Second Quarter FY2026 Financial Results

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AstroNova®

Leading Innovator in Specialized Print Technology Solutions

September 9, 2025

Nasdaq: ALOT

Cautionary Statement

Information included in this news release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact but rather reflect our current expectations concerning future events and results. These statements may include the use of the words “believes,” “expects,” “intends,” “plans,” “anticipates,” “likely,” “continues,” “may,” “will,” and similar expressions to identify forward-looking statements. Such forward-looking statements, including those concerning the Company’s anticipated performance, involve risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. These risks, uncertainties and factors include, but are not limited to, (i) the risk that our efforts to improve sales in our Product Identification segment may not result in the benefits we expect, (ii) the risk that our customers may not adopt our redesigned print solutions incorporating MTEX’s autonomous ink printheads in the volumes that we expect or at all, (iii) the risk that our cost-reduction and product line rationalization initiative may not provide the expected benefits; (iv) the risk that our Aerospace customers may not increase their build rates as much as we expect or convert to our ToughWriter® 640 printer in the volumes or on the schedule that we expect; (v) the risk that we may not realize the anticipated benefits of our next-generation print engine technology; and (vi) those factors set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended January 31, 2025 and subsequent filings AstroNova makes with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The reader is cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this news release.

Use of Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), this news release contains the Non-GAAP financial measures: Non-GAAP gross profit, Non-GAAP gross profit margin , Non-GAAP operating expenses, Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP net income (loss), Non-GAAP net income per Common Share - diluted , Non-GAAP segment gross profit, Non-GAAP segment gross profit margin, Non-GAAP segment operating income, Non-GAAP segment operating margin, Adjusted EBITDA, and Adjusted EBITDA Margin. AstroNova believes that the inclusion of these Non-GAAP financial measures helps investors gain a meaningful understanding of changes in the Company’s core operating results and can help investors who wish to make comparisons between AstroNova and other companies on both a GAAP and a Non-GAAP basis. AstroNova’s management uses these Non-GAAP financial measures, in addition to GAAP financial measures, as the basis for measuring its core operating performance and comparing such performance to that of prior periods and to the performance of its competitors. These measures are also used by the Company’s management to assist with their financial and operating decision-making. Please refer to the financial reconciliation table included in this news release for a reconciliation of the Non-GAAP measures to the most directly comparable GAAP measures for the three months and six months ended July 31, 2025, January 31, 2025 and August 3, 2024.

AstroNova has not reconciled the forward-looking Adjusted EBITDA margin included in its fiscal 2026 financial targets and outlook to the most directly comparable forward-looking GAAP measure because this cannot be done without unreasonable effort due to the lack of predictability regarding cost of sales, operating expenses, depreciation and amortization, and stock-based compensation. The impact of any of these items, individually or in the aggregate, may be significant.

New Leadership: Priorities to Drive Innovation, Execution, and Growth

Refocus Product ID on customer centricity and operational execution

- Reconnect with customers and improve customer retention
- Lift operational performance to increase throughput
- Deliver larger, higher-value presses and achieve customer operational validation

Leverage market leadership position of Aerospace

- Achieved 50% ToughWriter shipments of total flight deck printers shipped in Q2 FY26
- On track to deliver over 80% ToughWriter penetration to improve margins and aftermarket sales
- Leverage tailwinds of increasing commercial aircraft build rates

Drive culture change

- Drive accountability
- Create collaborative culture that puts the customer first
- Intensify urgency; elevated expectations for execution

Execute plan to regain trust of all stakeholders

- Grow sales, improve predictability, expand margins, generate cash and pay down debt
- Provide consistent, clear and reliable information
- Produce results to meet or exceed expectations

Revenue

Product ID Q2FY26 revenue declined 8.9% y/y

- 8% increase in Mail & Sheet due to higher hardware demand from a single customer helped offset declines in all other product categories
- Desktop sales declined 7%, driven from customer attrition
- Strong funnel for new Professional Label and Direct-to-Package solutions expected to drive growth in 2H26 over 1H26

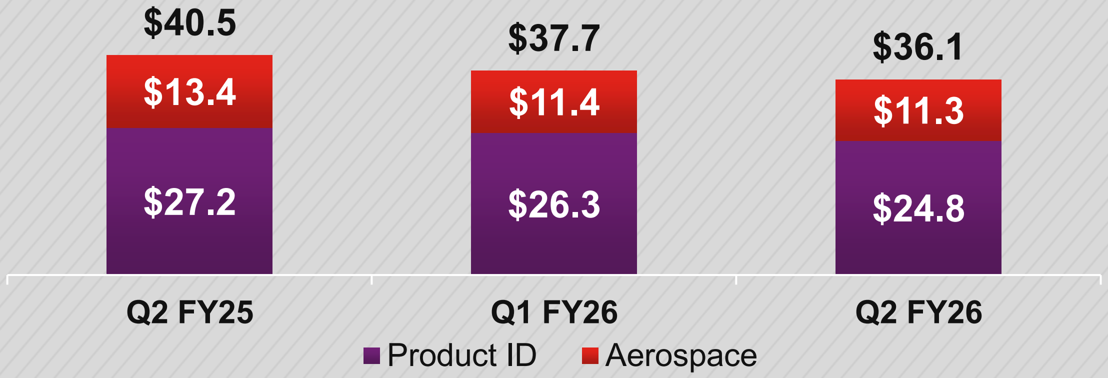
Aerospace Q2 FY26 revenue declined 15.1% y/y

- 20% decline in Aerospace Hardware resulted from $1.3 million in atypical shipments and non-recurring engineering revenue in prior-year period
- 50% of total unit shipments constituted ToughWriter shipments; on track to hit target of over 80% by year-end

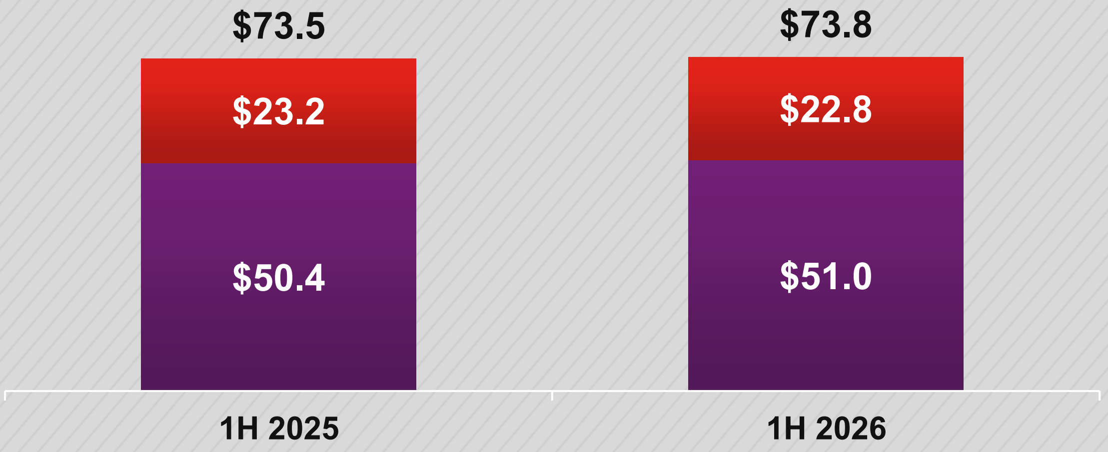
70% | CONSOLIDATED RECURRING REVENUE

($ in millions)

QUARTERS



FIRST SIX MONTHS



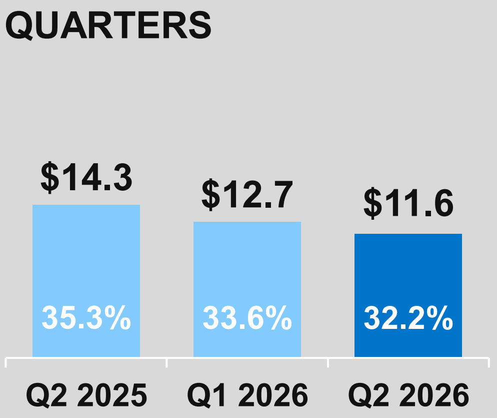
Gross Profit and Margin

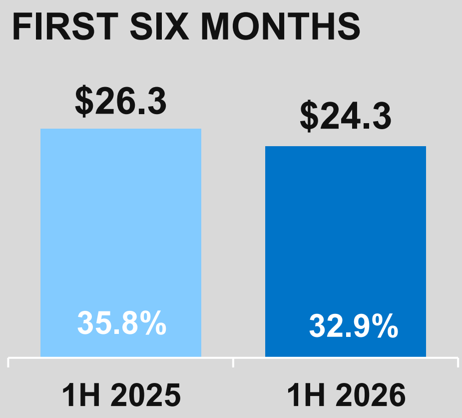
Primary impact to gross profit and margin for quarter and 1H FY26 was lower sales volume

Gross margin expected to improve on higher volume in 2H FY26

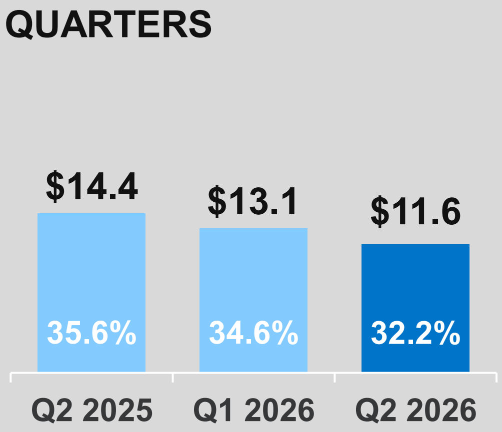
($ in millions)

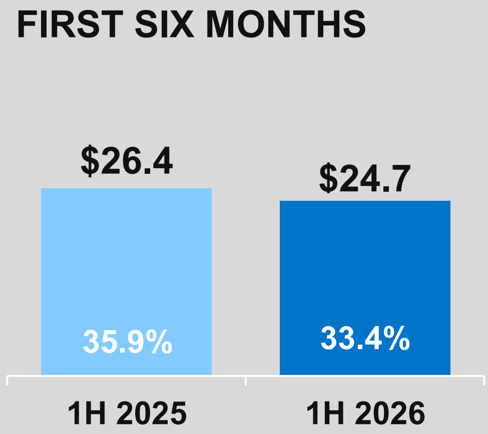
Gross Profit and Margin





Adj. Gross Profit and Margin





Product ID Financial Results

Product ID operating income and margin declines due to lower sales

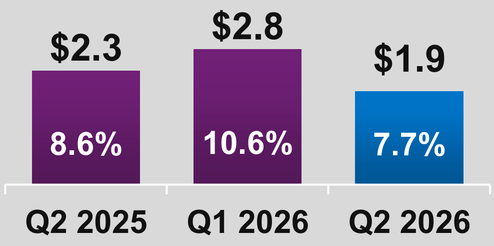
Shifting to longer sales cycles for higher-volume printers and delays in new product shipments

Operating expenses declined $0.5 million in the quarter reflecting the restructuring actions taken this fiscal year

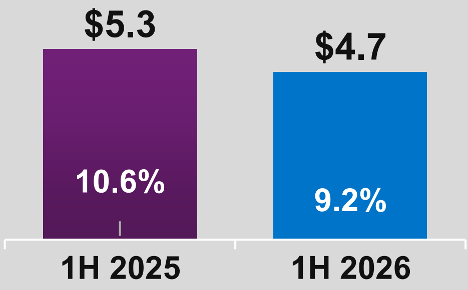
($ in millions)

Segment Operating Income and Margin

QUARTERS

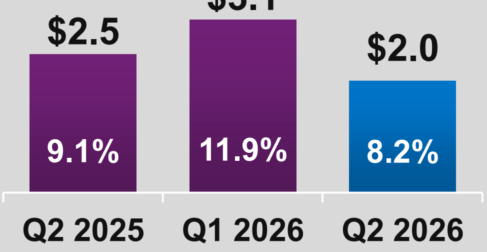


FIRST SIX MONTHS

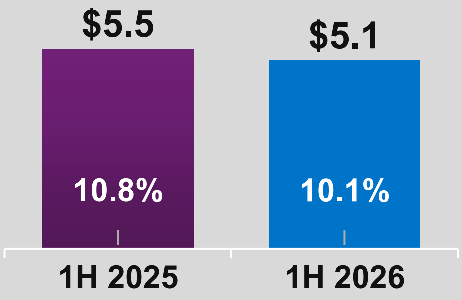


Segment Adj. Operating Income and Margin

QUARTERS



FIRST SIX MONTHS



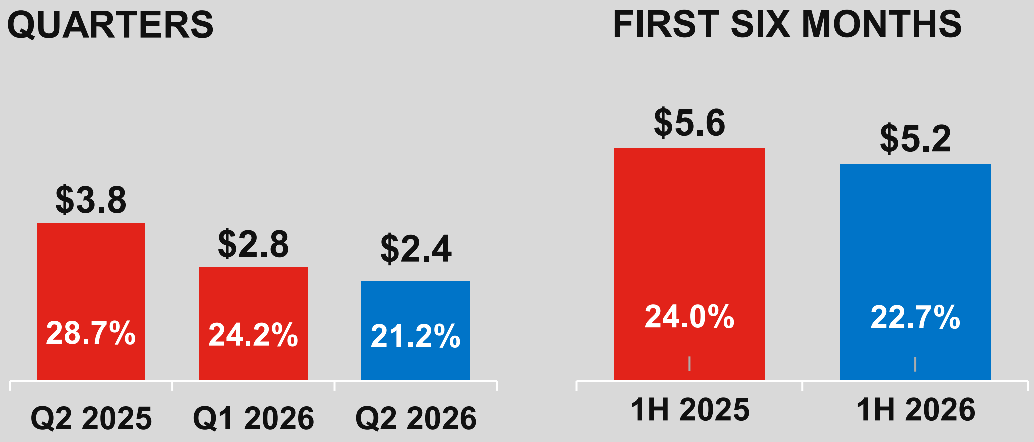
Aerospace Financial Results

($ in millions)

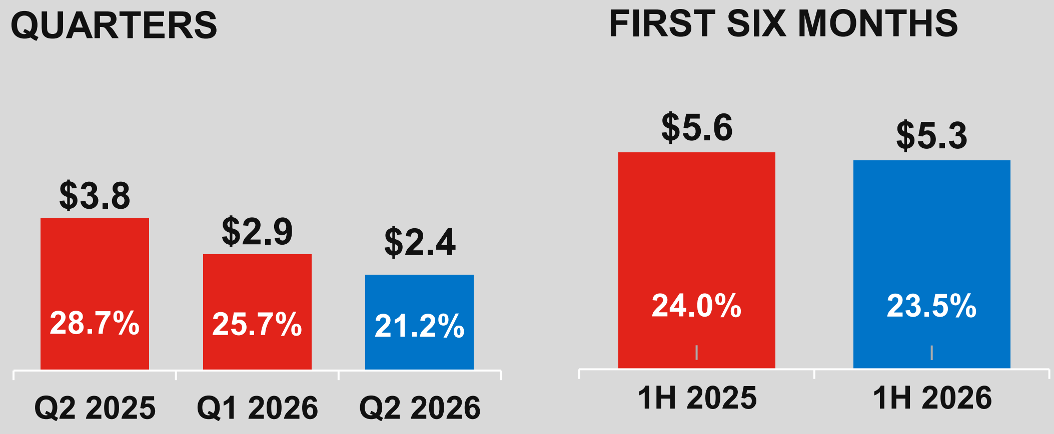
$0.3 million in cost reductions in the second quarter and $1.1 million lower costs in 1H FY26 were not enough to offset the $1.8 million and $1.5 million reduction in gross profit, respectively

ToughWriter transition expected to provide higher margin contribution

Segment Operating Income and Margin



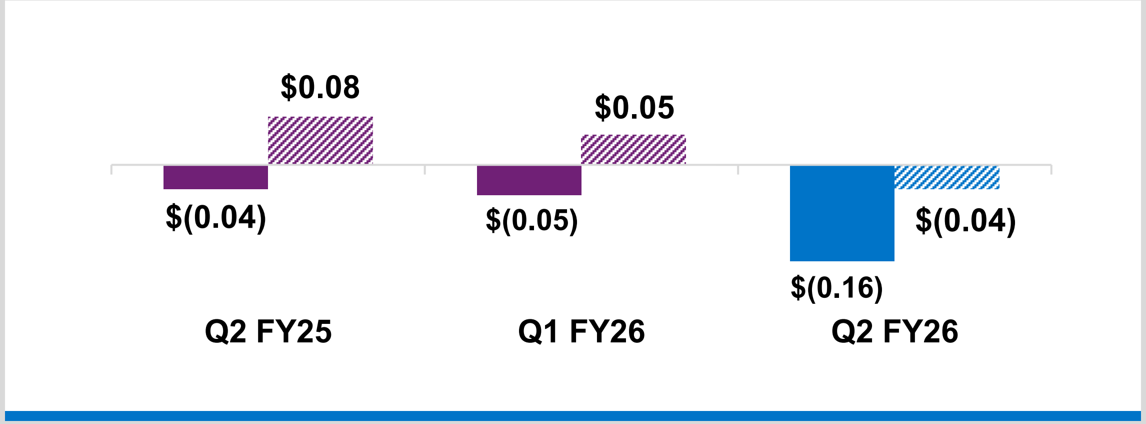
Segment Adj. Operating Income and Margin

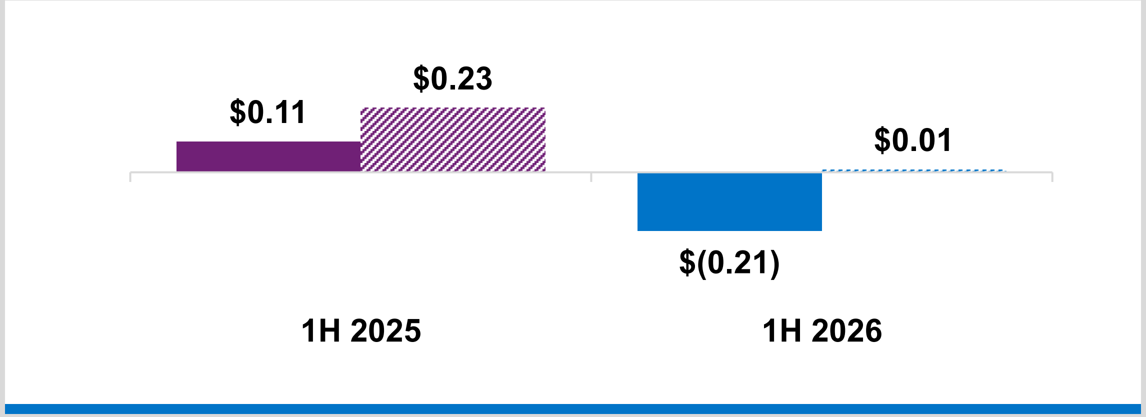


EPS and Adj. EBITDA

($ in millions, except per share data)

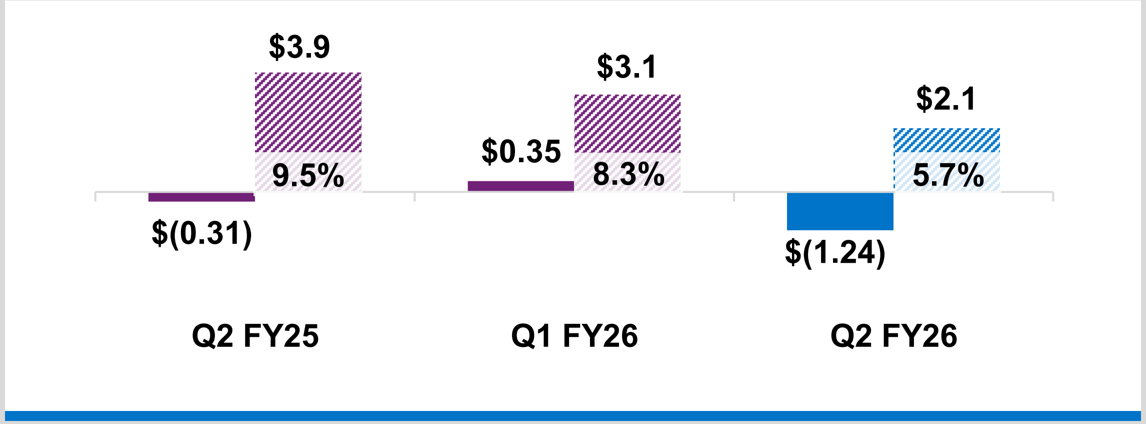
EPS and Adjusted EPS[1]

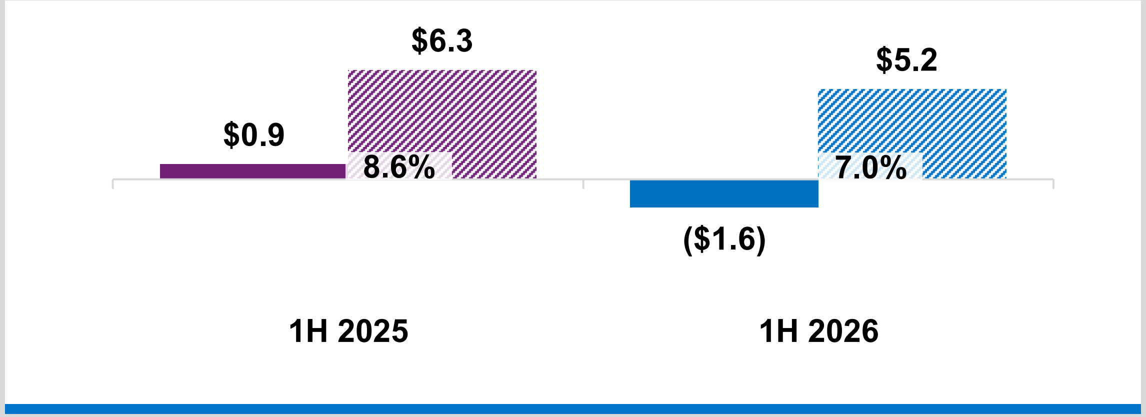




Historical EPS | Historical Adj. EPS | Q2 FY26 EPS | Q2 FY26 Adj. EPS

Net Earnings (Loss) and Adjusted EBITDA/ Adjusted EBITDA Margin[1]





Historical Net Earnings (Loss) | Historical Adj. EBITDA | Q2 FY26 Net Earnings (Loss) | Q2 FY26 Adj. EBITDA

1. Adjusted EPS and adjusted EBITDA and adjusted margin are non-GAAP financial measures. Further information can be found under “Non-GAAP Financial Measures.” See also the reconciliation of GAAP financial measures to non-GAAP financial measures in the tables that accompany this presentation for Adjusted EPS and Adjusted EBITDA.

AstroNova

Capital Structure and Cash Flow

($ in millions)

Cash Flow	Six Months Ended		Year Ended
	7/31/25	8/3/24	1/31/25
Net cash provided by operating activities	$ 4.6	$ 7.1	$ 4.8
Capital expenditure	0.1	0.8	1.2
Free cash flow (FCF)[(1)]	**$ 4.5**	**$ 6.3**	**$ 3.6**

Capitalization			
	7/31/25	4/30/25	1/31/25
Cash and cash equivalents	$ 3.9	$ 5.4	$ 5.1
Net debt	$ 39.6	$ 39.4	$ 41.6
Shareholders' equity	$ 75.8	$ 76.6	$ 75.8
Total capitalization	$ 143.1	$ 150.3	$ 145.6

- **~$10.4M in liquidity at quarter end**
  - $3.9M in cash and cash equivalents
  - $6.5M borrowing capacity

- **$5.1M paid down in debt during 1H26, excluding FX impacts**
- **3.5X Adj. EBITDA to Funded Debt**

NOTE: Components may not add up to totals due to rounding.

1. Free cash flow and adjusted EBITDA are non-GAAP financial measures. Further information can be found under "Non-GAAP Financial Measures." See also the reconciliation of GAAP financial measures to non-GAAP financial measures in the tables that accompany this presentation for Adjusted EBITDA and above for the reconciliation of free cash flow. We define Free Cash Flow as net cash from operating activities less capital expenditures.

Orders and Backlog

($ in millions)

PRODUCT ID

Orders similar y/y while down sequentially reflecting customer attrition and delayed launch of MTEX print solutions

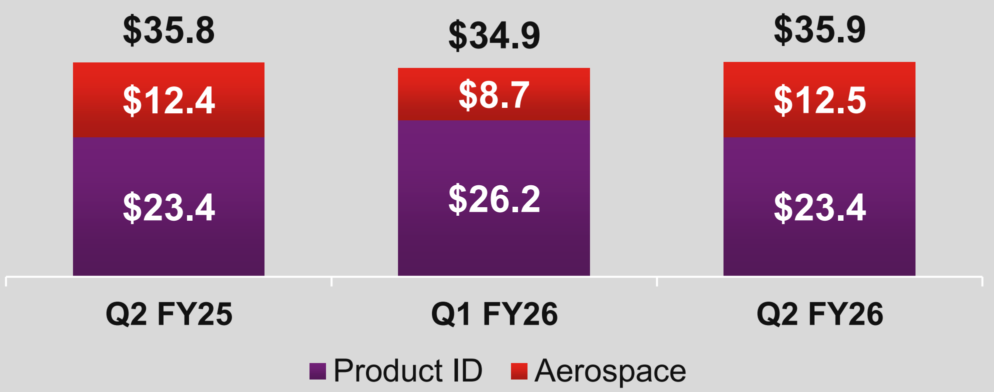
Backlog decreased by $1.3M q/q from fulfillment of Mail & sheet/flat pack orders

AEROSPACE

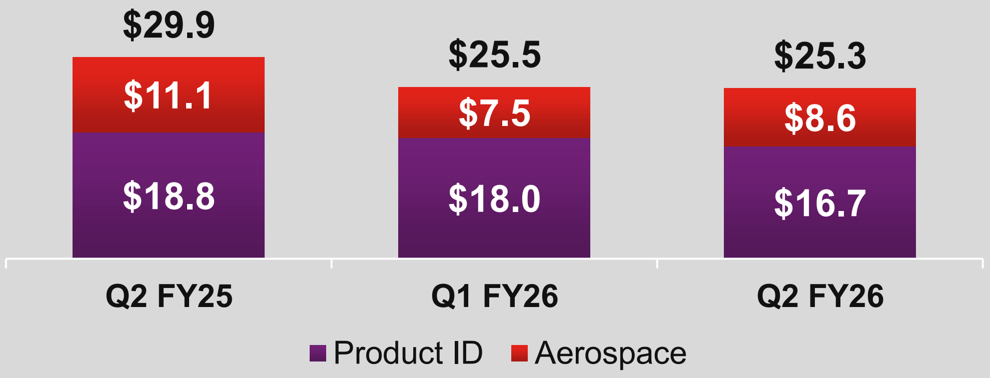
Sequential $1.1 million improvement in backlog reflects variability in orders from quarter to quarter

Strong visibility in order book with long-term contracts

Orders



Backlog



Developing Plan for Growth

Driving Change – Creating Customer Centric Culture of Urgency

- Driving culture change: honesty, transparency, and accelerated and engaged decision making
- Centrally engaged with sales and marketing, engineering and operations
- Focused on understanding customers needs, more informed on how customers behave
- Identifying organizational strengths and weaknesses

Continuing to Reduce Costs

- Cost reductions to contribute to 2H FY2026 profitability, completed remaining $1.1 million of $3.0 million annualized cost reduction
- New autonomous ink printhead provides control over ink and key component supply chains as installed base grows over time
- Royalty roll-off in CY 2027, unlocking higher level of profitability for new sales and long-term aftermarket sales

Revised FY 2026 Guidance

- Expect full year revenue of $149M to $154M / Adjusted EBTIDA margin in the range of 7.5% to 8.5%
- Anticipate modest revenue growth and EBITDA margin improvement in 2H26 over 1H26 due to demand for new Product ID solutions and higher profitability of new ToughWriter sales

Conference Call Playback

Replay Number:

(412) 317-6671 | passcode: 13755475

Telephone replay available through
Tuesday, September 23, 2025

Webcast / Presentation / Webcast Replay:

investors.astronovainc.com/

Transcript (when available):

investors.astronovainc.com/

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Supplemental Information

ASTRONOVA Reconciliation of GAAP to Non-GAAP

	Three Months Ended	
	July 31, 2025	August 3, 2024
Revenue	**$ 36,102**	$ 40,539
Gross Profit	**$ 11,633**	$ 14,326
Inventory Step-Up	**-**	120
Restructuring Charges	**(2)**	-
Non-GAAP Gross Profit	**$ 11,631**	$ 14,446
Gross Profit Margin	**32.2%**	35.3%
Non-GAAP Gross Profit Margin	**32.2%**	35.6%
Operating Expenses	**$ 12,341**	$ 13,265
MTEX-related Acquisition Expenses	**25**	(625)
CFO Transition Costs	**-**	(432)
Restructuring Charges	**(691)**	-
Non-Recurring Legal Expenses	**(69)**	-
Non-Recurring Proxy Costs	**(355)**	-
Non-GAAP Operating Expenses	**$ 11,251**	$ 12,208
Operating Income (Loss)	**$ (708)**	$ 1,061
MTEX-related Acquisition Expenses	**(25)**	625
CFO Transition Costs	**-**	432
Inventory Step-Up	**-**	120
Restructuring Charges	**689**	-
Non-Recurring Legal Expenses	**69**	-
Non-Recurring Proxy Costs	**355**	-
Non-GAAP Operating Income	**$ 380**	$ 2,238
Operating Income Margin	**(2.0)%**	2.6%
Non-GAAP Operating Income Margin	**1.1%**	5.5%
Net Income (Loss)	**$ (1,243)**	$ (311)
MTEX-related Acquisition Expenses[1]	**(20)**	470
CFO Transition Costs, net[1]	**-**	328
Inventory Step-Up[1]	**-**	85
Restructuring Charges[1]	**526**	-
Non-Recurring Legal Expenses[1]	**53**	-
Non-Recurring Proxy Costs[1]	**272**	-
Non-GAAP Net Income (Loss)	**$ (412)**	$ 572
Net Income (Loss) per Common Share - Diluted	**$ (0.16)**	$ (0.04)
MTEX-related Acquisition Expenses[1]	**-**	0.06
CFO Transition Costs, net[1]	**-**	0.05
Inventory Step-Up[1]	**-**	0.01
Restructuring Charges[1]	**0.07**	-
Non-Recurring Legal Expenses[1]	**0.01**	-
Non-Recurring Proxy Costs[1]	**0.04**	-
Non-GAAP Net Income (Loss) per Common Share - Diluted	**$ (0.04)**	$ 0.08

[1] Net of taxes

	Six Months Ended	
	July 31, 2025	August 3, 2024
Revenue	**$ 73,810**	$ 73,500
Gross Profit	**$ 24,286**	$ 26,298
Inventory Step-Up	**61**	120
Restructuring Charges	**337**	-
Product Retrofit Costs	**-**	-
Non-GAAP Gross Profit	**$ 24,684**	$ 26,418
Operating Expenses	**$ 24,421**	$ 23,891
MTEX-related Acquisition Expenses	**(311)**	(625)
CFO Transition Costs	**-**	(432)
Restructuring Charges	**(910)**	-
Non-Recurring Legal Expenses	**(69)**	-
Non-Recurring Proxy Costs	**(355)**	-
Non-GAAP Operating Expenses	**$ 22,776**	$ 22,834
Operating Income (Loss)	**$ (135)**	$ 2,407
MTEX-related Acquisition Expenses	**311**	625
CFO Transition Costs	**-**	432
Inventory Step-Up	**61**	120
Restructuring Charges	**1,247**	-
Non-Recurring Legal Expenses	**69**	-
Non-Recurring Proxy Costs	**355**	-
Non-GAAP Operating Income	**$ 1,908**	$ 3,584
Net Income (Loss)	**$ (1,619)**	$ 869
MTEX-related Acquisition Expenses[1]	**238**	470
CFO Transition Costs, net[1]	**-**	328
Inventory Step-Up[1]	**49**	85
Restructuring Charges[1]	**950**	-
Non-Recurring Legal Expenses[1]	**53**	-
Non-Recurring Proxy Costs[1]	**272**	-
Non-GAAP Net Income (Loss)	**$ (57)**	$ 1,752
Net Income (Loss) per Common Share - Diluted	**$ (0.21)**	$ 0.11
MTEX-related Acquisition Expenses[1]	**0.03**	0.06
CFO Transition Costs, net[1]	**-**	0.05
Inventory Step-Up[1]	**0.01**	0.01
Restructuring Charges[1]	**0.13**	-
Non-Recurring Legal Expenses[1]	**0.01**	-
Non-Recurring Proxy Costs[1]	**0.04**	-
Non-GAAP Net Income (Loss) per Common Share - Diluted	**$ 0.01**	$ 0.23

[1] Net of taxes

ASTRONOVA Reconciliation of Net Income to Adjusted EBITDA

	Three Months Ended	
	July 31,2025	August 3,2024
Net Income (Loss)	**$ (1,243)**	$ (311)
Interest Expense	**885**	938
Income Tax Expense (Benefit)	**(454)**	261
Depreciation & Amortization	**1,280**	1,305
EBITDA	**$ 468**	$ 2,193
Share-Based Compensation	**499**	481
MTEX-related Acquisition Expenses	**(25)**	625
CFO Transition Costs	**-**	432
Inventory Step-Up	**-**	120
Restructuring Charges	**689**	-
Non-Recurring Legal Expenses	**69**	-
Non-Recurring Proxy Costs	**355**	-
Adjusted EBITDA	**$ 2,055**	$ 3,851
Revenue	**$ 36,102**	$ 40,539
Net Income (Loss) Margin	**(3.4)%**	(0.8)%
Adjusted EBITDA Margin	**5.7%**	9.5%

	Six Months Ended	
	July 31,2025	August 3,2024
Net Income (Loss)	**$ (1,619)**	$ 869
Interest Expense	**1,782**	1,419
Income Tax Expense (Benefit)	**(378)**	(173)
Depreciation & Amortization	**2,570**	2,216
EBITDA	**$ 2,355**	$ 4,331
Share-Based Compensation	**805**	806
MTEX-related Acquisition Expenses	**311**	625
CFO Transition Costs	**-**	432
Inventory Step-Up	**61**	120
Restructuring Charges	**1,247**	-
Non-Recurring Legal Expenses	**69**	-
Non-Recurring Proxy Costs	**355**	-
Adjusted EBITDA	**$ 5,203**	$ 6,314
Revenue	**$ 73,810**	$ 73,500
Net Income (Loss) Margin	**(2.2)%**	1.2%
Adjusted EBITDA Margin	**7.0%**	8.6%

ASTRONOVA Reconciliation of Segment Gross Profit to Non-GAAP Segment Gross Profit

	Three Months Ended					
	July 31,2025			August 3,2024		
	Product ID	Aerospace	Total	Product ID	Aerospace	Total
Segment Gross Profit	$ 7,677	$ 3,956	$ 11,633	$ 8,620	$ 5,706	$ 14,326
Inventory Step-Up	-	-	-	120	-	120
Restructuring Charges	2	(4)	(2)	-	-	-
Non-GAAP - Segment Gross Profit	$ 7,679	$ 3,952	$ 11,631	$ 8,740	$ 5,706	$ 14,446
Revenue	$ 24,754	$ 11,348	$ 36,102	$ 27,165	$ 13,374	$ 40,539
Gross Profit Margin	31.0%	34.9%	32.2%	31.7%	42.7%	35.3%
Non-GAAP Segment Gross Profit Margin	31.0%	34.8%	32.2%	32.2%	42.7%	35.6%

	Six Months Ended					
	July 31,2025			August 3,2024		
	Product ID	Aerospace	Total	Product ID	Aerospace	Total
Segment Gross Profit	$ 16,405	$ 7,881	$ 24,286	$ 16,947	$ 9,351	$ 26,298
Inventory Step-Up	61	-	61	120	-	120
Restructuring Charges	173	164	337	-	-	-
Non-GAAP - Segment Gross Profit	$ 16,639	$ 8,045	$ 24,684	$ 17,067	$ 9,351	$ 26,418
Revenue	$ 51,043	$ 22,767	$ 73,810	$ 50,350	$ 23,150	$ 73,500
Gross Profit Margin	32.1%	34.6%	32.9%	33.7%	40.4%	35.8%
Non-GAAP Segment Gross Profit Margin	32.6%	35.3%	33.4%	33.9%	40.4%	35.9%

ASTRONOVA Reconciliation of Segment Operating Income (Loss) to Non-GAAP Segment Operating Income

	Three Months Ended					
	July 31,2025			August 3,2024		
	Product ID	**Aerospace**	**Total**	Product ID	Aerospace	Total
Segment Operating Income	**$ 1,916**	**$ 2,410**	**$ 4,326**	$ 2,348	$ 3,834	$ 6,182
Inventory Step-Up	**-**	**-**	**-**	120	-	120
Restructuring Charges	**103**	**1**	**104**	-	-	-
Non-GAAP - Segment Operating Income	**$ 2,019**	**$ 2,411**	**$ 4,430**	$ 2,468	$ 3,834	$ 6,302
Revenue	**$ 24,754**	**$ 11,348**	**$ 36,102**	$ 27,165	$ 13,374	$ 40,539
Operating Margin	**7.7%**	**21.2%**	**12.0%**	8.6%	28.7%	15.2%
Non-GAAP Operating Margin	**8.2%**	**21.2%**	**12.3%**	9.1%	28.7%	15.5%

	Six Months Ended					
	July 31,2025			August 3,2024		
	Product ID	**Aerospace**	**Total**	Product ID	Aerospace	Total
Segment Operating Income	**$ 4,707**	**$ 5,176**	**$ 9,883**	$ 5,340	$ 5,555	$ 10,895
Inventory Step-Up	**61**	**-**	**61**	120	-	120
Restructuring Charges	**375**	**171**	**546**	-	-	-
Non-GAAP - Segment Operating Income	**$ 5,143**	**$ 5,347**	**$ 10,490**	$ 5,460	$ 5,555	$ 11,015
Revenue	**$ 51,043**	**$ 22,767**	**$ 73,810**	$ 50,350	$ 23,150	$ 73,500
Operating Margin	**9.2%**	**22.7%**	**13.4%**	10.6%	24.0%	14.8%
Non-GAAP Operating Margin	**10.1%**	**23.5%**	**14.2%**	10.8%	24.0%	15.0%

Note: Segment Operating Income excludes General & Administrative Expenses