin subscription ARR
- ~1100 basis point improvement since 2020, reaching +62%
- 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

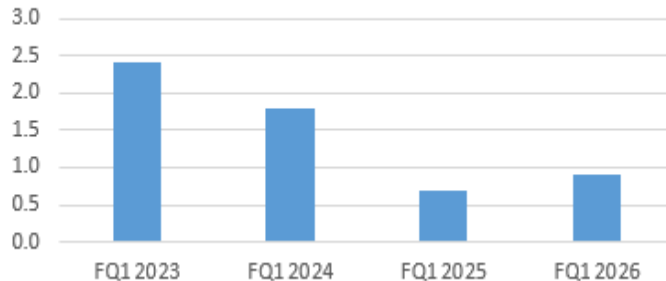


# Strong Balance Sheet and Cash Flow

## Balance Sheet

(\$ millions)	FQ1 2026
Cash and Equivalents	\$31
Total Debt	\$135
Net Debt	\$104
TTM A-EBITDA	\$115
Net Debt / A-EBITDA	0.9x

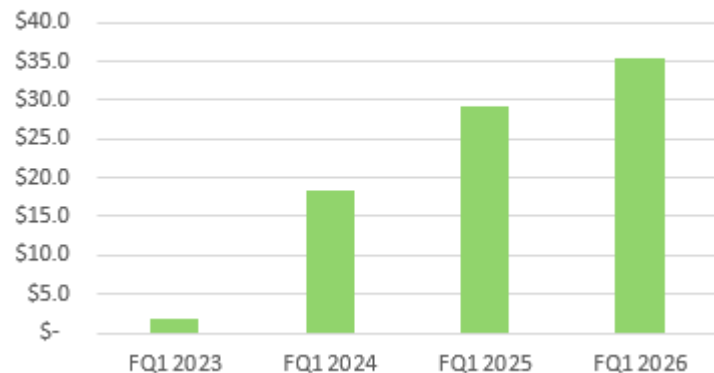
Net Debt / TTM A-EBITDA



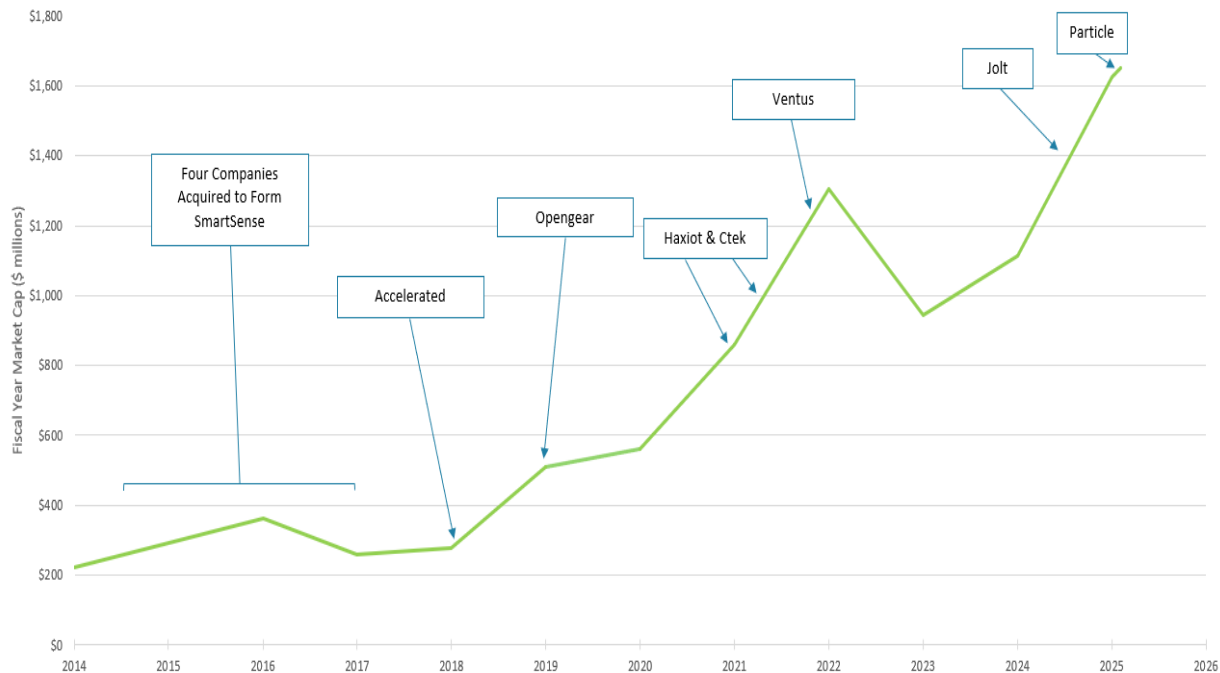
## Quarterly Cash Flow

(\$ millions)	FQ1 2025	FQ1 2026	YoY
Operating Cash Flow	\$29.7	\$35.6	20%
Capital Expenditures	\$0.6	\$0.2	-66%
Free Cash Flow*	\$29.1	\$35.4	22%

Free Cash Flow (\$ millions)



# M&A is the Top Capital Allocation Priority

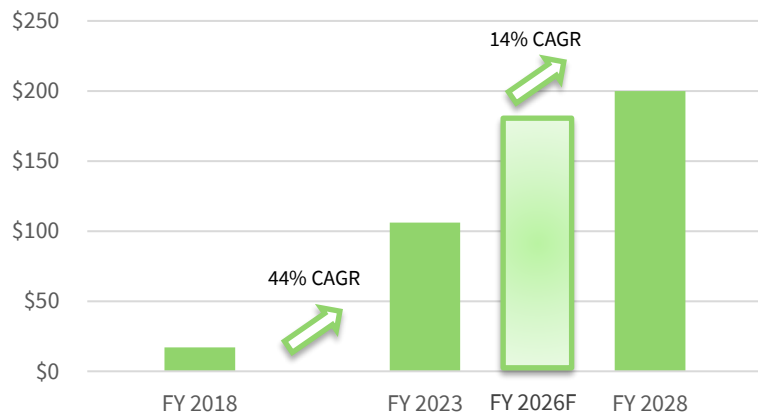


- Digi has acquired 11 companies in the past 10 years
- Debt used for the first time in company history for Opegear acquisition in December 2019
- Ventus was the largest acquisition (~\$350M) in company history in November 2021
- A shift to fewer, larger acquisitions
- “When a deal closes, we celebrate, but that’s when the real work begins... on integration”

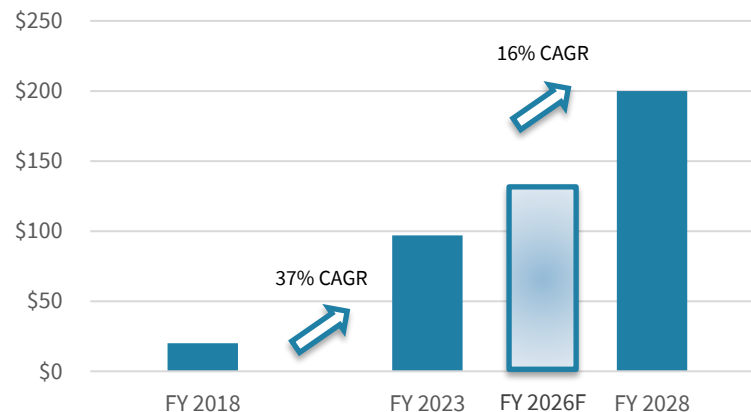
- Digi CEO Ron Konezny

# Digi Expects to Double ARR and A-EBITDA by FY28

## \$200 Million in ARR in 5-Years



## \$200 Million in A-EBITDA in 5-Years



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

**DIGI**  <sup>®</sup>

**Connect with Confidence**