Tigress Financial Partners

Company Report – Research Update

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Dolby Laboratories, Inc. Class A (DLB-US, $76.95)

Electronic Equip., Instruments

- We reinstate research coverage on DLB with a Buy rating and a 12-month target price of $112 as its industry-leading, advanced immersive audio and video enhancement technology well-positions it to take advantage of multiple market opportunities, including growth in in-vehicle infotainment, home infotainment, and increasing connected devices.
- The accelerating adoption of DLB's immersive audio and video enhancement technology across an increasingly broad spectrum of devices and platforms will drive accelerating Business Performance trends, and its licensing model will drive an increasing return on capital and significant Economic Profit growth.
- DLB will both lead and benefit from automotive OEMs' growing demand for enhanced in-vehicle audio and entertainment experiences and connected vehicle opportunities with a multibillion-dollar addressable market.
- DLB's industry-leading audio and video immersive technology is positioned to capitalize on growth opportunities in both theatrical and in-home entertainment.
- DLB is actively integrating and leveraging AI across all of its platforms to further enhance audio and video experiences, including Dolby OptiView, to deliver low-latency, high-quality streaming and gaming experiences.
- DLB's strong balance sheet and cash flow continue to fund new product development and opportunistic acquisitions and enhance shareholder returns with periodic dividend increases and share repurchases.
- DLB is on our Research Focus List and in our Focus Opportunity Portfolio.

Company Note

Dolby Laboratories, Inc. Class A (DLB-US)

Electronic Equip., Instruments

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Research Action:

Reiterate rating

Current Rating:	Buy
Prior Rating:	Buy
Current Target Price:	$112.00
Prior Target Price:	$116.00
Price 05/14/2025:	$76.95
52 Week High / Low:	$89.66 / $66.35
Key Data: (TTM as of Mar-25)	
Excess Cash per Share:	$7.16
Annual Dividend:	$1.32
Dividend Yield:	1.72%
Avg. Volume (30 Day):	0.4M
Shares Outstanding:	96.1M
Float:	60.6M
Short Interest:	1.4M
SI % / Float	2.37%
Equity MV:	$7,392.3M
Sales TTM:	$1,320.2M
Beta:	0.83
EBITDAR:	$688.4M
NOPAT:	$257.5M
Total Invested Capital:	$2,503.0M
Return on Capital:	10.92%
Cost of Capital:	8.20%
Economic Profit:	$64.1M
Market Value Added:	$2,096.3M
Current Operations Value:	$3,139.9M
Future Growth Value:	$1,459.5M

- **We reinstate research coverage on DLB with a Buy rating and a 12-month target price of $112 as its industry-leading, advanced immersive audio and video enhancement technology well-positions it to take advantage of multiple market opportunities, including growth in in-vehicle infotainment, home infotainment, and increasing connected devices.** DLB is benefiting from increasing adoption and integration of its immersive audio and video enhancement technology in both end-user devices and content production with an aggregate global TAM of hundreds of billions of dollars. DLB will experience increasing momentum in key end markets, including entertainment, mobile and automotive. DLB reported Q1 2025 revenue increased 1.37% Y/Y to $370 million. Licensing revenue was $346.01 million, and Products and Services revenue was $23.56 million as DLB continues to benefit from OEM automotive innovation and adoption. DLB has more than doubled its automotive partnerships and is now working with over 20 OEMs, including Cadillac, Mercedes-Benz, Volvo, and Li Auto. DLB is also expanding its aftermarket vehicle entertainment system penetration as Pioneer demonstrated the first aftermarket Dolby Atmos solution using a 4-channel speaker system, expanding access to immersive audio for existing vehicles. DLB is also working with companies like Samsung to integrate Dolby Vision into OLED displays for automotive applications, streamlining the implementation process for manufacturers. DLB continues to expand its in-theater and entertainment partnerships. DLB and AMC Entertainment announced plans to add 40 new Dolby Cinema auditoriums across the U.S. by the end of 2027, marking a nearly 25% increase in Dolby Cinema locations to over 200. The ongoing integration of key DLB technologies in the ever-growing audio and video entertainment products and content production ecosystem, along with increasing integration in entertainment production equipment and computing technologies, will continue to drive a re-acceleration of growth and new growth opportunities. DLB's industry-leading position in audio and video enhancement technology and its ongoing innovative ability will continue to drive the adoption and growth of its state-of-the-art technologies. DLB's substantial brand equity and high-margin licensing business model will continue to drive increasing Return on Capital, greater Economic Profit, and long-term shareholder value creation. DLB also continues to enhance shareholder returns through ongoing dividend increases and share repurchases. We believe a significant upside in the shares exists, and our 12-month target price of $112 represents a potential total return with dividends of over 45% from current levels.

- **The accelerating adoption of DLB's immersive audio and video enhancement technology across an increasingly broad spectrum of devices and platforms will drive accelerating Business Performance trends, and its licensing model will drive an increasing return on capital and significant Economic Profit growth.** For the 12 months ending March 2025, Net Sales Revenue increased 4.03% Y/Y from $1.27 billion to $1.32 billion. We forecast a further increase of 6.27% to $1.40 billion over the NTM. Economic Operating Cash Flow (EBITDAR) increased 4.39% Y/Y from $659.5 million to $688.4 million over the LTM. We forecast a further increase of 11.47% to $767.4 million over the NTM. Net Operating Profit After Tax (NOPAT) increased 10.95% Y/Y from $232.0 million to $257.5 million over the LTM. We forecast a further increase of 20.72% to $310.8 million over the NTM. Return on Capital (ROC) increased from 10.24% to 10.92% over the LTM. We forecast a further increase to 12.72% over the NTM. Economic Profit increased 39.27% Y/Y from $46.0 million to $64.1 million over the LTM. We forecast a further increase of 77.24% to $113.5 million over the NTM.

  DLB will experience accelerating revenue and cash flow growth driven by increasing consumer demand for enhanced audio and video capabilities, which will drive increasing market penetration, especially driven by increasing momentum for its Dolby Atmos and Dolby Vision across a broad base of products and platforms with significant growth opportunities in automotive which is the number one place where consumers listen to music and audio-based entertainment. Our 12-month target price of $112 per share is based on a multiple of just over 14 times our forward 12-month EBITDAR expectations of $767.4 million, which we project to increase 11.47% over the NTM. Our 12-month price target is also based on a multiple of just over 34 times our forward 12-month NOPAT expectations of $310.8 million, which we project to increase 20.72% over the NTM. Our growth rates in multiples are well supported by DLB's strong brand equity and proprietary technology combined with significant potential catalysts, including growth in the automotive market and increasing mobile device penetration combined with its 12.72% projected Return on Capital (ROC) and 77.24% projected Economic Profit growth over the NTM and is inclusive of its $7.30 projected excess cash per share.

- **DLB will both lead and benefit from automotive OEMs' growing demand for enhanced in-vehicle audio and entertainment experiences and connected vehicle opportunities with a multibillion-dollar addressable market.** Automotive manufacturers will increasingly rely on expanded infotainment and in-vehicle entertainment experiences, creating a major growth opportunity for DLB driven by increasing demand and its high-margin licensing revenue model. The automotive industry is increasingly relying on connected cabin services and software subscriptions to drive significant incremental revenue growth and profitability. The automotive in-cabin and connected vehicle TAM is expected to reach $75 billion by 2030, including a combination of audio, video, connectivity, and components driven by increasing consumer demand for immersive experiences, especially in EVs and future AV (Autonomous Vehicle) opportunities. U.S. new car sales are expected to average 16.7 million units per year over the next six years, growing from about 16.2 million units in 2025 to 17.2 million units by 2030. Global new car sales are expected to average 98 million units per year, growing from about 91 million units in 2025 to as many as 114 million units by 2030. DLB is well-positioned to see significant revenue growth with only a small percentage of market share. However, DLB continues to be the dominant provider of immersive entertainment experiences, and its strong brand equity and name recognition make it the brand of choice for both OEM manufacturers and consumers.

DLB has more than doubled its automotive partnerships over the past few years and is now working with over 20 OEMs, including General Motors (GM-US, Buy Rated), with Cadillac being the first of its brands to include DLB's technologies along with Mercedes-Benz, Volvo, and Li Auto. DLB has also introduced Dolby Vision in vehicles. Li Auto Li MEGA became the world's first vehicle to feature both Dolby Atmos and Dolby Vision, offering an unparalleled in-car audiovisual experience. Porsche announced that its 2026 Taycan, Panamera, Cayenne, and 911 models will support Dolby Atmos, and Cadillac announced that its entire 2026 EV lineup will support Dolby Atmos. Volvo, Xiaomi, and Hyundai recently announced new vehicle models that support DLB technologies. DLB is also expanding its aftermarket vehicle entertainment system penetration as Pioneer demonstrated the first aftermarket Dolby Atmos solution using a 4-channel speaker system, expanding access to immersive audio for existing vehicles. DLB is also working with companies like Samsung to integrate Dolby Vision into OLED displays for automotive applications, streamlining the implementation process for manufacturers.

DLB's technology includes immersive audio and video integration and incorporates increasing applications, including Apple (AAPL-US, Strong Buy Rated) Music, Amazon (AMZN-US, Buy Rated) Music, and Tidal, owned by Block (XYZ-US, Buy Rated) along with others and integrates with Alphabet's (GOOGL-US, Strong Buy Rated) Android Automotive OS, the increasingly dominant in-car operating system. In-vehicle immersive entertainment continues to expand beyond audio into multiple passenger infotainment zones. DLB licenses its audio and video codecs, sound processing, and voice-enhancing software to an increasing number of Tier 1 OEM suppliers. DLB embeds its technologies in automotive OEM SoCs (systems-on-chip) and is working with key partners like Garmin (GRMN-US, Strong Buy Rated), Qualcomm (QCOM-US, Buy Rated), and Harman. DLB's automotive OEM license opportunities are royalty-based, creating a recurring and scalable revenue model. Automotive design cycles span 5 to 7 years, providing predictable, multiyear revenue streams and the availability to increase automotive market and in-vehicle market penetration driven by OTA (Over-the-Air) upgrade capabilities. DLB can add increasing upside revenue trends through service bundling that includes a combination of Dolby Atmos audio as well as Dolby Voice and Vision, increasing ARPV (Average Revenue per Vehicle). Automotive OEMs represent a multibillion-dollar addressable market for DLB's premium in-vehicle technologies, and the potential for increasing adoption and deeper integration creates a significant revenue growth and cash flow driver.

- **DLB's industry-leading audio and video immersive technology is positioned to capitalize on growth opportunities in both theatrical and in-home entertainment.** Consumers continue to invest in expanded in-home entertainment, including in-home theaters, immersive whole-house music systems, and increased in-home infotainment integration. In addition, movie theater operators are investing in enhanced immersive theater experiences to drive consumers back to the movies, especially to capitalize on the entertainment industry's emphasis on the action-adventure genre, which represents the most profitable source of revenue to the movie studios with action adventure movies including Disney's (DIS-US, Buy Rated) Star Wars and Marvel Cinematic Universe, which holds multiple records for Blockbuster multimillion dollar movie releases. These movies are best experienced via enhanced in-theater viewing and drive premium in-theater sales as Dolby Cinema and premium formats, including expanded screens and motion or haptic seating, delivering physical feedback that enhances the immersive experience. Dolby Cinema offers moviegoing audiences increasingly immersive visual and audio experiences, and filmmakers bring an increasingly visual and audio lifelike experience. Dolby Cinema leverages Dolby Vision and Dolby Atmos to create greater picture quality with enhanced contrast, deeper blacks, and richer colors, combined with immersive sound that flows around and above viewers.

  DLB continues to expand its in-theater and entertainment partnerships. DLB and AMC Entertainment (AMC-US, Non-Rated) announced plans to add 40 new Dolby Cinema auditoriums across the U.S. by the end of 2027, marking a nearly 25% increase in Dolby Cinema locations to over 200 sites nationwide. DLB is launching Dolby Cinema in India, redefining the premium moviegoing experience for Indian audiences. DLB is also working with India-based content producers and partnering with Annapurna Studios in Hyderabad to establish India's first Dolby Vision color grading facility for cinema. In addition, there are 24 Dolby Atmos theatrical mixing facilities across the country, providing filmmakers with the tools needed to produce content that leverages DLB's advanced technologies.

DLB is also positioned to benefit from the growth in more advanced in-home entertainment. Dolby Atmos and Dolby Vision are becoming increasingly accessible to consumers, with hundreds of millions of Dolby Vision and Dolby Atmos-enabled devices available in the market. Including TVs, soundbars, and streaming devices. In addition to movie studios creating content with Dolby Atmos and Dolby Vision, the majority of major video streaming services are broadcasting in Dolby, including Netflix (NFLX-US, Non-Rated), Disney+, Amazon (AMZN-US, Buy Rated), Prime Video, Apple TV+, and many others. Both the Super Bowl and March Madness were available in Dolby Atmos and Dolby Vision. In the UK, Sky released the Sky Glass Gen 2 TV that supports Dolby Vision and a Dolby Atmos soundbar built into the TV. LG announced the Evo C5 and G5 TVs with Dolby Atmos and Dolby Vision. OPPO launched the Find X8 Ultra, Find X8s, and Find X8s+, all supporting Dolby Vision capture and playback. Sonos, Vizio, and Teufel released soundbars that support Dolby Atmos. The ongoing integration of key DLB technologies in the ever-growing audio and video entertainment products and content production ecosystem, along with increasing integration in entertainment production equipment and computing technologies, will continue to drive growth opportunities. In-home entertainment represents a significant growth opportunity with a total potential TAM of over $30 billion in 2025 and is projected to grow to close to $90 billion by 2033.

- **DLB is actively integrating and leveraging AI across all of its platforms to further enhance audio and video experiences, including Dolby OptiView, to deliver low-latency, high-quality streaming and gaming experiences.** DLB is actively integrating advanced AI (Artificial intelligence) capabilities across its platforms to enhance audio and video experiences. DLB employs deep learning technologies to model human perception of audio quality, which has led to the development of its InSE-NET (Inception Squeeze-and-Excitation Network), which is a deep learning model for assessing the perceived quality of coded audio. InSE-NET Gammatone spectrograms of both reference and coded audio signals to predict quality scores that align closely with human perception, enabling the optimization of audio processing across multiple applications, from streaming to post-production. DLB's Multimodal Processing Team focuses on integrating AI across audio, video, and text modalities encompassing generative AI and adversarial machine learning, leading to the development of advanced entertainment applications. DLB is also using AI to transform in-car entertainment systems and provide more in-vehicle entertainment systems, including integrated movie screens, productivity tools, and gaming capabilities, all enhanced by AI-driven personalization and safety features.

  Dolby OptiView, formerly Dolby.io, is a cloud-based platform that leverages AI to deliver high-quality, low-latency streaming experiences, offering features including industries such as live sports, gambling, and gaming, along with interactive entertainment and fan engagement. Dolby OptiView features Dolby OptiView Player, A cross-platform video player optimized for seamless playback on devices including smartphones, smart TVs, set-top boxes, and gaming consoles supporting high-quality video formats, including Dolby Vision and Dolby Atmos, ensuring an immersive viewing experience. Dolby OptiView Streaming provides configurable latency options ranging from ultra-low, as low as 0.5 seconds, to higher latencies suitable for large-scale broadcasts, which utilizes a global CDN (Content Delivery Network) to provide consistent, high-quality streaming experiences worldwide. Dolby OptiView Ads features Server-Guided Ad Insertion (SGAI) technology for delivering personalized, non-intrusive advertisements and supports new and advanced ad formats like L-shape and double-box, enhancing viewer engagement without disrupting the viewing experience. Dolby OptiView Ads is well-positioned to take advantage of the growing ad-supported versions of all of the major entertainment streaming platforms.

Dolby OptiView is customizable to capitalize on opportunities in a broad range of entertainment businesses. Dolby OptiView can support live sports and sports betting, providing real-time streaming capabilities crucial for in-play betting and interactive fan experiences, including iGaming & Live Casinos delivering ultra-low latency streams, enhancing player engagement and satisfaction. Dolby OptiView positions DLB to benefit from interactive and online gambling, including online sports betting on digital platforms and online casino games, such as blackjack, poker, roulette, slots, and other casino games delivered over the internet, as well as Live Dealer Games – Real-time streaming of human dealers with interactive betting; Online Lotteries and Bingo; Fantasy Sports – Daily or season-long fantasy competitions, often with entry fees and prize payouts; and eSports Betting – Betting on competitive video gaming events. Interactive and online gaming is currently over $100 billion globally and growing significantly across key regions, including Europe and North America, especially in the US, with online gambling becoming legal in an increasing number of states. Live Auctions & Events provides synchronized, high-quality video streams, facilitating real-time bidding and participation. Dolby OptiView offers a suite of SDKs (Software Development Kits) compatible with multiple platforms, including Android, Flutter, HTML5, iOS, React Native, and Roku, enabling developers to seamlessly integrate OptiView's capabilities into their applications, providing end-users with a consistent and high-quality streaming experience across devices.

- **DLB's strong balance sheet and cash flow continue to fund new product development and opportunistic acquisitions and enhance shareholder returns with periodic dividend increases and share repurchases.** As of March 2025, DLB had $689.7 million, $7.16 per share, in excess cash, along with the expected generation of $767.4 million in

Economic Operating Cash Flow (EBITDAR) over the NTM, which enables the ongoing funding of product development and growth initiatives. DLB continues to invest in new product development and enhancement, including Dolby Atmos Music, Dolby Vision IQ, and its immersive media and interactivity development platform, Dolby OptiView. DLB continues to make strategic acquisitions to enhance its audio and video enhancement capabilities and product portfolio. In August 2024, DLB acquired GE Technology Development & GE Intellectual Property Licensing for $432 million in cash. The acquisition included over 5,000 patents for standard essential video compression technologies, including High-Efficiency Video Coding (HEVC) and Versatile Video Coding (VVC), expanding DLB's existing licensing business. In 2022, DLB acquired the real-time, ultra-low-delay video streaming platform Millicast, further enabling developers to extend interactive events built with Dolby.io. In 2021, DLB acquired a minority stake in machine learning content adaptive coding solution provider Ittiam Systems. DLB continues to enhance shareholder returns through ongoing dividend increases and share repurchases. In November 2024, DLB increased its quarterly dividend by 10% from $0.30 to $0.33 per share. In August 2024, DLB announced an additional $300 million share repurchase authorization. So far, in FY 2025, DLB returned close to $104 million to shareholders, including paying $32 million in dividends and repurchasing $35 million worth of stock in the most recent quarter. In 2024, DLB paid close to $115 million in dividends and repurchased $160 million in stock, up from $103 million in dividends and repurchasing just under $150 million in stock in 2023. DLB currently has $352 million in repurchase capacity under its existing share repurchase authorization.

- **DLB is on our Research Focus List and in our Focus Opportunity Portfolio.** DLB's substantial brand equity, industry-leading audio and video enhancement technology, and royalty-based revenue streams will continue to benefit from ongoing growth in commercial and consumer audio and video product and content development integration.

Investment Thesis

DLB is benefiting from increasing adoption and integration of its immersive audio and video enhancement technology in both end-user devices and content production, with an aggregate global TAM of hundreds of billions of dollars. The accelerating adoption of DLB's audio and video enhancement technology across multiple product streams, including significant opportunities in automotive, mobile devices, and audio and video entertainment production, creates an immersive entertainment experience that is driving accelerating growth and creating a compelling long-term investment opportunity. DLB's technologies will continue to see increasing adoption in both end-user device integration as well as the creation and production of audio and video content, especially in in-vehicle immersive entertainment, home theater, and mobile devices, along with increasing content production in sports and entertainment broadcasting and production. DLB's strong brand equity, innovative ability, and market-leading position in audio and video enhancement enable it to further accelerate growth momentum through the ongoing adoption of Dolby Voice, Dolby Atmos, Dolby Vision, and Dolby Cinema, along with innovations including Dolby Vision IQ and Dolby Music. DLB also has tremendous potential to provide its audio and video enhancement technology to emerging AR/VR integration. Combined with these factors, DLB's substantial brand equity and royalty business model will continue to drive increasing Return on Capital (ROC), greater Economic Profit, and greater shareholder value creation. DLB also continues to enhance shareholder returns with ongoing dividend increases and share repurchases.

Target Price Calculation

Our 12-month target price of $112 per share is based on a multiple of just over 14 times our forward 12-month EBITDAR expectations of $767.4 million, which we project to increase 11.47% over the NTM. Our 12-month price target is also based on a multiple of just over 34 times our forward 12-month NOPAT expectations of $310.8 million, which we project to increase 20.72% over the NTM. Our growth rates in multiples are well supported by DLB's strong brand equity and proprietary technology combined with significant potential catalysts, including growth in the automotive market and increasing mobile device penetration combined with its 12.72% projected Return on Capital (ROC) and 77.24% projected Economic Profit growth over the NTM and is inclusive of its $7.30 projected excess cash per share.

Company Overview

Dolby Laboratories, Inc. (DLB-US) - is the world's leading developer and innovator of audio and video enhancement technology that creates a richer end-user experience for personal electronics and commercial sound and audio production equipment. Dolby's technologies are used in entertainment and communication systems, including mobile devices, smartphones, laptops, tablets, personal audio equipment, commercial movie production, and cinema viewing. Dolby products feature in motion picture production, music recording, broadcasting, and the consumer market.

Dolby is the leading licensor of audio and video enhancement technology to the consumer electronics market, as well as commercial audio, video,

and broadcast equipment manufacturers. Dolby produces some of its own products but primarily licenses its technology to other manufacturers, with licensing fees accounting for over 90% of its annual revenue. Dolby Digital formats have become the industry standard in film, audio recording, and music production. Dolby-branded technologies create immersive audio and video experiences for consumers and offer seamless integration and reliability in devices in which they are incorporated. Dolby-branded technologies receive widespread adoption, are mandated as industry standards, and are frequently considered fundamental to a wide variety of devices and types of entertainment content, including movies, TV shows, sports, and music. Dolby provides licensees with software, patent rights, and expertise, enabling content creation, delivery, and playback. Dolby-branded technologies are part of a unique and broad-based ecosystem that includes not only device manufacturers but also content creators and distributors, including media streaming companies and broadcasters. Most importantly, Dolby licensees derive significant value from using the Dolby brand both in device manufacturing and content production.

Dolby operates primarily through two business segments: licensing and products & services. The licensing segment is the core of Dolby's revenue model and involves providing proprietary audio and imaging technologies to device manufacturers, content creators, streaming platforms, and broadcasters. These technologies include Dolby Atmos, an object-based surround sound system; Dolby Vision, a leading HDR (High Dynamic Range) imaging solution; and Dolby Digital audio codecs are ubiquitous in movie theaters, home theaters, mobile devices, and digital media services. Dolby licenses its technology under a two-tiered model that includes an integrated licensing model, a patent licensing model, and a revenue-sharing model. Its core licensing customers include broadcasters, personal computers, consumer electronics, and mobile manufacturing. Dolby also derives revenue from selling digital media services, including media servers, server-based digital content management, cinema processors, and cinema products for theaters, audio production, and broadcast.

Dolby continues to innovate new audio and video enhancement technology and has developed new applications for voice and imaging solutions that create HDR picture quality in video displays and cinemas. Dolby's trademarked product line includes Dolby Atmos, Dolby Cinema, Dolby Music, Dolby OptiView, and Dolby Vision, along with audio codecs like Dolby Digital Plus and Dolby TrueHD. Dolby Laboratories was founded in 1965 and is headquartered in San Francisco, CA.

Dolby reports revenue in two Business Segments: Licensing (93% of revenue) and Products & Services (7% of revenue).

Dolby reports revenue by six Geographic Segments: United States (35% of revenue), China (22% of revenue), South Korea (13% of revenue), Europe (12% of revenue), Japan (8% of revenue), and Other (10% of revenue).

Product Descriptions

Products, Codecs, and Applications	
Technologies	
Dolby Atmos	Dolby Atmos creates a three-dimensional audio experience with object-based sound technology and up to 128 audio codecs that can be positioned anywhere, allowing for precise placement and movement of sound in a three-dimensional space via the addition of height channels and spatially encoded digital signals. Dolby Atmos is capable of adapting to various playback environments and devices, including stereo headphones, speakers, receivers, TVs, soundbars, AVRs, and automotive systems.
Dolby Vision	Dolby Vision utilizes HDR to improve the image quality of movies, TV shows, sports, and games by making images appear more realistic via enhancing details in bright and dark areas, increasing brightness, expanding the range of colors, and depicting deep blacks. It features dynamic metadata that adjusts the picture based on a display's capabilities on a per-frame or per-shot basis.
Cinema Imaging	Dolby Cinema Imaging products include digital servers used to load, store, decrypt, decode, watermark, and playback digital film files for presentation on cinema projectors, as well as software used to encrypt, encode, and package digital media files for distribution.
Cinema Audio	Dolby Cinema Audio products include cinema processors, amplifiers, and loudspeakers used to decode, render, and optimally play back digital cinema soundtracks, including those using Dolby Atmos.
Audio and Visual Codecs	Dolby derives a majority of its patent licensing revenue from developing and licensing various audio and visual codecs.
Audio and Visual Codecs	
Dolby Digital Plus (DD+)	Dolby Digital Plus, or DD+, is an advanced surround sound audio codec technology enabling the Dolby audio experience across home theaters, smartphones, operating systems, and browsers. DD+ is a versatile, bandwidth-efficient, and scalable home theater-grade audio codec for A/V content designed to deliver up to 7.1 channels of surround sound across multiple platforms and content types.
Dolby TrueHD	Dolby TrueHD provides 100% lossless audio with support for up to 7.1 channels of high-definition audio to provide the most authentic surround sound experience available in a home theater, generating audio that is bit-for-bit identical to the master recording.
Dolby AC-4	Dolby AC-4 is an audio codec utilizing cutting-edge compression to deliver equivalent experiences at half the bitrate of DD+. AC-4 matches the delivery method with the optimal configuration, enabling encodes tailored for broadcast or streaming and catering for headphone or speaker playback. It is also capable of delivering enhanced, user-configurable, and accessible experiences and utilizes new aspects of object audio for features, including dialogue enhancement or commentator substitution.
AAC, HE-AAC, and Extended HE-AAC	The AAC audio codec family is known for its efficiency, designed to provide high-quality audio at lower bitrates than prior coding formats, and is widely deployed across most consumer media playback devices.

Products, Codecs, and Applications	
Audio and Visual Codecs	
AVC	The AVC digital video codec is a highly efficient and widely implemented video codec across video playback devices, including STBs, mobile devices, cameras, broadcast television services, and other products. AVC is the most utilized video codec by broadcasters and video streaming companies.
HEVC	HEVC is a next-generation digital video codec capable of compressing video more efficiently than AVC, leading to an average bitrate reduction of 50%, which enables the distribution of higher-quality video, such as 4K streaming. HEVC is particularly useful for streaming video on mobile devices due to its often limited data usage and processing power.
Other Codecs	Dolby also licenses patents to other audio, video, and communications codec technologies such as AV1, MPEG H, Opus, and VVC.
Applications	
Dolby Cinema	Dolby Cinemas are PLF movie theaters that feature a Dolby-branded premium cinema offering featuring Dolby Vision, Dolby Atmos, and a proprietary Dolby theater design.
Dolby OptiView	Dolby OptiView, previously Dolby.io, is a SaaS powering immersive, interactive, and social experiences with real-time engagement for live events, particularly sporting events. The OptiView platform delivers 4K video via Dolby's unique content delivery architecture, ensuring a high-quality, synchronized viewer experience worldwide, enabling customers to engage viewers effectively with near-real-time interaction tools.
Home Entertainment	Dolby technologies are featured in home theater systems, TVs, Blu-Ray players, and streaming boxes such as Roku or Apple TV.
Mobile Devices	Dolby enhances audio quality in smartphones, tablets, and other mobile devices.
Broadcast and Streaming	Dolby technologies are utilized and licensed to encode and decode audio and video for broadcast and streaming services.

Dolby Laboratories, Inc. Class A (DLB-US)

Electronic Equip., Instruments

Financial Data

Report Basis Reported Period Ending	LTM 03/27/2020	LTM 03/26/2021	LTM 04/01/2022	LTM 03/31/2023	LTM 03/29/2024	LTM 03/28/2025	NTM 03/31/2026	5 Yr Average	3 Yr Average	Current Trend
Net Sales Revenue	**$1,244.7**	**$1,227.5**	**$1,257.8**	**$1,278.6**	**$1,269.0**	**$1,320.2**	**$1,403.0**	**$1,270.6**	**$1,289.3**	**$1,361.6**
Sales Growth	*1.74%*	*-1.38%*	*2.47%*	*1.65%*	*-0.75%*	*4.03%*	*6.27%*	*1.20%*	*1.64%*	*5.15%*
Sales Growth Trend	*4.09%*	*-0.13%*	*0.93%*	*1.98%*	*0.21%*	*2.12%*	*5.38%*	*1.02%*	*1.44%*	*3.75%*
Economic Operating Cash Flow (EBITDAR)	**$670.8**	**$721.2**	**$648.8**	**$719.7**	**$659.5**	**$688.4**	**$767.4**	**$687.5**	**$689.2**	**$727.9**
EBITDAR Margin	*53.89%*	*58.76%*	*51.58%*	*56.29%*	*51.97%*	*52.15%*	*54.70%*	*54.15%*	*53.47%*	*53.42%*
EBITDAR Growth	*-3.09%*	*7.52%*	*-10.05%*	*10.94%*	*-8.37%*	*4.39%*	*11.47%*	*0.89%*	*2.32%*	*7.93%*
Net Operating Profit Before Tax (NOPBT)	**$327.3**	**$336.1**	**$266.2**	**$346.8**	**$284.3**	**$314.5**	**$377.4**	**$309.6**	**$315.2**	**$346.0**
NOPBT Margin	26.30%	27.38%	21.16%	27.12%	22.40%	23.82%	26.90%	*24.38%*	*24.45%*	*25.36%*
NOPBT Growth	-7.92%	2.70%	-20.80%	30.28%	-18.03%	10.64%	19.99%	*0.96%*	*7.63%*	*15.31%*
Cash Operating Income Tax	**$52.8**	**$13.8**	**$24.4**	**$64.0**	**$52.3**	**$57.1**	**$66.6**	**$42.3**	**$57.8**	**$61.8**
Economic Tax Effective Rate	*16.12%*	*4.11%*	*9.18%*	*18.46%*	*18.38%*	*18.15%*	*17.65%*	*13.65%*	*18.33%*	*17.90%*
Net Operating Profit After Tax (NOPAT)	**$274.5**	**$322.3**	**$241.8**	**$282.8**	**$232.0**	**$257.5**	**$310.8**	**$267.3**	**$257.4**	**$284.1**
NOPAT Margin	*22.06%*	*26.26%*	*19.22%*	*22.12%*	*18.28%*	*19.50%*	*22.15%*	*21.08%*	*19.97%*	*20.83%*
NOPAT Growth	*-18.38%*	*17.41%*	*-24.99%*	*16.96%*	*-17.95%*	*10.95%*	*20.72%*	*0.48%*	*3.32%*	*15.84%*
Cash & Equivalents	**$1,034.2**	**$1,210.6**	**$1,166.4**	**$910.4**	**$1,055.8**	**$755.7**	**$770.8**	**$1,019.8**	**$907.3**	**$763.3**
Total Assets	**$2,944.8**	**$3,106.3**	**$3,063.0**	**$2,836.1**	**$3,044.7**	**$3,229.0**	**$3,293.6**	**$3,055.8**	**$3,036.6**	**$3,261.3**
Non - Interest Bearing Liabilities (NIBLs)	**$426.7**	**$338.3**	**$312.7**	**$351.8**	**$474.8**	**$522.4**	**$532.9**	**$400.0**	**$449.7**	**$527.7**
Net Assets	**$2,512.9**	**$2,761.7**	**$2,744.9**	**$2,479.2**	**$2,553.1**	**$2,697.2**	**$2,751.2**	**$2,647.2**	**$2,576.5**	**$2,724.2**
Economic Asset Adjustments	**($91.6)**	**($75.9)**	**($111.9)**	**($165.2)**	**($175.4)**	**($194.2)**	**($198.1)**	**($144.5)**	**($178.3)**	**($196.2)**
Net Operating Assets	**$2,421.3**	**$2,685.8**	**$2,632.9**	**$2,314.0**	**$2,377.7**	**$2,503.0**	**$2,553.1**	**$2,502.7**	**$2,398.2**	**$2,528.1**
Debt & Debt Equivalents	**$134.8**	**$156.7**	**$134.4**	**$100.8**	**$104.0**	**$89.7**	**$91.5**	**$117.1**	**$98.2**	**$90.6**
Equity & Equivalents	**$2,364.1**	**$2,587.9**	**$2,599.8**	**$2,350.8**	**$2,420.9**	**$2,573.7**	**$2,625.1**	**$2,506.6**	**$2,448.5**	**$2,599.4**
Total Capital - Financing Sources	**$2,498.9**	**$2,744.6**	**$2,734.1**	**$2,451.6**	**$2,524.9**	**$2,663.4**	**$2,716.6**	**$2,623.7**	**$2,546.6**	**$2,690.0**
Capital Adjustments	**($144.6)**	**($156.1)**	**($182.7)**	**($218.1)**	**($227.5)**	**($243.5)**	**($248.4)**	**($205.6)**	**($229.7)**	**($245.9)**
Net Capital Financing Sources	**$2,354.3**	**$2,588.5**	**$2,551.5**	**$2,233.5**	**$2,297.4**	**$2,419.9**	**$2,468.3**	**$2,418.1**	**$2,316.9**	**$2,444.1**
Net Working Capital	**$400.9**	**$455.7**	**$460.0**	**$495.8**	**$332.8**	**$347.9**	**$354.9**	**$418.5**	**$392.2**	**$351.4**
Cost of Net Working Capital	*$18.1*	*$25.0*	*$29.0*	*$35.5*	*$34.0*	*$27.9*	*$28.5*	*$30.3*	*$32.5*	*$28.2*
% of Revenue	1.45%	2.04%	2.30%	2.77%	2.68%	2.11%	2.03%	2.38%	2.52%	2.07%
Operational Capital	**$1,054.1**	**$1,122.1**	**$1,099.8**	**$1,077.5**	**$884.8**	**$877.1**	**$894.6**	**$1,012.3**	**$946.5**	**$885.8**
Cost of Operational Capital	*$47.1*	*$63.5*	*$70.3*	*$80.8*	*$80.6*	*$72.2*	*$73.7*	*$73.5*	*$77.9*	*$73.0*
% of Revenue	*3.79%*	*5.18%*	*5.59%*	*6.32%*	*6.35%*	*5.47%*	*5.25%*	*5.78%*	*6.05%*	*5.36%*
Productive Capital	**$1,555.0**	**$1,597.3**	**$1,597.8**	**$1,546.5**	**$1,445.6**	**$1,814.1**	**$1,850.4**	**$1,600.3**	**$1,602.1**	**$1,832.3**
Cost of Productive Capital	*$71.0*	*$92.1*	*$101.0*	*$116.7*	*$122.9*	*$133.6*	*$136.3*	*$113.3*	*$124.4*	*$135.0*
% of Revenue	*5.70%*	*7.50%*	*8.03%*	*9.13%*	*9.68%*	*10.12%*	*9.72%*	*8.89%*	*9.64%*	*9.92%*
Total Operating Capital	**$1,449.3**	**$1,536.5**	**$1,529.4**	**$1,467.5**	**$1,385.3**	**$1,813.3**	**$1,849.6**	**$1,546.4**	**$1,555.4**	**$1,831.5**
Cost of Total Operating Capital	*$65.1*	*$87.2*	*$96.9*	*$111.2*	*$117.1*	*$131.1*	*$133.8*	*$108.7*	*$119.8*	*$132.4*
% of Revenue	*5.23%*	*7.10%*	*7.71%*	*8.70%*	*9.23%*	*9.93%*	*9.53%*	*8.53%*	*9.29%*	*9.73%*
Non - Operating Capital	**$972.0**	**$1,149.2**	**$1,103.5**	**$846.5**	**$992.4**	**$689.7**	**$703.5**	**$956.3**	**$842.8**	**$696.6**
Cost of Non - Operating Capital	*$47.1*	*$61.9*	*$71.2*	*$72.4*	*$75.5*	*$69.0*	*$70.3*	*$70.0*	*$72.3*	*$69.6*
% of Revenue	3.78%	5.05%	5.66%	5.66%	5.95%	5.22%	5.01%	5.51%	5.61%	5.12%
Total Capital	**$2,421.3**	**$2,685.8**	**$2,632.9**	**$2,314.0**	**$2,377.7**	**$2,503.0**	**$2,553.1**	**$2,502.7**	**$2,398.2**	**$2,528.1**
Cost of Total Capital	*$112.2*	*$149.1*	*$168.2*	*$183.6*	*$192.6*	*$200.1*	*$204.1*	*$178.7*	*$192.1*	*$202.1*
% of Revenue	*9.01%*	*12.15%*	*13.37%*	*14.36%*	*15.18%*	*15.16%*	*14.55%*	*14.04%*	*14.90%*	*14.85%*
Cost of Capital (WACC)	**4.70%**	**5.84%**	**6.32%**	**7.42%**	**8.21%**	**8.20%**	**8.20%**	**7.20%**	**7.94%**	**8.20%**
Capital Structure										
Debt & Debt Equivalents	**$134.8**	**$156.7**	**$134.4**	**$100.8**	**$104.0**	**$89.7**	**$91.5**	**$117.1**	**$98.2**	**$90.6**
Debt & Debt Equivalents % of Market Value	*3.72%*	*2.38%*	*2.52%*	*1.94%*	*2.04%*	*1.80%*	*0.84%*	*2.15%*	*1.93%*	*1.15%*
Preferred Equity	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Preferred Equity % of Market Value	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
Market Value of Common Equity	**$3,492.3**	**$6,432.0**	**$5,198.7**	**$5,102.7**	**$4,983.7**	**$4,891.0**	**$10,752.0**	**$5,321.6**	**$4,992.5**	**$7,821.5**
Common Equity % of Market Value	*96.28%*	*97.62%*	*97.48%*	*98.06%*	*97.96%*	*98.20%*	*99.16%*	*97.85%*	*98.07%*	*98.85%*
Total Economic Market Value (MV)	**$3,627.1**	**$6,588.7**	**$5,333.1**	**$5,203.4**	**$5,087.7**	**$4,980.7**	**$10,843.5**	**$5,438.7**	**$5,090.6**	**$7,912.1**
Total %	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*	*100.00%*
Excess Cash	**$972.0**	**$1,149.2**	**$1,103.5**	**$846.5**	**$992.4**	**$689.7**	**$703.5**	**$956.3**	**$842.8**	**$696.6**
Economic Enterprise Value	**$2,655.1**	**$5,439.4**	**$4,229.5**	**$4,357.0**	**$4,095.4**	**$4,291.0**	**$10,140.0**	**$4,482.5**	**$4,247.8**	**$7,215.5**
Average Capital	**$2,319.3**	**$2,471.4**	**$2,570.0**	**$2,392.5**	**$2,265.4**	**$2,358.6**	**$2,444.1**	**$2,411.6**	**$2,338.8**	**$2,401.4**
Capital ∆	**$69.9**	**$234.2**	**($37.0)**	**($318.0)**	**$63.9**	**$122.5**	**$48.4**	**$13.1**	**($43.9)**	**$85.5**

Source: Company Data, Financial statements and Tigress Research

Dolby Laboratories, Inc. Class A (DLB-US) — Electronic Equip., Instruments

Financial Analysis

Report Basis	LTM	LTM	LTM	LTM	LTM	LTM	NTM	5 Yr	3 Yr	Current
Reported Period Ending	**03/27/2020**	**03/26/2021**	**04/01/2022**	**03/31/2023**	**03/29/2024**	**03/28/2025**	**03/31/2026**	**Average**	**Average**	**Trend**
Return on Market Value (NOPAT / MV)	**7.57%**	**4.89%**	**4.53%**	**5.43%**	**4.56%**	**5.17%**	**5.27%**	**4.92%**	**5.05%**	**5.22%**
Return on Enterprise Value (NOPAT / EV)	**10.34%**	**5.93%**	**5.72%**	**6.49%**	**5.67%**	**6.00%**	**6.12%**	**5.96%**	**6.05%**	**6.06%**
Return on Capital (NOPAT / Average Capital)	**11.84%**	**13.04%**	**9.41%**	**11.82%**	**10.24%**	**10.92%**	**12.72%**	**11.09%**	**10.99%**	**11.82%**
Cost of Capital (WACC)	**4.70%**	**5.84%**	**6.32%**	**7.42%**	**8.21%**	**8.20%**	**8.20%**	**7.20%**	**7.94%**	**8.20%**
Economic Return Spread	**7.13%**	**7.20%**	**3.08%**	**4.40%**	**2.03%**	**2.72%**	**4.52%**	**3.89%**	**3.05%**	**3.62%**
Capital Charge	**$109.1**	**$144.3**	**$162.5**	**$177.6**	**$186.0**	**$193.4**	**$197.3**	**$172.8**	**$185.7**	**$195.3**
Economic Profit (EP)	**$165.4**	**$178.0**	**$79.3**	**$105.2**	**$46.0**	**$64.1**	**$113.5**	**$94.5**	**$71.7**	**$88.8**
Economic Profit Improvement (EPI)	**($29.9)**	**$12.6**	**($98.8)**	**$25.9**	**($59.2)**	**$18.1**	**$49.5**	**($20.3)**	**($5.1)**	**$33.8**
EP Growth	*-15.29%*	*7.60%*	*-55.48%*	*32.72%*	*-56.27%*	*39.27%*	*77.24%*	*-6.43%*	*5.24%*	*58.25%*
Economic Profit Margin on Sales	*13.29%*	*14.50%*	*6.30%*	*8.23%*	*3.62%*	*4.85%*	*8.09%*	*7.50%*	*5.57%*	*6.47%*
Economic Profit Per Share	**$1.63**	**$1.77**	**$0.79**	**$1.10**	**$0.48**	**$0.67**	**$0.68**	**$0.96**	**$0.75**	**$0.67**
GAAP Earnings Per Share	**$2.19**	**$3.03**	**$2.13**	**$2.51**	**$1.99**	**$2.68**	**$3.96**	**$2.47**	**$2.39**	**$3.32**
Excess Cash Per Share	**$9.64**	**$11.33**	**$10.89**	**$8.83**	**$10.37**	**$7.16**	**$7.30**	**$9.72**	**$8.79**	**$7.23**
Performance Drivers										
Sales Growth	1.74%	-1.38%	2.47%	1.65%	-0.75%	4.03%	6.27%	1.20%	1.64%	5.15%
Sales Growth Trend (ROC Sales Growth)	4.09%	-0.13%	0.93%	1.98%	0.21%	2.12%	5.38%	1.02%	1.44%	3.75%
EBITDAR Margin	53.89%	58.76%	51.58%	56.29%	51.97%	52.15%	54.70%	54.15%	53.47%	53.42%
EBITDAR Growth	-3.09%	7.52%	-10.05%	10.94%	-8.37%	4.39%	11.47%	0.89%	2.32%	7.93%
NOPBT Margin	26.30%	27.38%	21.16%	27.12%	22.40%	23.82%	26.90%	24.38%	24.45%	25.36%
NOPBT Growth	-7.92%	2.70%	-20.80%	30.28%	-18.03%	10.64%	19.99%	0.96%	7.63%	15.31%
NOPAT Margin	22.06%	26.26%	19.22%	22.12%	18.28%	19.50%	22.15%	21.08%	19.97%	20.83%
NOPAT Growth	-18.38%	17.41%	-24.99%	16.96%	-17.95%	10.95%	20.72%	0.48%	3.32%	15.84%
Economic Profit Margin on Sales (EP / Sales)	13.29%	14.50%	6.30%	8.23%	3.62%	4.85%	8.09%	7.50%	5.57%	6.47%
Economic Profit Growth	-15.29%	7.60%	-55.48%	32.72%	-56.27%	39.27%	77.24%	-6.43%	5.24%	58.25%
Economic Return Spread (ROC-WACC)	7.13%	7.20%	3.08%	4.40%	2.03%	2.72%	4.52%	3.89%	3.05%	3.62%
Economic Return Ratio (ROC / WACC)	251.62%	223.33%	148.76%	159.23%	124.72%	133.12%	155.09%	157.83%	139.02%	144.10%
Economic Profit Momentum (ΔEP/Capital)	-1.27%	0.49%	-3.87%	1.16%	-2.58%	0.75%	2.00%	-0.81%	-0.22%	1.38%
Economic Profit Momentum Margin (ΔEP/Sales)	-2.40%	1.02%	-7.85%	2.03%	-4.66%	1.37%	3.53%	-1.62%	-0.42%	2.45%
Capital Growth	3.06%	9.95%	-1.43%	-12.46%	2.86%	5.33%	2.00%	0.85%	-1.42%	3.67%
Capital Turns	0.53X	0.47X	0.49X	0.57X	0.55X	0.55X	0.57X	0.53X	0.56X	0.56X
EVC Acceleration Margin	*-2.44%*	*1.01%*	*-8.04%*	*2.06%*	*-4.63%*	*1.42%*	*3.75%*	*-1.45%*	*-0.40%*	*2.62%*
EVC Acceleration Spread	*-1.37%*	*0.54%*	*-4.00%*	*1.01%*	*-2.47%*	*0.80%*	*2.10%*	*-0.83%*	*-0.21%*	*1.44%*
Risk Factors										
Free Cash Flow (NOPAT - Δ Capital)	$204.7	$88.2	$278.8	$600.8	$168.1	$134.9	$262.4	$254.2	$301.3	$198.7
Free Cash Flow Rate (FCF / Capital)	8.69%	3.41%	10.93%	26.90%	7.32%	5.58%	10.63%	10.83%	13.26%	8.10%
Free Cash Flow Yield (FCF / MV)	5.64%	1.34%	5.23%	11.55%	3.30%	2.71%	2.42%	4.83%	5.85%	2.56%
Total Debt / Total Capital	5.73%	6.05%	5.27%	4.51%	4.53%	3.71%	3.71%	4.81%	4.25%	3.71%
Total Debt / EBITDAR	20.10%	21.72%	20.71%	14.00%	15.77%	13.03%	11.92%	17.05%	14.27%	12.48%
Excess Cash	$972.0	$1,149.2	$1,103.5	$846.5	$992.4	$689.7	$0.0	$956.3	$842.8	$344.8
Financial Leverage ((Total Debt - Excess Cash) /	-23.08%	-15.06%	-18.17%	-14.33%	-17.46%	-12.05%	0.84%	-15.42%	-14.61%	-5.60%
Pension Leverage (Net Pension Liability / MV)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity Risk Index (S&P 500 = 1.00)	0.91	0.94	0.89	0.89	0.91	0.89	0.89	0.90	0.89	0.89
Stock Price Volatility	3.59	3.97	3.34	3.33	3.43	3.49	3.49	3.51	3.42	3.49
Sales Index (NL Sales)	7.13	7.11	7.14	7.15	7.15	7.19	7.25	7.15	7.16	7.22
Market Value Index (NL Market Value)	8.20	8.79	8.58	8.56	8.53	8.51	9.29	8.60	8.53	8.90
Size Index (NL Sales: MV)	7.66	7.95	7.86	7.86	7.84	7.85	8.27	7.87	7.85	8.06
Beta	0.86	0.91	0.83	0.83	0.86	0.83	0.83	0.85	0.84	0.83
TFP Adjusted Beta	0.91	0.94	0.89	0.89	0.91	0.89	0.89	0.90	0.89	0.89
Stock Price Volatility	3.59	3.97	3.34	3.33	3.43	3.49	3.49	3.51	3.42	3.49
Valuation Measures										
Total Economic Market Value (MV)	$3,627.1	$6,588.7	$5,333.1	$5,203.4	$5,087.7	$4,980.7	$10,843.5	$5,438.7	$5,090.6	$7,912.1
Economic Enterprise Value	$2,655.1	$5,439.4	$4,229.5	$4,357.0	$4,095.4	$4,291.0	$10,140.0	$4,482.5	$4,247.8	$7,215.5
Equity Market Value	$3,492.3	$6,432.0	$5,198.7	$5,102.7	$4,983.7	$4,891.0	$10,752.0	$5,321.6	$4,992.5	$7,821.5
Total Capital	$2,421.3	$2,685.8	$2,632.9	$2,314.0	$2,377.7	$2,503.0	$2,553.1	$2,502.7	$2,398.2	$2,528.1
Market Value Created MVC (MV - Capital)	$1,205.8	$3,902.9	$2,700.2	$2,889.5	$2,710.1	$2,477.7	$8,290.4	$2,936.1	$2,692.4	$5,384.0
MVC Margin (MVC / Sales)	96.88%	317.95%	214.67%	225.99%	213.55%	187.68%	590.91%	231.07%	208.83%	395.42%
MVC Spread (MVC / Capital)	49.80%	145.32%	102.55%	124.87%	113.98%	98.99%	324.72%	117.32%	112.27%	212.97%
Current EVC Value (EP / WACC)	$3,516.5	$3,047.9	$1,253.2	$1,417.0	$560.1	$781.2	$1,384.6	$1,312.5	$903.0	$1,082.9
Current Operations Value COV	$5,835.9	$5,519.3	$3,823.1	$3,809.4	$2,825.5	$3,139.9	$3,828.7	$3,724.1	$3,241.9	$3,484.3
Current Operations Value Per Share	$57.44	$54.86	$37.89	$39.76	$29.49	$32.67	$39.88	$38.06	$33.80	$36.28
Future Growth Value (MVC - EVA Value)	($2,208.8)	$1,069.4	$1,509.9	$1,394.0	$2,262.2	$1,840.8	$7,014.8	$1,714.6	$1,848.7	$4,427.8
Future Growth Value Reliance (FGV / MV)	-60.90%	16.23%	28.31%	26.79%	44.46%	36.96%	64.69%	31.53%	36.32%	55.96%
Share Price	$68.34	$95.28	$79.09	$85.42	$86.18	$78.48	$112.00	$84.89	$83.36	$95.24
Dividend Yield	1.20%	0.92%	1.19%	1.22%	1.32%	1.61%	0.00%	0.00%	0.00%	0.00%
Total Shareholder Return (TTM)	13.55%	40.34%	-15.80%	9.22%	2.21%	-7.33%	42.71%	-24.21%	-1.80%	14.25%
MV to IC Ratio	1.50X	2.45X	2.03X	2.25X	2.14X	1.99X	4.25X	2.17X	2.12X	3.13X
EV / EBITDAR Multiple	3.96X	7.54X	6.52X	6.05X	6.21X	6.23X	13.21X	6.52X	6.16X	9.91X
EV / NOPBIT Multiple	8.11X	16.18X	15.89X	12.56X	14.41X	13.64X	26.87X	14.48X	13.48X	20.86X
EV / NOPAT Multiple	9.67X	16.87X	17.49X	15.41X	17.65X	16.67X	32.63X	16.77X	16.50X	25.40X
EV / EP Multiple	16.05X	30.56X	53.37X	41.42X	89.04X	66.99X	89.31X	47.43X	59.21X	81.26X
Future Growth Value (% of MV)	-60.90%	16.23%	28.31%	26.79%	44.46%	36.96%	64.69%	31.53%	36.32%	55.96%
Current Operations Value (% of MV)	160.90%	83.77%	71.69%	73.21%	55.54%	63.04%	35.31%	68.47%	63.68%	44.04%
Market Value (COV + FGV %)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Shares Outstanding	101.6	100.6	100.9	95.8	95.8	96.1	96.0	97.8	95.9	96.1

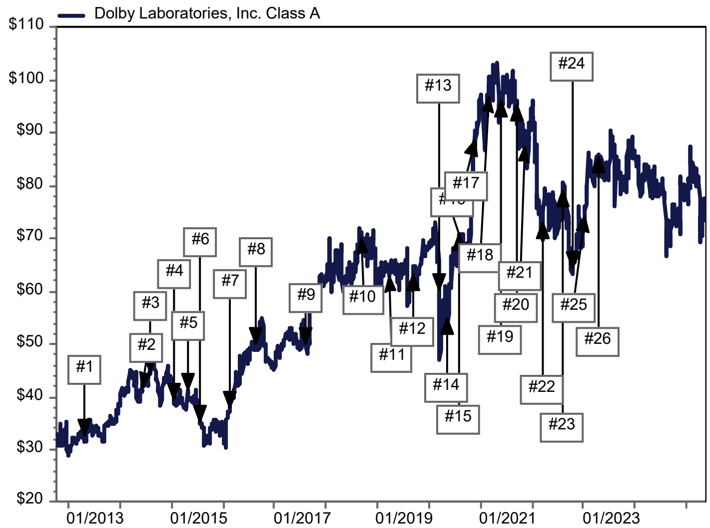
Source: Company Data, Financial statements and Tigress Research

Dolby Laboratories, Inc. Class A (DLB-US) — Electronic Equip., Instruments

Ratings History

Dolby Laboratories, Inc. Class A (DLB-US)

Item #	Date	Research Action	Rating	Target Price	Price
#26	04/14/2023	Reiterate Rating	Buy	$116.00	$85.57
#25	01/09/2023	Reiterate Rating	Buy	$116.00	$74.75
#24	10/14/2022	Reiterate Rating	Buy	$116.00	$64.28
#23	08/10/2022	Reiterate Rating	Buy	$128.00	$79.09
#22	03/16/2022	Reiterate Rating	Buy	$128.00	$70.93
#21	11/17/2021	Reiterate Rating	Buy	$128.00	$87.61
#20	09/13/2021	Reiterate Rating	Buy	$128.00	$95.31
#19	05/26/2021	Reiterate Rating	Buy	$128.00	$96.35
#18	02/24/2021	Reiterate Rating	Buy		$96.88
#17	11/30/2020	Reiterate Rating	Buy		$88.45
#16	09/30/2020	Reiterate Rating	Buy		$66.28
#15	08/04/2020	Reiterate Rating	Buy		$70.95
#14	05/05/2020	Reiterate Rating	Buy		$55.15
#13	03/09/2020	Reiterate Rating	Buy		$60.42
#12	09/18/2019	Reiterate Rating	Buy		$63.16
#11	03/29/2019	Reiterate Rating	Buy		$62.97
#10	09/07/2018	Reiterate Rating	Buy		$70.19
#9	08/10/2017	Reiterate Rating	Buy		$49.99
#8	08/19/2016	Reiterate Rating	Buy		$50.21
#7	02/16/2016	Reiterate Rating	Buy		$38.00
#6	07/28/2015	Downgrade Rating	Buy		$35.31
#5	04/23/2015	Reiterate Rating	Strong Buy		$41.26
#4	01/23/2015	Reiterate Rating	Strong Buy		$39.62
#3	07/29/2014	Reiterate Rating	Strong Buy		$44.84
#2	06/10/2014	Reiterate Rating	Strong Buy		$41.78
#1	04/16/2013	Initiation of Coverage	Strong Buy		$32.82



Tigress Research Investment Rating Meanings and Distribution

Tigress Research employs a five-tier rating system for evaluating the investment opportunity and potential return associated with owning the common equity of rated firms within our research universe. The potential return is measured on a relative basis to the general market, which is represented by the S&P 500 and to the subject company's industry peer group as indicated.

Rating Distribution (05/14/2025)

Rating:	Meaning:	Companies Under Coverage #	Companies Under Coverage %	Relationship Companies Under Coverage* #	Relationship Companies Under Coverage* %
Strong Buy:	Expect significant price gains in the price of the stock relative to its industry peer group and general market over the next 12 months.	18	12%	2	7%
Buy:	Expect out-performance for the price of the stock relative to its industry peer group and general market over the next 12 months.	76	53%	22	89%
Neutral:	Expect little or no outperformance opportunity over the next 12 months.	45	31%	1	4%
Underperform:	Expect underperformance for the price of the stock relative to its industry peer group and general market over the next 12 months.	5	4%	0	0%
Sell:	Expect price decline or significant relative market and industry underperformance over the next 12 months.	0	0%	0	0%
	Total	144	100%	25	100%

*Relationship Companies under research coverage are companies in which Tigress Financial Partners LLC or one of its affiliates has received compensation for investment banking or non-investment banking services from the company, affiliated entities and/or its employees within the past twelve months or expects to do so within the next three months.

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Tigress Research Methodology Overview

We employ proprietary quantitative valuation models combined with dynamic fundamental analysis based on the principles of Economic Profit to formulate timely and insightful investment ratings, analysis, strategies, and recommendations.

We make key adjustments to reported financial data eliminating GAAP-based accounting distortions and measuring all companies on a cash operating basis.

Our proprietary research framework is a multi-factor model that scores and ranks companies based on their risk-adjusted ability to create Economic Profit relative to their current market value focusing on three key components:

Business Performance: Measuring economic profitability, growth, and operating efficiency.

Risk: Measuring business sustainability, volatility, strength, and consistency.

Valuation: Linking business performance to market value. Measuring value created relative to capital employed and enterprise multiples of Economic Profit and cash flow.

We score and rank 24 key measurements of performance, risk, and value into relative market and industry investment recommendations.

Glossary of Key Terms and Measures

Excess Cash per Share: Excess Cash per Share is the amount of excess cash divided by basic shares outstanding. Excess Cash consists of all cash and short-term securities, less operating cash needed to run the business. Operating Cash is 5% of TTM net sales revenue.

EBITDAR: Earnings Before Interest, Taxes, Depreciation, Amortization, and Restructuring, and Rent Costs. This is especially important when comparing companies that use a significant amount of leased assets like restaurants and retailers.

NOPAT: Net Operating Profit After Tax represents a company’s after-tax cash operating Profit, excluding financing costs.

Total Invested Capital: Total Invested Capital the total cash investment that shareholders and debt holders have made during the life of the company.

Return on Capital: Return on Capital equals NOPAT divided by Total Invested Capital. It is a key measure of operating efficiency. ROC quantifies how well a company generates cash flow relative to the capital invested in its business.

Cost of Capital: Is the proportionately weighted cost of each category of capital – common equity, preferred equity, and debt.

Economic Profit: Economic Profit is the net operating income after tax less the opportunity cost of the total capital invested. It is the most important driver of shareholder value.

Current Operations Value: Current Operations Value is the portion of market value based on the discounted present value of the current earnings stream, assuming it remains constant forever.

Future Growth Value: Future Growth Value is the portion of market value based on un-earned Economic Profit

Risks to Investment Rating and Price Target

Multiple factors could negate or negatively impact a company’s ability to meet our investment objectives and price target. Risks include but are not limited to material adverse impacts to a company’s business plan, ability to execute its business objectives along with negative global and local economic impacts and industry disruptions. Other risks include increased competition from current or newly emerged competitors, changes in regulations and legislation that could negatively impact the company’s business, and product malfunctions or failures to perform. Other risks include any unforeseen events that could adversely impact the company’s operations, ability to sustain their business or cause product delays, and negatively impact ongoing operations.

Specific Disclosures for the companies that are the subject of this report

Company:	Disclosure:
Dolby Laboratories, Inc. Class A (DLB-US)	14

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