Dolby



Q4 and Fiscal Year 2026 Earnings Conference Call

A durable franchise positioned to lead the next era of media.

NOVEMBER 17, 2026

Disclaimer

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation and in our earnings call, including, but not limited to, expected financial results for the first quarter of fiscal 2027 and full year fiscal 2027, our assumptions underlying those expectations and statements regarding our future business, products, priorities, opportunities and strategy, are "forward-looking statements" that inherently involve substantial risks and uncertainties and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations, and as a result of certain risks and uncertainties, actual results may differ materially from those provided.

The following important factors, without limitation, could cause actual results to differ materially from those in the forward-looking statements: the potential impacts of economic conditions on Dolby's business operations, financial results, and financial position; risks associated with geopolitical issues and international conflicts; risks associated with the conditions of and trends in the end markets which Dolby serves; the loss of, or reduction in sales by, a key customer, partner, or licensee; pricing pressures; risks relating to changing trends in the way that content is distributed and consumed; risks relating to conducting business internationally, including trade restrictions and changes in trade relationships; risks relating to maintaining patent coverage; the timing of revenue recognition and receipt of royalty reports and payments from its licensees; changes in tax regulations; competitive risks; and other risks detailed in Dolby's SEC filings and reports, including the risks identified under the section captioned "Risk Factors" in its Annual Report on Form 10-K for fiscal 2026 filed on or around the date hereof.

Dolby may not actually achieve the plans, intentions, or expectations disclosed in its forward-looking statements. Forward-looking statements are based upon information available to us as of the date of such statements, and while Dolby believes such information forms a reasonable basis for such statements, such information may be limited or incomplete. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements. Except as required by law, Dolby disclaims any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

NON-GAAP FINANCIAL MEASURES

This presentation includes certain non-GAAP financial measures. Please see the Appendices attached to this presentation for a reconciliation of the most directly comparable GAAP financial measures.

TRADEMARKS

Dolby, Dolby Atmos, Dolby Vision, Dolby Cinema, Dolby OptiView, and the double-D symbol are among the registered and unregistered trademarks of Dolby Laboratories in the United States and/or other countries. Other trademarks remain the property of their respective owners.

Introducing our new CEO, Marc Whitten



JOINED AUGUST 2026

30+

Years in the broader media world

Leadership roles across Meta, Cruise, Unity, Amazon, Sonos, Microsoft.

Experience building ecosystems

Bringing together multiple stakeholders in content ecosystems.

Customer perspective

Repeatedly licensed Dolby technology to create differentiated user experiences.





Initial observations

Dolby has a unique opportunity to grow and scale a great global brand.





01 **Mission-driven people**

Pride and passion to continue to raise the bar on immersive experiences.

02 **Technology & IP**

30,000+ patents globally, with thousands granted each year.

03 **Industry partnerships**

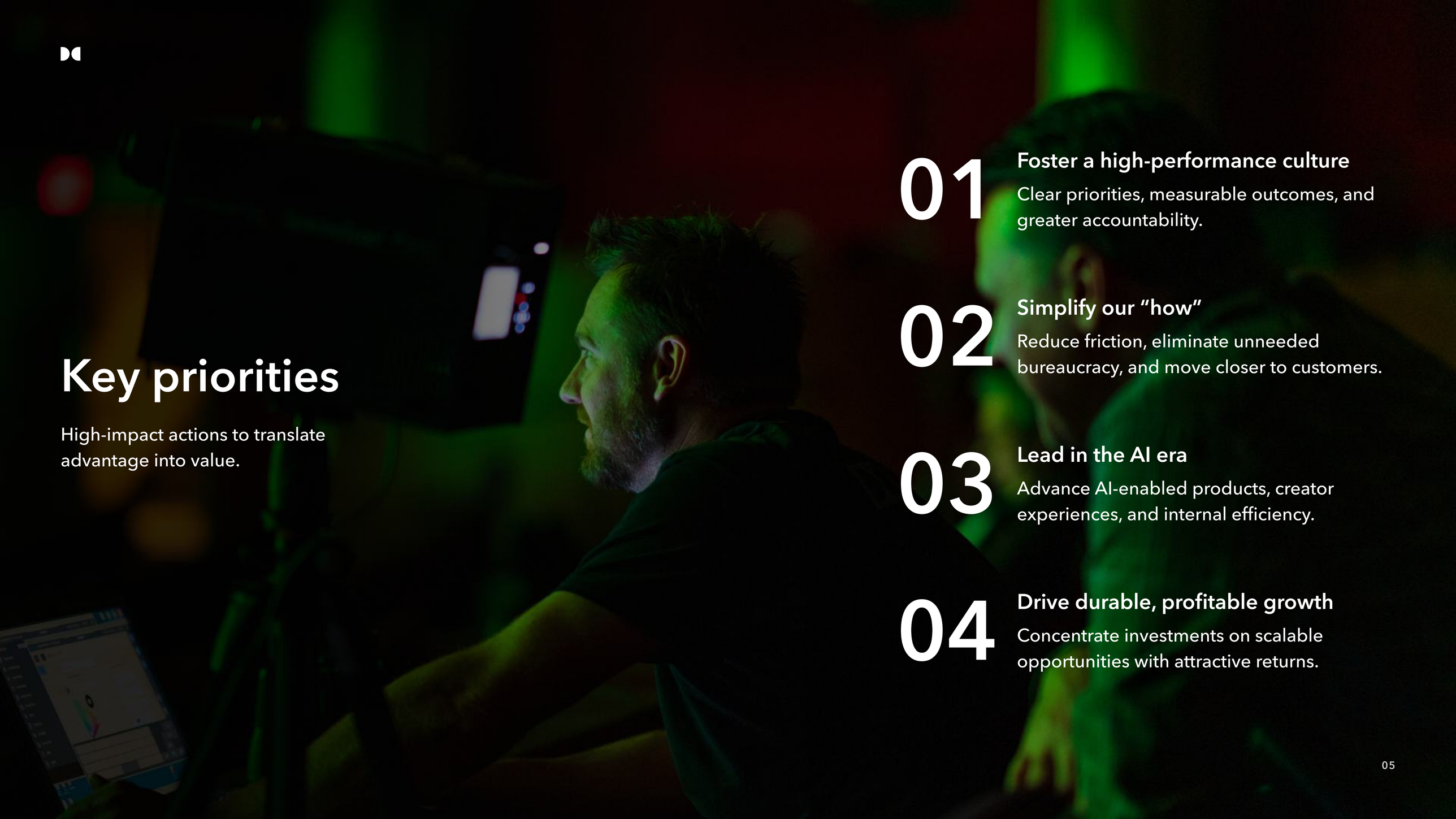
Decades of collaboration with creators and partners across the entertainment ecosystem.

04 **Trusted consumer brand**

The Dolby logo stands for premium sight and sound across devices and experiences.

05 **Financial profile**

Strong cash generation and robust balance sheet.



Key priorities

High-impact actions to translate advantage into value.

01

Foster a high-performance culture

Clear priorities, measurable outcomes, and greater accountability.

02

Simplify our “how”

Reduce friction, eliminate unneeded bureaucracy, and move closer to customers.

03

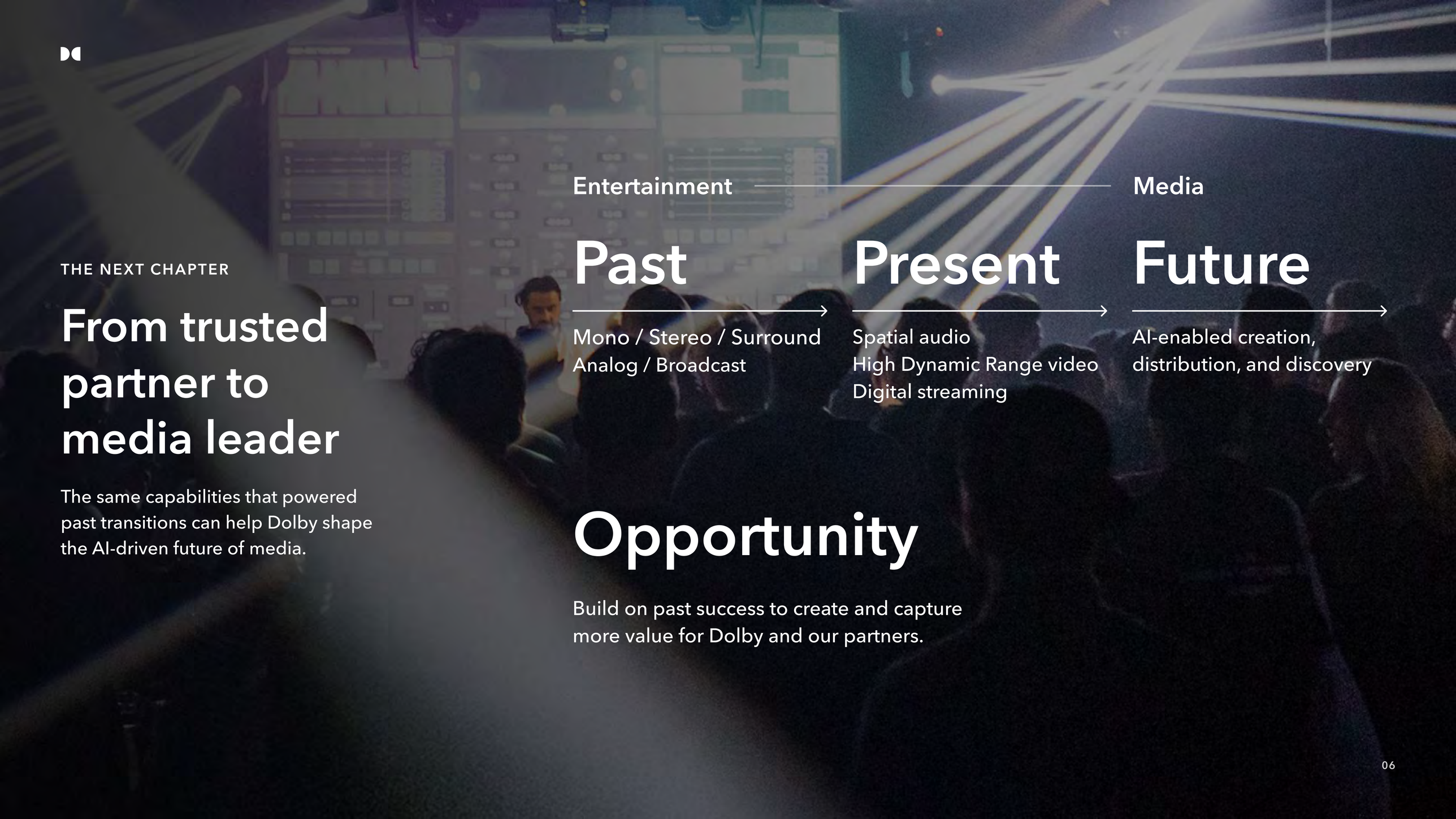
Lead in the AI era

Advance AI-enabled products, creator experiences, and internal efficiency.

04

Drive durable, profitable growth

Concentrate investments on scalable opportunities with attractive returns.



THE NEXT CHAPTER

From trusted partner to media leader

The same capabilities that powered past transitions can help Dolby shape the AI-driven future of media.

Entertainment — Media

Past

Mono / Stereo / Surround
Analog / Broadcast

Present

Spatial audio
High Dynamic Range video
Digital streaming

Future

AI-enabled creation, distribution, and discovery

Opportunity

Build on past success to create and capture more value for Dolby and our partners.

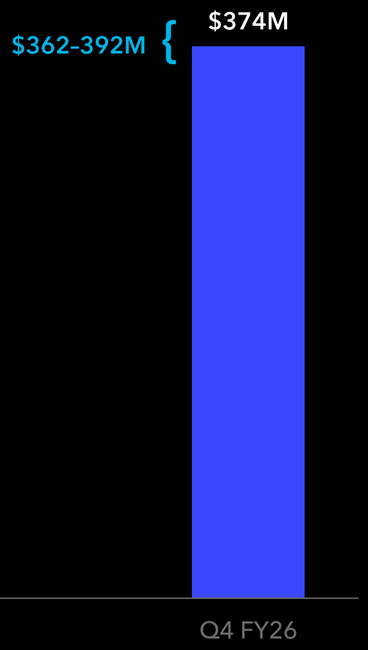
FINANCIAL RESULTS AND OUTLOOK

Robert Park, Senior Vice President and Chief Financial Officer

Q4 FY 2026 Results

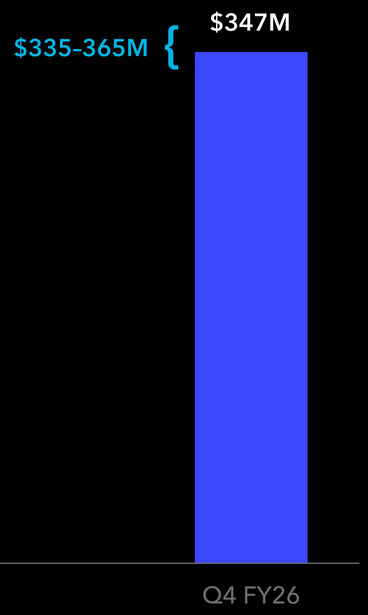
Total Revenue ($M)

- Licensing comprises 93% of total revenue
- Products and services revenue of $27M



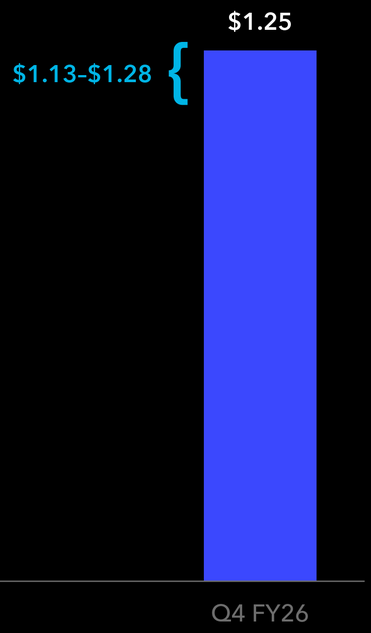
Licensing Revenue ($M)

- Includes $6M negative true-up for prior quarter shipments



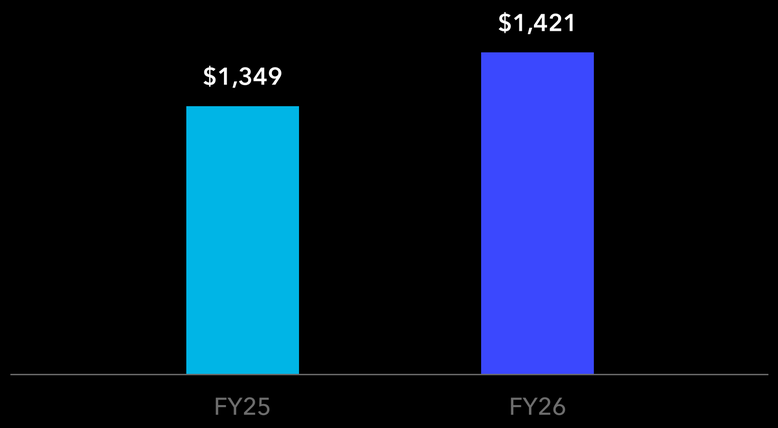
Non-GAAP EPS ($)

- Near the high end of the range due to a one time, $0.04 operational tax benefit



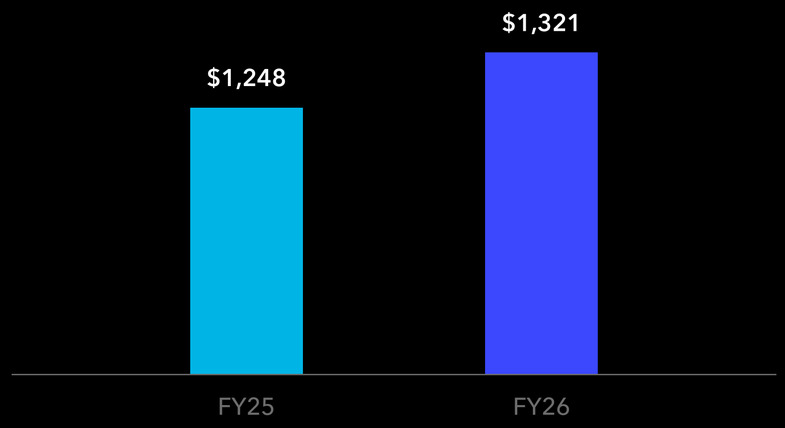
FY 2026 Results

Total Revenue ($M)
+5%



- Product and Services Revenue of $100M (-1%)

Licensing Revenue ($M)
+6%



- Dolby Atmos, Dolby Vision, and Imaging Patents growth of 18%, driven by strength in VDP, Auto, Wearables, and Recoveries
- Foundational down 4% mainly due to lower device sales

Non-GAAP EPS ($)
+3%



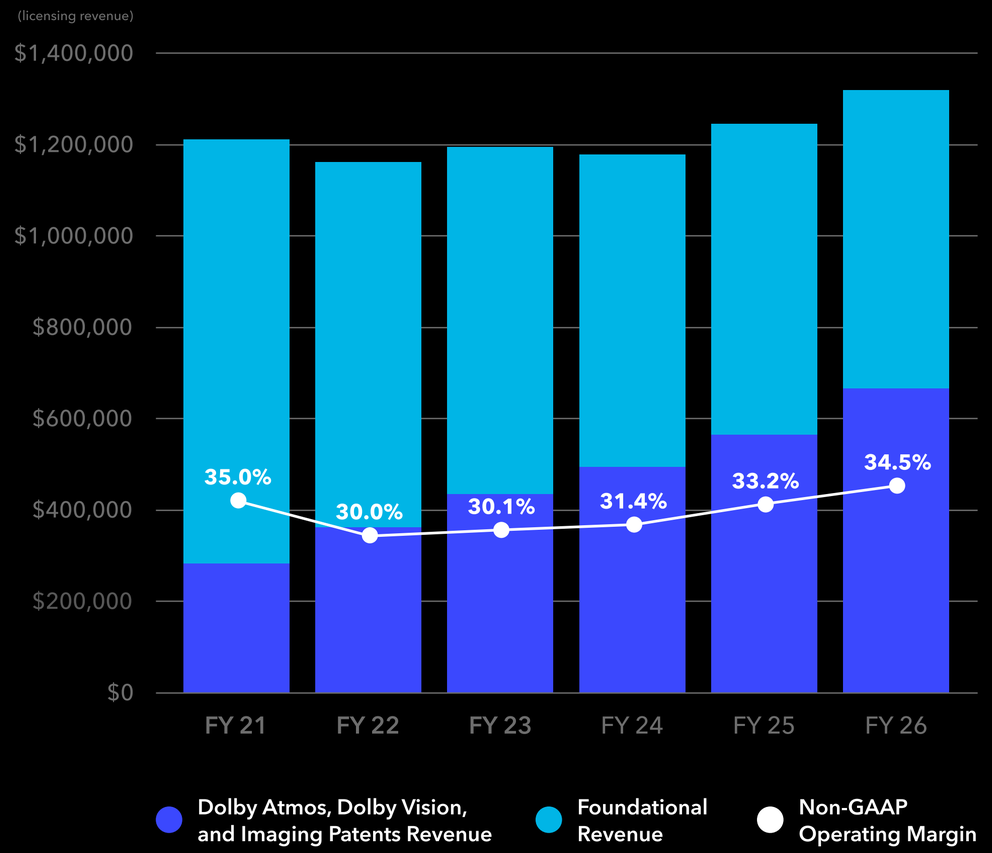
- Excluding the $0.27 discrete tax benefit in Q4 FY25 and the one time operational tax benefit in Q4 FY26, EPS grew 9%

NON-GAAP OPERATING MARGIN OF 34.5%, UP 130 BPS

Performance by end market and license type

End market	YoY change	Performance drivers
Other revenue	+19%	Strong contributions from VDP and Auto
Broadcast	+4%	Higher recoveries and partially offset by lower unit shipments
Mobile	+5%	Driven by Dolby Atmos and Dolby Vision adoption in wearables
PCs	-4%	Lower Dolby units and lower recoveries
Consumer Electronics	0%	Lower unit shipments offset by higher recoveries

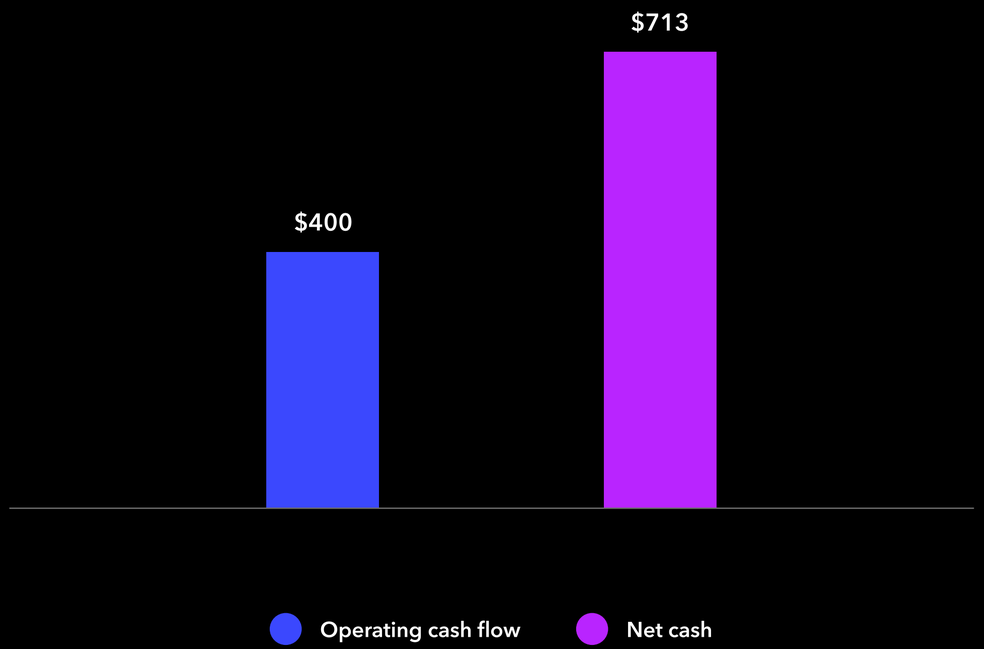
Licensing revenue demonstrates mix shift toward higher-growth and expanding margins



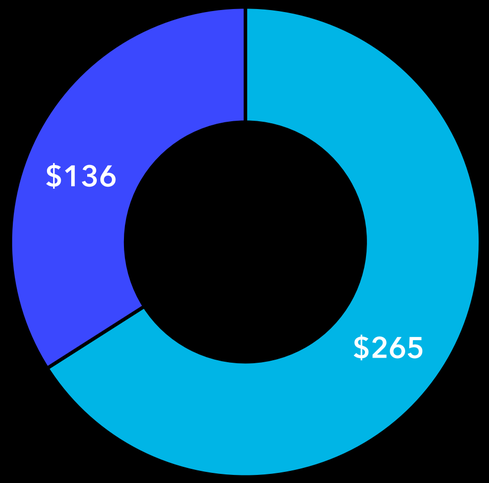
Dolby Atmos, Dolby Vision, and Imaging Patents now represents just over 50% of licensing revenue in FY26, surpassing Foundational Audio revenue for the first time

Solid cash flow supports disciplined capital allocation

FY26 Operating Cash Flow and Net Cash ($M)



~$400M returned to shareholders ($M) in FY26



MORE THAN DOUBLED SHARE REPURCHASES IN FY 26 YOY

Balanced capital allocation priorities support shareholder value

Deliver durable, profitable growth

Reinvest

- Fund disciplined organic investment, including in areas such as VDP, Auto, Mobile

Selectively acquire

- Focus on patents and assets that advance strategic direction and deliver attractive returns

Return excess capital to shareholders

Support dividend

- Quarterly cash dividend of $0.39 per share (+8%)
- Returned over $1B to shareholders in dividends since FY10

Repurchase shares

- $362 million remaining on current share repurchase authorization
- Returned over $3B to shareholders in share repurchases since FY10

Introducing Q1 and fiscal 2027 outlook

	Full year 2027	First quarter 2027
Total revenue	~$1.42B	$285M - $305M
Licensing revenue	~$1.32B	$260M - $280M
Non GAAP Gross Margin	~89%	~87%
Non-GAAP EPS	~$4.35	$0.41 - $0.56
Operating expenses	~$775M	$200M - $210M

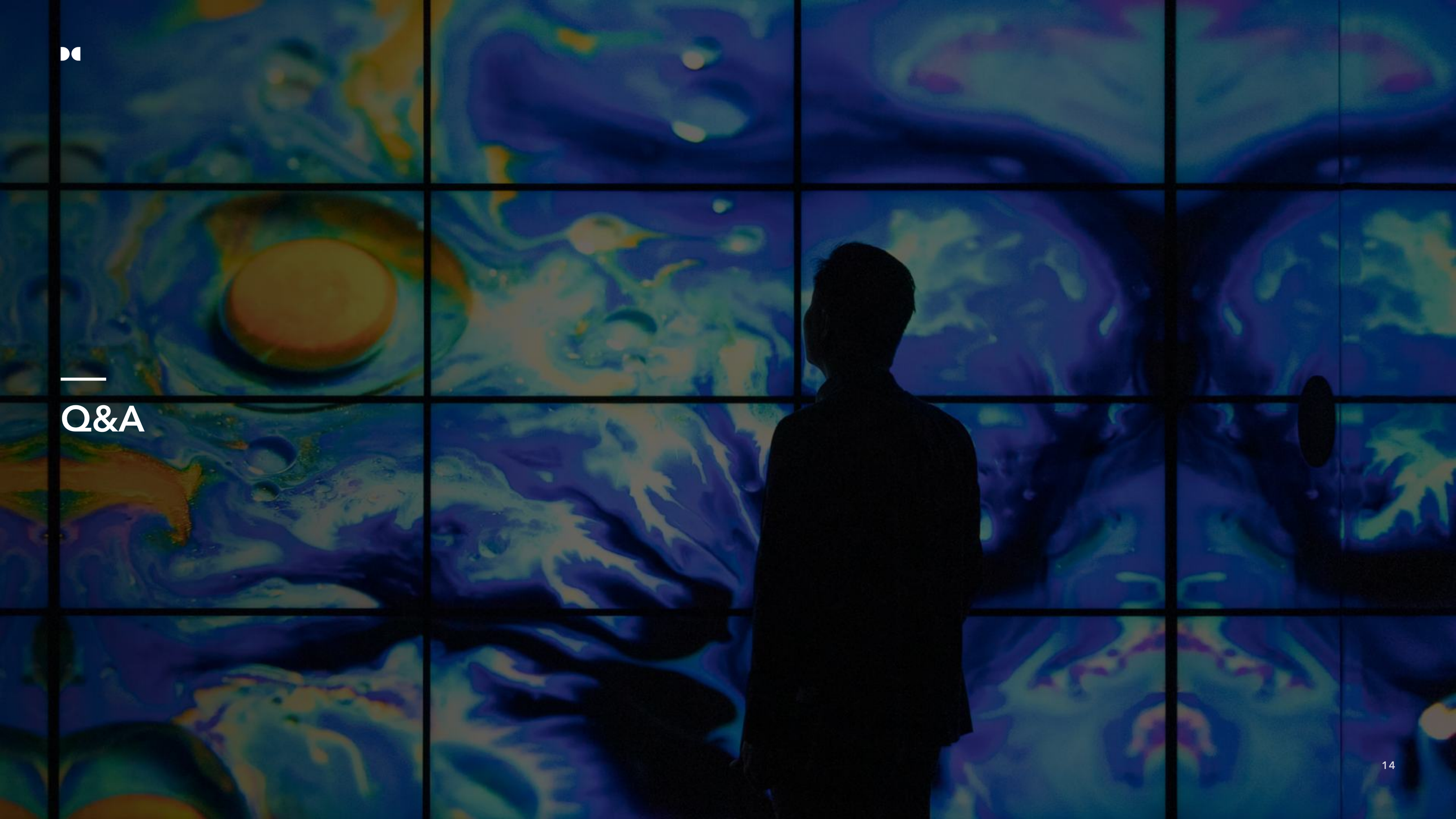
Assumptions & Commentary

FULL YEAR

- Expect continued uncertain macro environment and pressure on consumer electronic device shipments
- Overall revenue expected to be roughly flat
- Foundational revenue is expected to be down mid single digits
- Dolby Atmos, Dolby Vision, and Imaging Patents are expected to be up mid single digits
- End market expectations:
  a. Other: up mid-teens driven by VDP and Auto
  b. Broadcast: down high single digits driven by lower recoveries and lower units
  c. Mobile: flattish, with growth in Dolby Vision and Imaging Patents, offset by lower expected units
  d. Consumer Electronics and PC: down single digits due to lower units
- Revenue skewed slightly higher in 2H, largely due to the timing of certain deals
- Non-GAAP operating margin expected to be flat at roughly 34.5%

FIRST QUARTER

- Reminder: Quarterly revenue can fluctuate meaningfully due to factors like true-ups, and timing of deals like minimum volume commitments and recoveries
- Revenue expected to be lower YoY due to lower unit shipments across key end markets. Q1 FY26 benefited from a positive true up, and more deals coming in earlier in the year.
- Operating expenses reflect a large sequential increase partially due to a tax benefit in Q4 FY26 as well as timing of litigation and patent program expenses



Q&A

Key takeaways

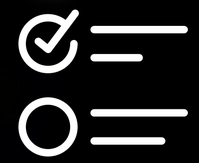
"A high-performance culture, simplified execution, leadership in the AI Era, and an emphasis on durable and profitable growth are just the beginning of the journey we are on to build on Dolby's strong heritage and achieve even greater heights."

MARC WHITTEN



Healthy core

supported by a durable licensing franchise with broad embedded reach



Clear priorities

focused on culture, operational rigor, and industry leadership to capture embedded value and deliver profitable growth



Robust balance sheet

$700M+ in cash, no debt, and strong free cash flow; committed to disciplined capital allocation in support of shareholder returns

APPENDIX

DOLBY LABORATORIES, INC. CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts; unaudited)

	Fiscal Quarter Ended		Fiscal Year Ended	
	SEPTEMBER 25, 2026	SEPTEMBER 26, 2025	SEPTEMBER 25, 2026	SEPTEMBER 26, 2025
Revenue:				
Licensing	$ 346,834	$ 281,627	$ 1,321,201	$ 1,248,017
Products and services	26,702	25,397	99,666	101,113
Total revenue	373,536	307,024	1,420,867	1,349,130
Cost of revenue:				
Cost of licensing	35,712	21,111	103,235	83,619
Cost of products and services	22,529	18,408	83,264	76,513
Total cost of revenue	58,241	39,519	186,499	160,132
Gross profit	315,295	267,505	1,234,368	1,188,998
Operating expenses:				
Research and development	64,303	67,465	262,780	261,792
Sales and marketing	77,225	90,520	350,011	360,711
General and administrative	79,806	73,715	301,589	286,529
Restructuring charges/(credits)	(608)	6,128	15,997	15,007
Total operating expenses	220,726	237,828	930,377	924,039
Operating income	94,569	29,677	303,991	264,959
Other income/(expense):				
Interest income/(expense), net	4,075	5,060	16,670	15,376
Other income, net	3,633	6,931	16,719	23,150
Total other income	7,708	11,991	33,389	38,526
Income before income taxes	102,277	41,668	337,380	303,485
(Provision for)/benefit from income taxes	(21,101)	7,986	(77,855)	(46,993)
Net income including non-controlling interest	81,176	49,654	259,525	256,492
Less: net income attributable to non-controlling interest	(283)	(322)	(1,788)	(1,474)
Net income attributable to Dolby Laboratories, Inc.	**$ 80,893**	**$ 49,332**	**$ 257,737**	**$ 255,018**
Net income per share:				
Basic	$ 0.87	$ 0.52	$ 2.73	$ 2.66
Diluted	$ 0.86	$ 0.51	$ 2.70	$ 2.62
Weighted-average shares outstanding:				
Basic	93,345	95,632	94,568	95,868
Diluted	93,984	96,846	95,587	97,479

DOLBY LABORATORIES, INC. CONSOLIDATED BALANCE SHEETS
(in thousands; unaudited)

ASSETS	SEPTEMBER 25, 2026	SEPTEMBER 26, 2025
Current assets:		
Cash and cash equivalents	$ 622,876	$ 701,893
Restricted cash	75,007	91,468
Short-term investments	500	703
Accounts receivable, net	301,081	331,096
Contract assets, net	230,791	180,804
Inventories, net	28,454	30,424
Prepaid expenses and other current assets	70,488	51,873
Total current assets	1,329,197	1,388,261
Long-term investments	89,435	80,205
Property, plant, and equipment, net	457,346	470,608
Operating lease right-of-use assets	40,783	33,204
Goodwill and intangible assets, net	918,471	926,957
Deferred taxes	214,937	214,361
Other non-current assets	118,338	114,164
Total assets	**$ 3,168,507**	**$ 3,227,760**

LIABILITIES AND STOCKHOLDERS' EQUITY	SEPTEMBER 25, 2026	SEPTEMBER 26, 2025
Current liabilities:		
Accounts payable	$ 19,780	$ 17,840
Accrued liabilities	359,494	369,256
Income taxes payable	–	8,928
Contract liabilities	28,362	31,382
Operating lease liabilities	10,175	10,384
Total current liabilities	417,811	437,790
Non-current contract liabilities	22,263	29,687
Non-current operating lease liabilities	35,620	28,494
Other non-current liabilities	80,312	99,843
Total liabilities	**556,006**	**595,814**
Stockholders' equity:		
Class A common stock	52	54
Class B common stock	39	40
Retained earnings	2,616,138	2,634,980
Accumulated other comprehensive loss	(12,635)	(12,517)
Total stockholders' equity – Dolby Laboratories, Inc.	2,603,594	2,622,557
Non-controlling interest	8,907	9,389
Total stockholders' equity	2,612,501	2,631,946
Total liabilities and stockholders' equity	**$ 3,168,507**	**$ 3,227,760**

DOLBY LABORATORIES, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands; unaudited)

	Fiscal Year Ended	
	SEPTEMBER 25, 2026	SEPTEMBER 26, 2025
Operating activities:		
Net income including non-controlling interest	$ 259,525	$ 256,492
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	95,005	87,827
Stock-based compensation	133,288	128,514
Amortization of operating lease right-of-use assets	10,264	10,770
Provision for credit losses	5,018	2,434
Deferred income taxes	1,180	4,988
Share of net income of equity method investees, net of cash distributions	(11,040)	(707)
Other non-cash items affecting net income	781	(1,108)
Changes in operating assets and liabilities:		
Accounts receivable, net	(15,281)	(18,463)
Contract assets, net	(52,336)	16,680
Inventories	10,196	8,019
Operating lease right-of-use assets	(18,016)	(4,505)
Prepaid expenses and other assets	(37,656)	15,223
Accounts payable and accrued liabilities	40,290	22,851
Income taxes, net	(4,756)	(42,829)
Contract liabilities	(4,828)	(5,079)
Operating lease liabilities	7,079	(8,503)
Other non-current liabilities	(19,168)	(406)
Net cash provided by operating activities	399,545	472,198

	Fiscal Year Ended	
	SEPTEMBER 25, 2026	SEPTEMBER 26, 2025
Investing activities:		
Proceeds from sales of marketable securities	–	15,911
Proceeds from sale of assets held for sale	–	16,881
Purchases of property, plant, and equipment	(39,631)	(36,348)
Business combinations, net of cash and restricted cash acquired, and other related payments	–	(1,362)
Purchases of intangible assets	(61,175)	(5,593)
Proceeds from sale of intangible assets	16,623	–
Purchases of other investments	–	(75)
Net cash used in investing activities	(84,183)	(10,586)
Financing activities:		
Proceeds from issuance of common stock	27,270	43,697
Repurchase of common stock	(265,004)	(124,992)
Payment of cash dividend	(136,323)	(126,599)
Distributions to noncontrolling interest	(2,217)	(1,847)
Payment of excise tax on repurchase of common stock	–	(261)
Shares repurchased for tax withholdings on vesting of restricted stock	(34,618)	(37,236)
Net cash used in financing activities	(410,892)	(247,238)
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash	52	1,235
Net increase/(decrease) in cash, cash equivalents, and restricted cash	(95,478)	215,609
Cash, cash equivalents, and restricted cash at beginning of period	793,361	577,752
Cash, cash equivalents, and restricted cash at end of period	**$ 697,883**	**$ 793,361**

Licensing Revenue by Market (unaudited)

The following table presents the composition of our licensing revenue and percentage of total licensing revenue for all periods presented (in thousands, except percentage amounts):

	Fiscal Quarter Ended			
MARKET	SEPTEMBER 25, 2026		SEPTEMBER 26, 2025	
Broadcast	$ 120,916	35%	$ 107,174	38%
Mobile	61,523	18%	50,626	18%
CE	31,989	9%	35,036	12%
PC	29,383	8%	28,647	10%
Other	103,023	30%	60,144	22%
Total licensing revenue	**$ 346,834**	**100%**	**$ 281,627**	**100%**

	Fiscal Year Ended			
MARKET	SEPTEMBER 25, 2026		SEPTEMBER 26, 2025	
Broadcast	$ 446,957	34%	$ 428,471	34%
Mobile	281,722	21%	268,568	22%
CE	150,046	11%	150,704	12%
PC	145,906	11%	151,894	12%
Other	296,570	23%	248,380	20%
Total licensing revenue	**$ 1,321,201**	100%	**$ 1,248,017**	**100%**

GAAP to Non-GAAP Reconciliations (unaudited)

The following tables present Dolby's GAAP financial measures reconciled to the non-GAAP financial measures included in this release for the fourth quarter and fiscal year of September 25, 2026 and September 26, 2025:

	Fiscal Quarter Ended		Fiscal Year Ended	
	SEPTEMBER 25, 2026	SEPTEMBER 26, 2025	SEPTEMBER 25, 2026	SEPTEMBER 26, 2025
Net income (in thousands):				
GAAP net income attributable to Dolby Laboratories, Inc.	$ 80,893	$ 49,332	$ 257,737	$ 255,018
Stock-based compensation (1)	34,405	31,052	133,288	128,514
Amortization of acquisition-related intangibles (2)	9,694	10,115	38,979	40,856
Restructuring charges/(credits)	(608)	6,128	15,997	15,007
Impact of Tax Reform	–	8,836	–	8,836
Income tax adjustments	(6,535)	(9,211)	(29,172)	(34,720)
Non-GAAP net income attributable to Dolby Laboratories, Inc.	$ 117,849	$ 96,252	$ 416,829	$ 413,511
(1) Stock-based compensation included in above line items:				
Cost of products and services	$ 441	$ 426	$ 1,835	$ 1,747
Research and development	9,533	9,284	40,603	38,500
Sales and marketing	9,422	10,606	42,636	44,480
General and administrative	15,009	10,736	48,214	43,787
(2) Amortization of acquisition-related intangibles included in above line items:				
Cost of licensing	$ 6,589	$ 6,678	$ 26,358	$ 26,712
Cost of products and services	762	770	3,070	3,085
Sales and marketing	348	354	1,409	1,765
General and administrative	1,554	1,872	6,378	7,488
Other income, net	441	441	1,764	1,806

	Fiscal Quarter Ended		Fiscal Year Ended	
	SEPTEMBER 25, 2026	SEPTEMBER 26, 2025	SEPTEMBER 25, 2026	SEPTEMBER 26, 2025
Diluted earnings per share:				
GAAP diluted earnings per share	$ 0.86	$ 0.51	$ 2.70	$ 2.62
Stock-based compensation	0.37	0.32	1.39	1.32
Amortization of acquisition-related intangibles	0.10	0.10	0.41	0.42
Restructuring charges/(credits)	(0.01)	0.06	0.17	0.15
Impact of Tax Reform	–	0.09	–	0.09
Income tax adjustments	(0.07)	(0.09)	(0.31)	(0.36)
Non-GAAP diluted earnings per share	$ 1.25	$ 0.99	$ 4.36	$ 4.24
Weighted-average shares outstanding - diluted (in thousands)	93,984	96,846	95,587	97,479

The following tables present a reconciliation between GAAP and non-GAAP versions of the estimated financial measures for the first quarter of fiscal 2027 and full year fiscal 2027 included in this release:

	Q1 2027	FISCAL 2027
Gross margin:		
GAAP gross margin	85.0 %	87.0 %
Stock-based compensation	0.1 %	0.1 %
Amortization of acquisition-related intangibles	1.9 %	1.9 %
Non-GAAP gross margin	87.0 %	89.0 %
Operating expenses (in millions):		
GAAP operating expenses (low - high end of range)	$240 - $250	$925
Stock-based compensation	(38)	(142)
Amortization of acquisition-related intangibles	(2)	(8)
Non-GAAP operating expenses (low - high end of range)	$200 - $210	$775
Operating margin:		
GAAP operating margin		22.0 % +/-
Stock-based compensation		10.0 %
Amortization of acquisition-related intangibles		2.5 %
Non-GAAP operating margin		34.5 % +/-
Effective tax rate:		
GAAP effective tax rate	23.0 %	23.0 %
Stock-based compensation (low - high end of range)	(2%)-1%	(2%)-0%
Amortization of acquisition-related intangibles (low - high end of range)	(1%)-0%	(1%)-0%
Non-GAAP effective tax rate	21.0 %	21.0 %

	Q1 2027		Fiscal 2027	
	LOW	HIGH	LOW	HIGH
Diluted earnings per share:				
GAAP diluted earnings per share (low - high end of range)	$ 0.01	$ 0.16	$ 2.67	$ 2.82
Stock-based compensation (low - high end of range)	0.40	0.40	1.52	1.52
Amortization of acquisition-related intangibles (low - high end of range)	0.11	0.11	0.43	0.43
Income tax adjustments (low - high end of range)	(0.11)	(0.11)	(0.35)	(0.35)
Non-GAAP diluted earnings per share (low - high end of range)	$ 0.41	$ 0.56	$ 4.27	$ 4.42
Weighted-average shares outstanding - diluted (in thousands)	94,000	94,000	94,000	94,000

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

DESCRIPTION	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
GAAP operating margin	27.0 %	16.5 %	16.6 %	20.3 %	19.6 %	21.4 %
Stock-based compensation	7.0 %	9.2 %	9.1 %	9.4 %	9.6 %	9.4 %
Amortization of acquisition-related intangibles	1.0 %	0.7 %	0.8 %	1.2 %	2.9 %	2.6 %
Other operating income adjustments	(1.0%)	2.7 %	-			
Restructuring charges	1.0 %	0.9 %	3.6 %	0.5 %	1.1 %	1.1 %
Non-GAAP operating margin	35.0 %	30.0 %	30.1 %	31.4 %	33.2 %	34.5 %

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