

Earnings Presentation

Fiscal Second Quarter 2026

May 6, 2026

Nasdaq: DGII



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.

Industrial IoT (IIoT): A Large and Rapidly Growing Market

\$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

Digi's IIoT Solution Value Proposition

A Complete, Mission-Critical Industrial IoT Stack



Security

- Zero-trust device authentication
- End-to-end encrypted communications
- Automated vulnerability management
- FIPS 140-2 certified hardware



Reliability

- 5-nines uptime SLAs
- Failover & redundant connectivity
- 40-year heritage of rugged design
- Carrier-grade hardware platforms



Scalability

- Manage millions of edge devices
- Cloud-native, multi-tenant platform
- API-first architecture
- Supports SMB to Fortune 50



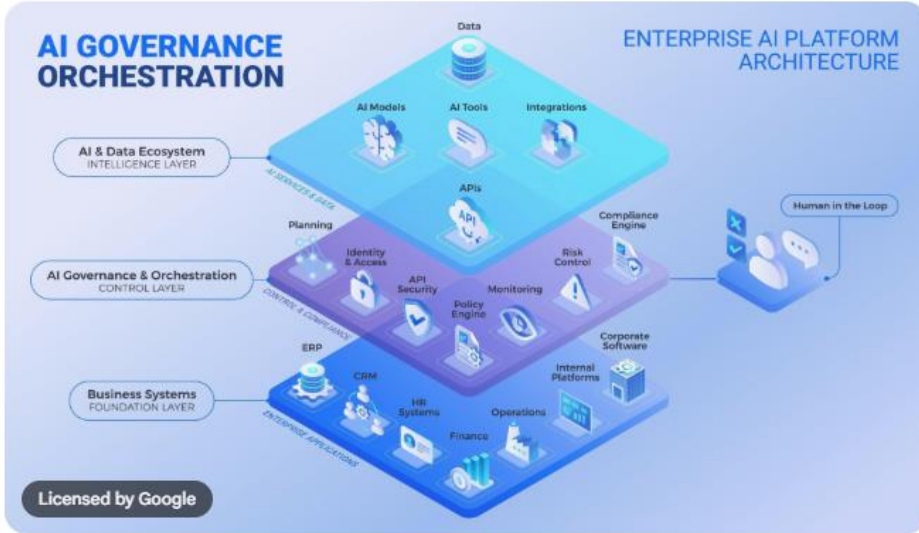
Ease of Use

- Zero-touch provisioning (ZTP)
- Intuitive cloud dashboards
- Plug-and-play hardware
- Responsive 24/7 expert support

Digi delivers hardware + connectivity + software + services — the complete IIoT solution

Digi Leveraging AI Inside and Out

MCP Architectural Overview



SMARTSENSE BY DTEI | ASSET HEALTH | STORE MAP

Asset Health Assessment
60 assets analyzed | baseline days 7-30, recent days 0-7

Summary: Healthy 43 | Monitor 6 | Service Seen 0 | Service Required

Scanning 60 / 65 assets...

8-ft Open Air Produce Case: 19-47536-03 — Health

Overview | Signal Chart

| 77 ASSET INFORMATION | | Score #5838 |
|--|--|--|
| EQUIPMENT Howard McCray SCOP1SE85BL ED06 Age: 6 yr (Est. 2020) Warranty: Expired 2019 | LOCATION 300 Main Street, Brooklyn, MI 49230 DMA: Lansing, MI | MAINTENANCE HISTORY 0 service tickets 2023: 0 2024: 0 2025: 0 |
| ODS HISTORY (IRK) 4 events 151 total days 59 min days Last event: Dec 9, 2025 - 59 days | | |

33 Service Required
05838 - Brooklyn
1104 baseline readings (days 7-30) | 336 recent readings (days 0-7) | Temp + Humidity | 2 sensors - 2 Rugged

Refrigerant Leak
Assoc Case Analysis | Technical | Store View | HIGH CONFIDENCE

A 35.7°F warming trend with a 2.1x increase in alarm rate and moderate but increasing variance matches the profile of a slow refrigerant leak. As charge depletes, the system runs progressively longer cycles trying to maintain setpoint but loses ground over weeks. Importantly, humidity has risen 4.0% RH above baseline but is NOT worse during business hours — this is a key differentiator from door/gasket problems. As refrigerant charge depletes, suction pressure falls, the evaporator coil runs warmer, and its ability to condense moisture out of the cabinet air diminishes. The humidity rise preceding or matching the temperature drift is a classic early indicator of refrigerant loss. This unit has been Out of Service 4 times with 151 total days offline (IRK data) — a recurrent failure pattern that suggests the root cause has not been fully resolved in prior service visits. The longest single outage was 59 days — extended downtime of this length typically indicates a major component failure or parts replacement that is not a quick fix issue.

17780 - Grandview | Monitor | 75 | -0.4° | Refrigerant Leak | [Alert] 3.8°F from high alarm

Q2 FY2026 Results

Fiscal 2026 results include Jolt for the full quarter and Particle following the closing of the acquisition in January 2026.

GAAP Results

\$131M

Revenue
+25% YoY

64.0%

Gross Margin
+190 basis points YoY

\$41M

Cash Flow from Operations
+58% YoY

Non-GAAP Results

\$184M

Annualized Recurring Revenue (ARR)
+50% YoY

26.3%

A-EBITDA Margin
Quarterly Record

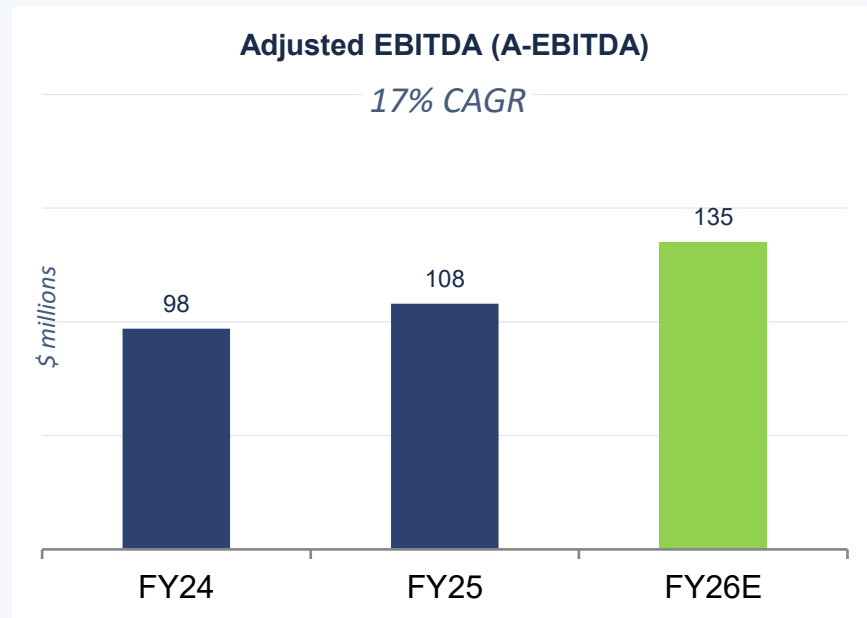
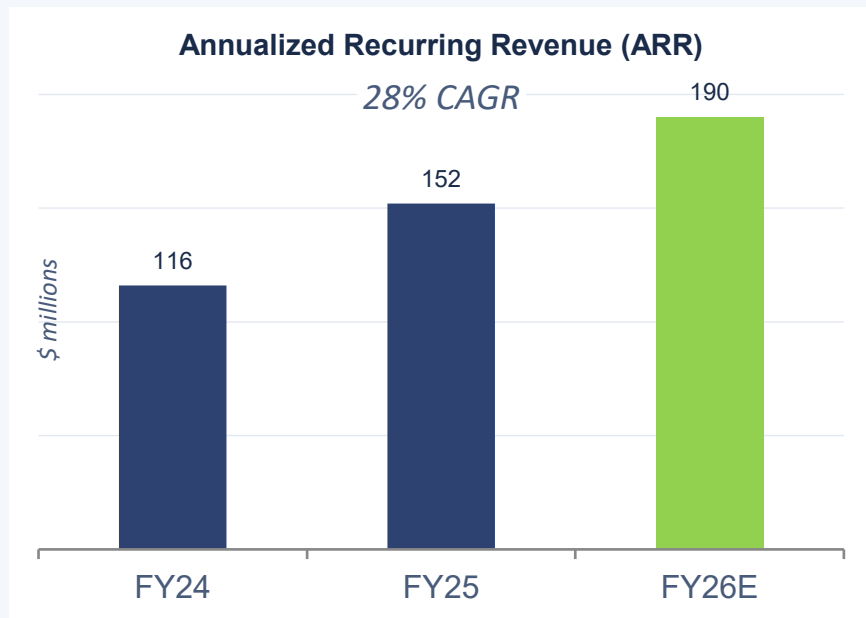
\$34M

Adjusted EBITDA (A-EBITDA)
+32% YoY

For a reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin to their closest GAAP measures see the Company's FQ2 2026 Earnings Release. Annualized Recurring Revenue (ARR) is a non-GAAP operational metric for which there is no comparable GAAP measure; a description of how the Company calculates ARR can be found in the Company's filings under the Securities Exchange Act of 1934.

Five-Year Goals: Marching to \$200M ARR | \$200M A-EBITDA

Goals set at the beginning of Fiscal 2024: \$200M ARR and \$200M Adjusted EBITDA within 5 years



FY26E based on company guidance of 25% ARR growth and 23–26% A-EBITDA growth including Particle and Jolt acquisitions. For a reconciliation of Adjusted EBITDA to its closest GAAP measure see the Company's FQ2 2026 Earnings Release. ARR is a non-GAAP operational metric for which there is no comparable GAAP measure; a description of how the Company calculates ARR can be found in the Company's filings under the Securities Exchange Act of 1934.

Digi's Flywheel: Acquire → Generate → Compound

1. ACQUIRE

Accretive M&A Using Debt

Identify IIoT companies with strong ARR and A-EBITDA potential. Use debt financing to fund acquisitions.

2. INTEGRATE

Build ARR & A-EBITDA

Cross-sell solutions, expand attach rates, drive subscription growth across new customer base.

4. PAY DOWN DEBT

Reduce Leverage, Repeat Cycle

Deploy cash flow to retire acquisition debt, restoring capacity for the next acquisition.

3. CASH FLOW

Strong Free Cash Flow

FY26 YTD operating cash flow (\$77M) exceeds YTD Adjusted EBITDA (\$66M). Capital-light model with high recurring gross margins (63%+).





Connect with Confidence