

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 26, 2026
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From To
Commission File Number: 001-32431



DOLBY LABORATORIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

1275 Market Street
(Address of principal executive offices)

San Francisco

California

90-0199783
(I.R.S. Employer Identification No.)

94103-1410
(Zip Code)

(415) 558-0200

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Class A common stock, \$0.001 par value

Trading Symbol(s)
DLB

Name of each exchange on which registered
The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On July 24, 2026, the registrant had 59,416,894 shares of Class A common stock, par value \$0.001 per share, and 34,251,901 shares of Class B common stock, par value \$0.001 per share, outstanding.

DOLBY LABORATORIES, INC.
FORM 10-Q
For the Fiscal Quarter Ended June 26, 2026
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GLOSSARY OF TERMS

The following table summarizes certain terms and abbreviations that may be used within the text of this report:

Abbreviation	Term
AAC	Advanced Audio Coding
AFS	Available-For-Sale (Securities)
AOCI	Accumulated Other Comprehensive Income (Loss)
APIC	Additional Paid In-Capital
ARPU	Average Revenue Per Unit
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
AVC	Advanced Video Coding
AVR	Audio/Video Receiver
CE	Consumer Electronics
CES	Consumer Electronics Show
CODM	Chief Operating Decision Maker
COSO	Committee of Sponsoring Organizations (of the Treadway Commission)
DD	Dolby Digital®
DD+	Dolby Digital Plus™
DMA	Digital Media Adapter
DVD	Digital Versatile Disc
EPS	Earnings Per Share
ESP	Estimated Selling Price
ESPP	Employee Stock Purchase Plan
ETSI	European Telecommunication Standards Institute
FASB	Financial Accounting Standards Board
FCPA	Foreign Corrupt Practices Act
G&A	General and Administrative
HDR	High-Dynamic Range
HE-AAC	High Efficiency Advanced Audio Coding
HEVC	High Efficiency Video Coding
IC	Integrated Circuit
IBR	Incremental Borrowing Rate
IEC	International Electrotechnical Commission
IP	Intellectual Property
ISO	International Organization for Standardization
ITU	International Telecommunication Union
LP	Limited Partner/Partnership
NOL	Net Operating Loss
OECD	Organization For Economic Co-Operation and Development
OEM	Original Equipment Manufacturer
OTT	Over-The-Top
PC	Personal Computer
PCS	Post-Contract Support
PLF	Premium Large Format
PP&E	Property, Plant, and Equipment
PSO	Performance-Based Stock Option
PSU	Performance-Based Restricted Stock Unit
R&D	Research and Development
ROU	Right-Of-Use
RSU	Restricted Stock Unit
S&M	Sales and Marketing
SEC	U.S. Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
STB	Set-Top Box
TSR	Total Stockholder Return
U.S. GAAP	Generally Accepted Accounting Principles in the United States
VDP	Video Distribution Program
VVC	Versatile Video Coding

PART I – FINANCIAL INFORMATION

ITEM 1. UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

DOLBY LABORATORIES, INC.
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)
(unaudited)

	June 26, 2026	September 26, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 669,394	\$ 701,893
Restricted cash	69,492	91,468
Short-term investments	652	703
Accounts receivable, net of allowance for credit losses of \$9,593 and \$7,221	285,148	331,096
Contract assets, net of allowance for credit losses of \$94 and \$101	206,881	180,804
Inventories, net	30,768	30,424
Prepaid expenses and other current assets	63,706	51,873
Total current assets	1,326,041	1,388,261
Long-term investments	86,437	80,205
Property, plant, and equipment, net	459,115	470,608
Operating lease right-of-use assets	42,401	33,204
Intangible assets, net	382,434	397,057
Goodwill	528,343	529,900
Deferred taxes	213,171	214,361
Other non-current assets	118,660	114,164
Total assets	\$ 3,156,602	\$ 3,227,760
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 12,470	\$ 17,840
Accrued liabilities	360,407	369,256
Income taxes payable	—	8,928
Contract liabilities	33,593	31,382
Operating lease liabilities	9,859	10,384
Total current liabilities	416,329	437,790
Non-current contract liabilities	23,463	29,687
Non-current operating lease liabilities	37,591	28,494
Other non-current liabilities	86,504	99,843
Total liabilities	563,887	595,814
Commitments and Contingencies (See Note 15)		
Stockholders' equity:		
Class A, \$0.001 par value, one vote per share, 500,000,000 shares authorized: 59,393,554 shares issued and outstanding as of June 26, 2026 and 60,802,616 as of September 26, 2025	52	54
Class B, \$0.001 par value, ten votes per share, 500,000,000 shares authorized: 34,251,901 shares issued and outstanding as of June 26, 2026 and 34,660,045 as of September 26, 2025	40	40
Retained earnings	2,598,923	2,634,980
Accumulated other comprehensive loss	(15,468)	(12,517)
Total stockholders' equity – Dolby Laboratories, Inc.	2,583,547	2,622,557
Noncontrolling interest	9,168	9,389
Total stockholders' equity	2,592,715	2,631,946
Total liabilities and stockholders' equity	\$ 3,156,602	\$ 3,227,760

See accompanying notes to unaudited interim condensed consolidated financial statements

DOLBY LABORATORIES, INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Fiscal Quarter Ended		Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025	June 26, 2026	June 27, 2025
Revenue:				
Licensing	\$ 282,351	\$ 289,905	\$ 974,367	\$ 966,390
Products and services	22,644	25,641	72,964	75,716
Total revenue	304,995	315,546	1,047,331	1,042,106
Cost of revenue:				
Cost of licensing	22,718	21,713	67,523	62,508
Cost of products and services	17,601	22,289	60,735	58,105
Total cost of revenue	40,319	44,002	128,258	120,613
Gross profit	264,676	271,544	919,073	921,493
Operating expenses:				
Research and development	65,749	65,982	198,477	194,327
Sales and marketing	85,071	86,163	272,786	270,191
General and administrative	75,585	72,307	221,783	212,814
Restructuring charges/(credits)	3,955	(547)	16,605	8,879
Total operating expenses	230,360	223,905	709,651	686,211
Operating income	34,316	47,639	209,422	235,282
Other income/(expense):				
Interest income/(expense), net	3,453	4,111	12,595	10,316
Other income, net	6,033	3,766	13,086	16,219
Total other income	9,486	7,877	25,681	26,535
Income before income taxes	43,802	55,516	235,103	261,817
Provision for income taxes	(14,588)	(8,974)	(56,754)	(54,979)
Net income including noncontrolling interest	29,214	46,542	178,349	206,838
Less: net income attributable to noncontrolling interest	(612)	(471)	(1,505)	(1,152)
Net income attributable to Dolby Laboratories, Inc.	\$ 28,602	\$ 46,071	\$ 176,844	\$ 205,686
Net income per share:				
Basic	\$ 0.30	\$ 0.48	\$ 1.86	\$ 2.14
Diluted	\$ 0.30	\$ 0.48	\$ 1.84	\$ 2.11
Weighted-average shares outstanding:				
Basic	94,242	95,897	94,975	95,947
Diluted	94,518	96,900	95,859	97,537
Related party rent expense:				
Included in net income attributable to noncontrolling interest	\$ 79	\$ 71	\$ 235	\$ 213
Cash dividend declared per common share	\$ 0.36	\$ 0.33	\$ 1.08	\$ 0.99
Cash dividend paid per common share	\$ 0.36	\$ 0.33	\$ 1.08	\$ 0.99

See accompanying notes to unaudited interim condensed consolidated financial statements

DOLBY LABORATORIES, INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	Fiscal Quarter Ended		Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025	June 26, 2026	June 27, 2025
Net income including noncontrolling interest	\$ 29,214	\$ 46,542	\$ 178,349	\$ 206,838
Other comprehensive income/(loss):				
Currency translation adjustments gains/(losses), net of tax benefit/(expense) of \$0, \$0, \$0, and \$0	(2,791)	12,982	(2,176)	4,392
Unrealized gains/(losses) on investments, net of tax benefit/(expense) of \$0, \$0, \$5, and \$0	—	(69)	5	(77)
Unrealized gains/(losses) on cash flow hedges, net of tax benefit/(expense) of \$65, (\$433), \$72, and (\$354)	(451)	1,706	(866)	1,432
Total other comprehensive income/(loss), net of tax	(3,242)	14,619	(3,037)	5,747
Total comprehensive income	25,972	61,161	175,312	212,585
Less: comprehensive income attributable to noncontrolling interest	(562)	(636)	(1,419)	(1,236)
Comprehensive income attributable to Dolby Laboratories, Inc.	\$ 25,410	\$ 60,525	\$ 173,893	\$ 211,349

See accompanying notes to unaudited interim condensed consolidated financial statements

DOLBY LABORATORIES, INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity - Dolby Laboratories, Inc.	Noncontrolling Interest	Total Stockholders' Equity
Balance as of March 27, 2026	\$ 93	\$ —	\$ 2,630,175	\$ (12,276)	\$ 2,617,992	\$ 9,140	\$ 2,627,132
Net income	—	—	28,602	—	28,602	612	29,214
Other comprehensive loss, net of tax	—	—	—	(3,192)	(3,192)	(50)	(3,242)
Distributions to noncontrolling interest	—	—	—	—	—	(534)	(534)
Stock-based compensation expense	—	30,964	—	—	30,964	—	30,964
Capitalized stock-based compensation expense	—	186	—	—	186	—	186
Repurchase of common stock	(1)	(39,127)	(25,869)	—	(64,997)	—	(64,997)
Excise tax on common stock repurchases	—	(524)	—	—	(524)	—	(524)
Cash dividends declared and paid on common stock	—	—	(33,985)	—	(33,985)	—	(33,985)
Common stock issued under employee stock plans	—	9,392	—	—	9,392	—	9,392
Tax withholdings on vesting of restricted stock	—	(891)	—	—	(891)	—	(891)
Balance as of June 26, 2026	\$ 92	\$ —	\$ 2,598,923	\$ (15,468)	\$ 2,583,547	\$ 9,168	\$ 2,592,715

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity - Dolby Laboratories, Inc.	Noncontrolling Interest	Total Stockholders' Equity
Balance as of September 26, 2025	\$ 94	\$ —	\$ 2,634,980	\$ (12,517)	\$ 2,622,557	\$ 9,389	\$ 2,631,946
Net income	—	—	176,844	—	176,844	1,505	178,349
Other comprehensive loss, net of tax	—	—	—	(2,951)	(2,951)	(86)	(3,037)
Distributions to noncontrolling interest	—	—	—	—	—	(1,640)	(1,640)
Stock-based compensation expense	—	98,883	—	—	98,883	—	98,883
Capitalized stock-based compensation expense	—	390	—	—	390	—	390
Repurchase of common stock	(3)	(89,756)	(110,242)	—	(200,001)	—	(200,001)
Excise tax on common stock repurchases	—	(1,088)	—	—	(1,088)	—	(1,088)
Cash dividends declared and paid on common stock	—	—	(102,659)	—	(102,659)	—	(102,659)
Common stock issued under employee stock plans	2	24,683	—	—	24,685	—	24,685
Tax withholdings on vesting of restricted stock	(1)	(33,112)	—	—	(33,113)	—	(33,113)
Balance as of June 26, 2026	\$ 92	\$ —	\$ 2,598,923	\$ (15,468)	\$ 2,583,547	\$ 9,168	\$ 2,592,715

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity - Dolby Laboratories, Inc.	Noncontrolling Interest	Total Stockholders' Equity
Balance as of March 28, 2025	\$ 95	\$ —	\$ 2,601,552	\$ (27,978)	\$ 2,573,669	\$ 9,350	\$ 2,583,019
Net income	—	—	46,071	—	46,071	471	46,542
Other comprehensive income, net of tax	—	—	—	14,454	14,454	165	14,619
Distributions to noncontrolling interest	—	—	—	—	—	(468)	(468)
Stock-based compensation expense	—	30,728	—	—	30,728	—	30,728
Capitalized stock-based compensation expense	—	82	—	—	82	—	82
Repurchase of common stock	—	(42,164)	2,173	—	(39,991)	—	(39,991)
Cash dividends declared and paid on common stock	—	—	(31,633)	—	(31,633)	—	(31,633)
Common stock issued under employee stock plans	—	12,557	—	—	12,557	—	12,557
Tax withholdings on vesting of restricted stock	(1)	(1,203)	—	—	(1,204)	—	(1,204)
Balance as of June 27, 2025	\$ 94	\$ —	\$ 2,618,163	\$ (13,524)	\$ 2,604,733	\$ 9,518	\$ 2,614,251

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity - Dolby Laboratories, Inc.	Noncontrolling Interest	Total Stockholders' Equity
Balance as of September 27, 2024	\$ 94	\$ —	\$ 2,496,255	\$ (19,187)	\$ 2,477,162	\$ 9,731	\$ 2,486,893
Net income	—	—	205,686	—	205,686	1,152	206,838
Other comprehensive income, net of tax	—	—	—	5,663	5,663	84	5,747
Distributions to noncontrolling interest	—	—	—	—	—	(1,449)	(1,449)
Stock-based compensation expense	—	97,462	—	—	97,462	—	97,462
Capitalized stock-based compensation expense	—	233	—	—	233	—	233
Repurchase of common stock	(1)	(101,238)	11,249	—	(89,990)	—	(89,990)
Cash dividends declared and paid on common stock	—	—	(95,010)	—	(95,010)	—	(95,010)
Common stock issued under employee stock plans	2	38,679	—	—	38,681	—	38,681
Tax withholdings on vesting of restricted stock	(1)	(35,136)	(17)	—	(35,154)	—	(35,154)
Balance as of June 27, 2025	\$ 94	\$ —	\$ 2,618,163	\$ (13,524)	\$ 2,604,733	\$ 9,518	\$ 2,614,251

See accompanying notes to unaudited interim condensed consolidated financial statements

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

	Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025
Operating activities:		
Net income including noncontrolling interest	\$ 178,349	\$ 206,838
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	70,842	65,829
Stock-based compensation	98,883	97,462
Amortization of operating lease right-of-use assets	7,889	8,193
Provision for credit losses	4,244	2,582
Deferred income taxes	1,542	(9,146)
Share of net income of equity method investees, net of cash distributions	(7,602)	1,845
Other non-cash items affecting net income	(1,289)	(429)
Changes in operating assets and liabilities:		
Accounts receivable, net	1,489	15,234
Contract assets, net	(28,442)	(6,902)
Inventories	6,512	4,020
Operating lease right-of-use assets	(17,547)	(1,717)
Prepaid expenses and other assets	(31,999)	28,003
Accounts payable and accrued liabilities	35,611	(48,979)
Income taxes, net	(2,771)	1,895
Contract liabilities	1,620	(1,061)
Operating lease liabilities	9,036	(8,237)
Other non-current liabilities	(11,600)	(6,063)
Net cash provided by operating activities	314,767	349,367
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	(28,681)	(20,104)
Business combinations, net of cash and restricted cash acquired, and other related payments	—	(1,362)
Purchases of intangible assets	(42,575)	—
Proceeds from sale of intangible assets	16,623	—
Net cash provided by/(used in) investing activities	(54,633)	11,326
Financing activities:		
Proceeds from issuance of common stock	24,685	38,681
Repurchase of common stock	(200,001)	(89,990)
Payment of excise tax on repurchase of common stock	—	(261)
Payment of cash dividend	(102,659)	(95,010)
Distributions to noncontrolling interest	(1,640)	(1,449)
Shares repurchased for tax withholdings on vesting of restricted stock	(33,113)	(35,154)
Net cash used in financing activities	(312,728)	(183,183)
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash	(1,881)	1,302
Net increase/(decrease) in cash, cash equivalents, and restricted cash	(54,475)	178,812
Cash, cash equivalents, and restricted cash at beginning of period	793,361	577,752
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 738,886</u>	<u>\$ 756,564</u>
Supplemental disclosure:		
Cash paid for income taxes, net of refunds received	\$ 57,327	\$ 58,520
Non-cash investing activities and financing activities:		
Change in property, plant, and equipment purchased, unpaid at period-end	\$ (1,512)	\$ 10,738
Accrual of unpaid stock repurchase excise tax	1,088	—

See accompanying notes to unaudited interim condensed consolidated financial statements

DOLBY LABORATORIES, INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

Unaudited Interim Condensed Consolidated Financial Statements

We have prepared the accompanying unaudited interim condensed consolidated financial statements in accordance with U.S. GAAP, and with SEC rules and regulations, which allow for certain information and footnote disclosures that are normally included in annual financial statements prepared in accordance with U.S. GAAP to be condensed or omitted. In our opinion, these unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements for the fiscal year ended September 26, 2025 and include all adjustments necessary for fair presentation. The accompanying unaudited interim condensed consolidated financial statements should be read in conjunction with our consolidated financial statements for the fiscal year ended September 26, 2025, which are included in our Annual Report on Form 10-K filed with the SEC.

The results for the fiscal quarter and fiscal year-to-date period ended June 26, 2026 are not necessarily indicative of the results to be expected for any subsequent quarterly or annual financial period, including the fiscal year ending September 25, 2026.

Principles of Consolidation

The unaudited interim condensed consolidated financial statements include the accounts of Dolby Laboratories, Inc. and our wholly-owned and majority-owned subsidiaries. In addition, we have consolidated the financial results of jointly owned affiliated companies in which our principal stockholder or other entities have a noncontrolling interest. We report these noncontrolling interests as a separate line in our unaudited interim condensed consolidated statements of operations as net income attributable to noncontrolling interest and in our unaudited interim condensed consolidated balance sheets as a noncontrolling interest. We eliminate all intercompany accounts and transactions upon consolidation.

Use of Estimates

The preparation of our financial statements in accordance with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported and disclosed in our unaudited interim condensed consolidated financial statements and accompanying notes.

Significant items subject to such estimates and assumptions include estimated shipments by our licensees for which we are owed a sales-based royalty. These estimates involve the use of historical data and judgment for several key attributes including industry estimates of expected shipments, the percentage of markets using our technologies, and average sale prices. Our estimates of royalty-based revenue also take into consideration the macroeconomic effect of global events that may impact our licensees' supply chain activities as well as demand for shipments.

Additional significant items subject to such estimates and assumptions include ESPs for performance obligations within revenue arrangements; allowance for credit losses for accounts receivable; carrying values of inventories and certain PP&E, goodwill, and intangible assets; fair values of investments; accrued liabilities including unrecognized tax benefits, deferred income tax assets and liabilities, and contingent liabilities; and stock-based compensation. Actual results could differ from our estimates.

Change in Presentation

During fiscal 2025, we changed the presentation of our share of net income from equity method investees and cash distributions from equity method investees within the unaudited interim condensed consolidated statements of cash flows. Our share of net income from equity method investees, previously presented in "other non-cash items affecting net income," and cash distributions from our equity method investees, previously presented within "changes in operating assets and liabilities," are now presented in "share of net income of equity method investees, net of cash distributions." As such, prior period amounts have been reclassified to conform to current period presentation. These reclassifications had no impact on total net cash provided by operating activities.

Fiscal Year

Our fiscal year is a 52 or 53 week period ending on the last Friday in September. The fiscal periods presented herein include the 13 week period ended June 26, 2026 and June 27, 2025. Our fiscal years ending September 25, 2026 (fiscal 2026) and September 26, 2025 (fiscal 2025) each consist of 52 weeks.

2. Summary of Significant Accounting Policies

Concentration of Credit Risk

Our financial instruments that are exposed to concentrations of credit risk principally consist of cash, cash equivalents, restricted cash, investments, accounts receivable, and contract assets. We maintain cash, cash equivalents, and investments with multiple financial institutions that have high credit standing, and that we believe are financially sound and have minimal credit risk exposure, although at times our balances may exceed the applicable insurance coverage limits. We monitor and manage the overall counterparty credit risk exposure of our cash balances to individual financial institutions on an ongoing basis. Our investment portfolio may consist of investment-grade securities diversified amongst security types, industries, and issuers. All of our securities are held in custody by large national financial institutions. Our investment policy limits the amount of credit exposure to a maximum of 5% of our total portfolio to any one issuer, except for the U.S. Treasury, and we believe no significant concentration risk exists with respect to these investments. We also mitigate counterparty risk through entering into derivative contracts with high-credit-quality financial institutions. Actual or potential defaults of one or more financial institutions could impact our results of operations or financial position, and make it challenging to find alternative qualified counterparties.

The majority of our licensing revenue is generated from customers outside of the United States ("U.S."). We manage the credit risk posed by non-U.S. customers by performing regular evaluations of the creditworthiness of our licensing customers and recognize revenue in accordance with U.S. GAAP.

Recently Issued Accounting Standards

Standards Not Yet Effective

Income Taxes. In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires further enhancement of income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. This ASU will be effective for our annual period beginning September 27, 2025, and requires prospective application with the option to apply the standard retrospectively. We will begin including the enhanced income tax disclosures on a prospective basis within the Form 10-K for the year ended September 25, 2026, but do not expect the standard's adoption to have a material impact on the consolidated financial statements.

Income Statement. In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires public companies to disclose, in interim and annual reporting periods, additional information about certain expenses in notes to financial statements, including purchases of inventory, employee compensation, depreciation, amortization of intangible assets, and selling expenses. In January 2025, the FASB issued ASU 2025-01, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, which clarified the effective date of ASU 2024-03. This standard will be effective for Dolby's annual period beginning September 25, 2027 and interim periods beginning September 30, 2028, with early adoption permitted. We are currently in the process of evaluating the impact of the standard's adoption on our consolidated financial statements and related disclosures.

Intangibles. In September 2025, the FASB issued ASU 2025-06, *Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which eliminates references to the previous stage-based model, and requires capitalization of software costs when management has committed to the software project and it is probable the software will be completed and perform its intended use. This standard is effective for Dolby beginning September 30, 2028, and may be applied prospectively, retrospectively, or using a modified transition approach, with early adoption permitted. We are currently in the process of evaluating the impact of the standard's adoption on our consolidated financial statements and related disclosures.

Environmental Credits and Environmental Credit Obligations. In May 2026, the FASB issued ASU 2026-02, *Environmental Credits and Environmental Credit Obligations (Topic 818)*, which establishes guidance for the recognition, measurement, presentation, and disclosure of environmental credits and environmental credit obligations. This standard will be effective for Dolby's annual period beginning September 30, 2028, including interim periods

within that annual period, and required to be adopted retrospectively through a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the annual reporting period of adoption, with early adoption permitted. We do not expect the adoption of this standard to have a material impact on our consolidated financial statements.

3. Revenue Recognition

We enter into revenue arrangements with our customers to license technologies, trademarks, and patents for sound and imaging solutions, and to sell products and services. We recognize revenue when we satisfy a performance obligation by transferring control over the use of a license, product, or service to a customer.

A. Identification of the Contract or Contracts with Customers

We generally determine that a contract with a customer exists upon the execution of an agreement and after consideration of collectability, which could include an evaluation of the customer's payment history, the existence of a standby letter of credit between the customer's financial institution and our financial institution, public financial information, and other factors. At contract inception, we also evaluate whether two or more non-standard agreements with a customer should be combined and accounted for as a single contract.

B. Identification of Performance Obligations in a Contract

We generate revenue principally from the following sources, which represent performance obligations in our contracts with customers:

- *Licensing.* We license our technologies, including patents, to a range of customers who incorporate them into their products for audio and imaging functionality across broadcast, mobile, CE, PC, gaming, and other markets.
- *Product Sales.* We design and provide audio and imaging products for the cinema, television, broadcast, and entertainment industries.
- *Services.* We provide various services to support theatrical and television production for cinema exhibition, broadcast, and home entertainment, including equipment training, mixing room alignment, equalization, as well as audio, color and light image calibration. We also offer solutions through our platform Dolby OptiView to companies building real-time digital experiences that increase audience engagement. Our solution provides the capability to stream high-quality audiovisual content in ultra-low latency to reduce the delay between the action and the viewer.
- *PCS.* We provide PCS for products sold and for equipment leased, and we support the implementation of our licensing technologies in our licensees' products.
- *Equipment Leases.* We collaborate with established cinema exhibitors to offer Dolby Cinema, a branded premium cinema offering for movie audiences by leasing equipment and licensing our IP.
- *Licensing Administration Fees.* We generate administrative fees for managing patent pools on behalf of third party patent owners through our subsidiary, Via Licensing Alliance LLC ("Via").

Some of our revenue arrangements include multiple performance obligations, such as hardware, software, support and maintenance, and extended warranty services. We evaluate whether promised products and services are distinct performance obligations.

The majority of our arrangements with multiple performance obligations pertain to our digital cinema server and processor sales that include the following distinct performance obligations to which we allocate portions of the transaction price based on their stand-alone selling price:

- Digital cinema server hardware and embedded software, that is dependent on and interrelated with the hardware. Accordingly, the hardware and embedded software represent a single performance obligation.
- The right to support and maintenance, that is included with the purchase of the digital cinema server hardware, is a distinct performance obligation.

- The right to receive commissioning services is a distinct performance obligation within the sale of the Dolby Atmos Cinema Processor. These services consist of the review of venue designs specifying proposed speaker placement as well as calibration services performed for installed speakers to ensure optimal playback.

C. Determination of Transaction Price for Performance Obligations in a Contract

After identifying the distinct performance obligations, we determine the transaction price in accordance with the terms of the underlying executed contract which may include variable consideration such as discounts, rebates, refunds, rights of returns, and incentives. We assess and update, if necessary, the amount of variable consideration to which we are entitled for each reporting period. At the end of each reporting period, we estimate and accrue a liability for returns and adjustments as a reduction to revenue based on several factors, including past return history.

With the exception of our sales-based royalties, we evaluate whether a significant financing component exists when we recognize revenue in advance of customer payments that occur over time. For example, some of our licensing arrangements include payment terms greater than one year from when we transfer control of our IP to a licensee and the receipt of the final payment for that IP. If a significant financing component exists, we classify a portion of the transaction price as interest income, instead of recognizing all of the transaction price as revenue. We do not adjust the transaction price for the effects of financing if, at contract inception, the period between the transfer of control to a customer and final payment is expected to be one year or less.

D. Allocation of Transaction Price to Distinct Performance Obligations in a Contract

For our sales-based royalties where the license is the predominant item to which the royalties relate, we present all revenue as licensing.

For revenue arrangements that include multiple performance obligations, we determine the stand-alone selling price for each distinct performance obligation based on the actual selling prices made to customers. If the performance obligation is not sold separately, we estimate the stand-alone selling price. We do so by considering market conditions such as competitor pricing strategies, customer specific information and industry technology lifecycles, internal conditions such as cost and pricing practices, or applying the residual approach method when the selling price of the good, most commonly a license, is highly variable or uncertain.

Once the transaction price, including any variable consideration, has been determined, we allocate the transaction price to the performance obligations identified in the contract and recognize revenue as or when control is transferred for each distinct performance obligation.

E. Revenue Recognition as Control is Transferred to a Customer

We generate our licensing revenue by licensing our technologies and patents to various types of licensees, such as chip manufacturers ("implementation licensees"), consumer product manufacturers, software vendors, and communications service providers. Our revenue recognition policies for each of these arrangements are summarized below.

Initial fees from implementation licensees. Implementation licensees incorporate our technologies into their chipsets that, once approved by Dolby, are available for purchase by OEMs for use in end-user products. Implementation licensees only pay us a nominal initial fee on contract execution as consideration for the ongoing services that we provide to assist in their implementation process. Revenue from these initial fees is recognized ratably over the contractual term as a component of licensing revenue.

Sales-based licensing fees. In our royalty bearing licensing agreements with OEMs, control is transferred upon the later of contract execution or the contract's effective date. We apply the royalty exception, which requires that we recognize sales-based royalties when the sales occur based on our estimates. These estimates involve the use of historical data and judgment for several key attributes including industry estimates of expected shipments, the percentage of markets using our technologies, and average sale prices. Generally, our estimates represent the current period's shipments for which we expect our licensees to submit royalty statements within the following two quarters. Upon receipt of royalty statements from the licensees with the actual reporting of sales-based royalties that we estimated previously, we record a favorable or unfavorable adjustment based on the difference, if any, between estimated and actual sales. In the third quarter of fiscal 2026, we recorded a favorable adjustment of approximately \$1 million, primarily related to shipments that occurred in the prior two quarters, and is largely based on actual royalty statements received from licensees that differed from our estimates.

Fixed and guaranteed licensing fees. In certain cases, our arrangements require the licensee to pay fixed, non-refundable fees. In these cases, control is transferred and fees are recognized upon the later of contract execution or the effective date. Additionally and separate from initial fees from implementation licensees, our sales- and usage-based licensing agreements include a nominal fee, which is also recognized at a point in time in which control of the IP has been transferred. Revenue from these arrangements is included as a component of licensing revenue.

Recoveries. Through compliance efforts, we identify misreported licensed activity related to non-current periods. We may record a favorable or unfavorable revenue adjustment in connection with the findings from these compliance efforts generally upon resolution with the licensee through agreement of the findings, or upon receipt of the licensee's correction statement. Revenue from these arrangements is included as a component of licensing revenue.

We undertake activities aimed at identifying potential unauthorized uses of our technologies, which, when successful, result in the recognition of revenue. Recoveries stem from third parties who agree to remit payments to us based on past use of our technology. In these scenarios, a legally binding contract did not exist at the time of use of our technology, and therefore, we recognize revenue recoveries upon execution of the agreement as that is the point in time at which a contract exists and control is transferred. This revenue is classified as licensing revenue.

In general, we classify legal costs associated with activities aimed at identifying potential unauthorized uses of our technologies, auditing existing licensees, and on occasion, pursuing litigation as S&M in our unaudited interim condensed consolidated statements of operations.

We recognize licensing revenue gross of withholding taxes, which our licensees remit directly to their local tax authorities, and for which we receive a partial foreign tax credit in our income tax provision.

In addition to our licensing arrangements, we also enter into arrangements to deliver products and services.

Product Sales. Revenue from the sale of products is recognized when the customer obtains control of the promised good or service, which is generally upon shipment. Payments are generally made within 90 days of sale.

Services. We provide various services, such as engineering services related to movie soundtrack print mastering, equipment training and maintenance, mixing room alignment, equalization, and image calibration, which we bill on a fixed fee and time and materials basis. Most of these services are of a short duration and are recognized as control of the performance obligations are transferred which is when the related services are performed.

Cloud Services. We offer solutions through our Dolby OptiView platform as well as cloud encoding services, generally, on either a consumption or subscription basis. Revenue related to cloud services provided on a consumption basis is recognized when the customer utilizes the services, based on the quantity of services consumed. Revenue related to cloud services provided on a subscription basis is recognized ratably over the contract term as the customer receives and consumes the benefits of the cloud services.

Collaborative Arrangements. We collaborate with established cinema exhibitors to offer Dolby Cinema, a branded premium cinema offering for movie audiences. Under such collaborations, Dolby and the exhibitor are both active participants, and share the risks and rewards associated with the business. Accordingly, these collaborations are governed by revenue sharing arrangements under which Dolby receives revenue based on box office receipts, in exchange for our proprietary designs and trademarks as well as for the use of our equipment at the exhibitor's venue. The use of our product solution meets the definition of a lease, and for the related portion of Dolby's share of revenue, we apply ASC 842, *Leases*, and recognize revenue based on monthly, or quarterly, box office reports from exhibitors. Our revenue share is recognized as licensing revenue in our unaudited interim condensed consolidated statements of operations.

In addition, we also enter into hybrid agreements where a portion of our revenue share involves guaranteed payments, which in some cases result in classifying the arrangement as a sales-type lease. In such arrangements, we consider control to transfer at the point in time to which we have installed and tested the equipment, at which point we record such guaranteed payments as product revenue.

Licensing Administration Fee. We generate administrative fees for managing patent pools on behalf of third party patent owners through our subsidiary, Via. As an agent to licensors in the patent pool, Via receives a share of the sales-based royalty that the patent pool licensors earn from licensees. As such, we apply the sales-based royalty exception as the service provided is directly related to the patent pool licensors' provision of IP, which results in

recognition based on estimates of the licensee's quarter shipments that use the pool's patents. In addition to sales-based royalties, Via also has contracts where the fees are fixed. The revenue share Via receives from licensors on fixed fee contracts is recognized over the term in which we are providing services associated with the fixed fee contract. We recognize our administrative fees net of the consideration paid to the patent licensors in the pool as licensing revenue.

Deferred revenue, which is a component of contract liabilities, represents amounts that are ultimately expected to be recognized as revenue, but for which we have yet to satisfy the performance obligation. As of June 26, 2026, we had \$57.1 million of remaining performance obligations, 25% of which we expect to recognize as revenue in fiscal 2026, 38% in fiscal 2027, and the balance of 37% in fiscal years beyond 2027.

F. Disaggregation of Revenue

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

	Fiscal Quarter Ended				Fiscal Year-To-Date Ended							
Revenue	June 26, 2026		June 27, 2025		June 26, 2026		June 27, 2025					
Licensing	\$	282,351	93 %	\$	289,905	92 %	\$	974,367	93 %	\$	966,390	93 %
Products and services		22,644	7 %		25,641	8 %		72,964	7 %		75,716	7 %
Total revenue	\$	304,995	100 %	\$	315,546	100 %	\$	1,047,331	100 %	\$	1,042,106	100 %

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

Market	Fiscal Quarter Ended				Fiscal Year-To-Date Ended							
	June 26, 2026		June 27, 2025		June 26, 2026		June 27, 2025					
Broadcast	\$	106,579	38 %	\$	111,286	38 %	\$	326,041	33 %	\$	321,297	33 %
Mobile		51,010	18 %		56,295	19 %		220,199	23 %		217,942	23 %
CE		31,506	11 %		28,071	10 %		118,057	12 %		115,668	12 %
PC		28,343	10 %		33,589	12 %		116,523	12 %		123,247	13 %
Other		64,913	23 %		60,664	21 %		193,547	20 %		188,236	19 %
Total licensing revenue	\$	282,351	100 %	\$	289,905	100 %	\$	974,367	100 %	\$	966,390	100 %

We license our technologies in approximately 60 countries, and our licensees distribute products that incorporate our technologies throughout the world. We generate the majority of our revenue from outside the U.S. Geographic data for our Licensing revenue is based on the location of our licensees' headquarters, Products revenue is based on the destination to which we ship our products, and Services revenue is based on the location where services are performed. The following table presents the composition of our revenue by geographic location for all periods presented (in thousands, except percentage amounts):

Geographic Location	Fiscal Quarter Ended				Fiscal Year-To-Date Ended							
	June 26, 2026		June 27, 2025		June 26, 2026		June 27, 2025					
United States	\$	104,207	34 %	\$	89,825	28 %	\$	453,469	43 %	\$	392,319	38 %
International		200,788	66 %		225,721	72 %		593,862	57 %		649,787	62 %
Total revenue	\$	304,995	100 %	\$	315,546	100 %	\$	1,047,331	100 %	\$	1,042,106	100 %

G. Contract Balances

Our contract assets represent rights to consideration from licensees for the use of our IP that we have estimated in a given period in the absence of receiving actual royalty statements from licensees. These estimates reflect our best judgment at that time, and are developed using a number of inputs, including historical data, industry estimates of expected shipments, anticipated sales price and performance, and third party data supporting the percentage of markets using our technologies. In the event that our estimates differ from actual amounts reported, we record an adjustment in the quarter in which the royalty statement is received, which is typically the quarter following our estimate. Actual amounts reported are typically paid within 60 days following the end of the quarter of shipment. The main drivers for change in the contract assets account are variances in quarterly estimates, and to a lesser degree, timing of receipt of actual royalty statements.

Our contract liabilities consist of payments and billings in advance of performance, typically satisfied within one year. The non-current portion of contract liabilities is separately disclosed in our unaudited interim condensed

consolidated balance sheets. We present the net contract asset or liability when we have both contract assets and contract liabilities for a single contract. We recognized \$5.2 million in the third quarter of fiscal 2026 and \$26.9 million in the fiscal year-to-date period ended June 26, 2026 from prior period deferred revenue, respectively.

The following table presents a summary of the balances to which contract assets and liabilities related to revenue are recorded for all periods presented (in thousands, except percentage amounts):

	June 26, 2026		September 26, 2025		Change (\$)	Change (%)
Accounts receivable, net	\$	285,148	\$	331,096	\$ (45,948)	(14)%
Contract assets, net		206,881		180,804	26,077	14 %
Contract liabilities - current		33,593		31,382	2,211	7 %
Contract liabilities - non-current		23,463		29,687	(6,224)	(21)%

4. Composition of Certain Financial Statement Captions

The following tables present detailed information from our unaudited interim condensed consolidated balance sheets as of June 26, 2026 and September 26, 2025 (in thousands).

Accounts Receivable and Contract Assets

	June 26, 2026	September 26, 2025
Trade accounts receivable	\$ 151,489	\$ 186,221
Accounts receivable from patent administration program licensees	143,252	152,096
Contract assets	206,975	180,905
Accounts receivable and contract assets, gross	501,716	519,222
Less: allowance for credit losses on accounts receivable and contract assets	(9,687)	(7,322)
Total accounts receivable and contract assets, net	\$ 492,029	\$ 511,900

Accounts receivable as of June 26, 2026 and September 26, 2025, respectively, includes unbilled accounts receivable balances of \$120.5 million and \$173.5 million, related to amounts that are contractually owed. The unbilled balance represents our unconditional right to consideration related to fixed fee contracts which we are entitled to as a result of satisfying, or partially satisfying, performance obligations, as well as Via's unconditional right to consideration related to its patent administration programs.

Allowance for Credit Losses	Beginning Balance	Charges to S&M and G&A	Deductions	Ending Balance
For fiscal year-to-date period ended:				
September 26, 2025	\$ 6,836	\$ 2,434	\$ (988)	\$ 8,282
June 26, 2026	8,282	4,244	(1,950)	10,576

Allowance for credit losses includes the provision for estimated credit losses on our sales-type leases, which was not material as of June 26, 2026 and September 26, 2025.

Inventories

	June 26, 2026	September 26, 2025
Raw materials	\$ 5,908	\$ 4,254
Work in process	2,949	4,187
Finished goods	21,911	21,983
Total inventories	\$ 30,768	\$ 30,424

Inventories are stated at the lower of cost and net realizable value. Inventory with a consumption period expected to exceed twelve months is recorded within other non-current assets in our unaudited interim condensed consolidated balance sheets. We have included \$3.9 million and \$7.5 million of inventory within non-current assets as of June 26, 2026 and September 26, 2025, respectively. Based on anticipated inventory consumption rates, and aside from existing write-downs due to excess inventory, we do not believe that material risk of obsolescence exists prior to ultimate sale.

Prepaid Expenses and Other Current Assets

	June 26, 2026	September 26, 2025
Prepaid expenses	\$ 24,976	\$ 28,006
Other current assets	38,730	23,867
Total prepaid expenses and other current assets	\$ 63,706	\$ 51,873

Accrued Liabilities

	June 26, 2026	September 26, 2025
Amounts payable to patent administration program partners	\$ 115,893	\$ 166,315
Accrued compensation and benefits	92,762	106,579
Accrued professional fees	30,498	21,165
Unpaid property, plant, and equipment additions	3,977	3,439
Accrued customer refunds	5,800	4,218
Accrued market development funds	5,428	2,578
Other accrued liabilities ⁽¹⁾	106,049	64,962
Total accrued liabilities	\$ 360,407	\$ 369,256

(1) Includes a \$34.5 million litigation accrual. Refer to Note 14 "Legal Matters" for additional information.

Other Non-Current Liabilities

	June 26, 2026	September 26, 2025
Supplemental retirement plan obligations	\$ 5,587	\$ 5,315
Non-current tax liabilities ⁽¹⁾	50,637	46,159
Other liabilities	30,280	48,369
Total other non-current liabilities	\$ 86,504	\$ 99,843

(1) Refer to Note 12 "Income Taxes" for additional information related to our tax liabilities.

5. Investments and Fair Value Measurements

Our cash equivalents consist of highly-liquid money market funds. Our short-term and long-term investments primarily consist of equity method investments and equity securities without a readily determinable fair value. Our mutual fund investments held in our SERP are classified as trading securities. Derivative contracts are used to hedge currency risk, and these are carried at fair value and classified as other current assets, other non-current assets, and accrued liabilities in the unaudited interim condensed consolidated balance sheets.

Our cash and investment portfolio consisted of the following (in thousands):

	June 26, 2026							
	Cost	Unrealized		Total	Estimated Fair Value			
		Gains	Losses		Level 1	Level 2	Level 3	
Cash and cash equivalents:								
Cash	\$ 667,740	\$ —	\$ —	\$ 667,740	\$ 667,740	\$ —	\$ —	
Cash equivalents:								
Money market funds	1,654	—	—	1,654	1,654	—	—	
Cash and cash equivalents	669,394	—	—	669,394	669,394	—	—	
Short-term investments:								
Marketable equity securities	652	—	—	652	652	—	—	
Short-term investments	652	—	—	652	652	—	—	
Long-term investments:								
Other investments	86,437	—	—	86,437	—	—	—	
Long-term investments	86,437	—	—	86,437	—	—	—	
Total cash, cash equivalents, and investments	\$ 756,483	\$ —	\$ —	\$ 756,483	\$ 670,046	\$ —	\$ —	
Investments held in supplemental retirement plan:								
Assets	\$ 5,685	\$ —	\$ —	\$ 5,685	\$ 5,685	\$ —	\$ —	
Included in prepaid expenses and other current assets and other non-current assets								
Liabilities	\$ 5,685	\$ —	\$ —	\$ 5,685	\$ 5,685	\$ —	\$ —	
Included in accrued liabilities and other non-current liabilities								
Currency derivatives as hedge instruments:								
Assets: Included in other current assets	\$ —	\$ 484	\$ —	\$ 484	\$ —	\$ 484	\$ —	
Liabilities: Included in other accrued liabilities	—	—	(290)	(290)	—	(290)	—	

September 26, 2025								
	Cost	Unrealized		Total	Estimated Fair Value			
		Gains	Losses		Level 1	Level 2	Level 3	
Cash and cash equivalents:								
Cash	\$ 529,422	\$ —	\$ —	\$ 529,422	\$ 529,422	\$ —	\$ —	
Cash equivalents:								
Money market funds	172,471	—	—	172,471	172,471	—	—	
Cash and cash equivalents	701,893	—	—	701,893	701,893	—	—	
Short-term investments:								
Marketable equity securities	703	—	—	703	703	—	—	
Short-term investments	703	—	—	703	703	—	—	
Long-term investments:								
Other investments	80,205	—	—	80,205	—	—	—	
Long-term investments	80,205	—	—	80,205	—	—	—	
Total cash, cash equivalents, and investments	\$ 782,801	\$ —	\$ —	\$ 782,801	\$ 702,596	\$ —	\$ —	
Investments held in supplemental retirement plan:								
Assets	\$ 5,413	\$ —	\$ —	\$ 5,413	\$ 5,413	\$ —	\$ —	
<i>Included in prepaid expenses and other current assets and other non-current assets</i>								
Liabilities	\$ 5,413	\$ —	\$ —	\$ 5,413	\$ 5,413	\$ —	\$ —	
<i>Included in accrued liabilities and other non-current liabilities</i>								
Currency derivatives as hedge instruments:								
Assets: Included in other current assets	\$ —	\$ 1,442	\$ —	\$ 1,442	\$ —	\$ 1,442	\$ —	
Assets: included in other non-current assets	—	111	—	111	—	111	—	
Liabilities: Included in other accrued liabilities	—	—	(48)	(48)	—	(48)	—	

Equity Securities

Our equity securities primarily consist of our equity method investments, including our equity method investment in Access Advance LLC ("Access Advance"), of \$74.7 million and \$68.5 million as of June 26, 2026 and September 26, 2025, respectively, and equity securities without a readily determinable fair value, valued at \$11.8 million and \$11.8 million as of June 26, 2026 and September 26, 2025, respectively. The equity method investments and equity securities without a readily determinable fair value are recorded within long-term investments in our unaudited interim condensed consolidated balance sheets.

The equity method investments are regularly assessed for impairment, and in the case of an impairment, we adjust the carrying value of our investment. Our share of our equity method investees' net income or loss is included in Other income/(expense) on the unaudited interim condensed consolidated statements of operations. Our share of our equity method investees' net income was \$5.7 million in the third quarter of fiscal 2026 and was \$3.7 million in the third quarter of fiscal 2025. Our share of our equity method investees' net income was \$14.1 million in the fiscal year-to-date period ended June 26, 2026 and was \$17.1 million in the fiscal year-to-date period ended June 27, 2025.

Fair Value Hierarchy

Fair value is the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. We minimize the use of unobservable inputs and use observable market data, if available, when determining fair value. We classify our inputs to measure fair value using the following three-level hierarchy:

Level 1: Quoted prices in active markets at the measurement date for identical assets and liabilities. We base the fair value of our Level 1 financial instruments, which are traded in active markets, using quoted market prices for identical instruments.

Level 2: Prices may be based upon quoted prices in active markets or inputs not quoted on active markets but are corroborated by market data. We obtain the fair value of our Level 2 financial instruments from a professional pricing service, which may use quoted market prices for identical or comparable instruments, or model driven

valuations using observable market data or inputs corroborated by observable market data. To validate the fair value determination provided by our primary pricing service, we perform quality controls over values received which include comparing our pricing service provider's assessment of the fair values of our investment securities against the fair values of our investment securities obtained from another independent source, reviewing the pricing movement in the context of overall market trends, and reviewing trading information from our investment managers. In addition, we assess the inputs and methods used in determining the fair value in order to determine the classification of securities in the fair value hierarchy. The fair value of the currency derivatives are calculated from market spot rates, forward rates, interest rates, and credit ratings at the end of the period.

Level 3: Unobservable inputs are used when little or no market data is available and reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

Cash Equivalents Maturities

The following table summarizes the amortized cost and estimated fair value of our cash equivalents as of June 26, 2026 and September 26, 2025, which are recorded within cash and cash equivalents in our unaudited interim condensed consolidated balance sheets (in thousands):

Range of maturity	June 26, 2026		September 26, 2025	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within 1 year	\$ 1,654	\$ 1,654	\$ 172,471	\$ 172,471
Due in 1 to 2 years	—	—	—	—
Due in 2 to 5 years	—	—	—	—
Total	\$ 1,654	\$ 1,654	\$ 172,471	\$ 172,471

6. Property, Plant, and Equipment

PP&E are recorded at cost, with depreciation expense included in cost of licensing, cost of products and services, R&D, S&M, and G&A expenses in our unaudited interim condensed consolidated statements of operations.

As of June 26, 2026 and September 26, 2025, PP&E consisted of the following (in thousands):

Property, Plant, and Equipment	June 26, 2026	September 26, 2025
Land	\$ 41,995	\$ 42,021
Buildings and building improvements	291,839	290,920
Leasehold improvements	56,483	84,605
Machinery and equipment	157,138	163,382
Computer equipment and software	196,956	195,521
Furniture and fixtures	30,163	31,476
Equipment provided under operating leases	256,156	234,426
Construction-in-progress	38,931	36,181
Property, plant, and equipment, gross	1,069,661	1,078,532
Less: accumulated depreciation	(610,546)	(607,924)
Property, plant, and equipment, net	\$ 459,115	\$ 470,608

7. Leases

As Lessee

As a lessee, we enter into contracts to access and utilize office space, including those payable to our principal stockholder and portions attributable to the noncontrolling interests in our consolidated subsidiaries. The following table presents the maturity analysis of lease liabilities (in thousands):

	June 26, 2026
	Operating Leases
Remainder of Fiscal 2026	\$ 3,098
Fiscal 2027	12,064
Fiscal 2028	10,771
Fiscal 2029	7,776
Fiscal 2030	4,405
Thereafter	19,362
Total undiscounted lease payments	57,476
Less: imputed interest	(10,026)
Total lease liabilities	\$ 47,450

As Lessor

As a lessor, we lease our Dolby Cinema product solution to exhibitors. The terms of these leases are typically 10 years. Lease components consist of fixed payments and/or variable lease payments based on contracted percentages of revenue. Generally, leases do not grant any right to the lessee to purchase the underlying asset at the end of the lease term. Dolby Cinema lease arrangements have options to extend the lease term at expiration by increments ranging from 1 to 5 years.

Assets provided under an operating lease are carried at cost within property, plant, and equipment, net on the unaudited interim condensed consolidated balance sheets, and depreciated over the useful life of the asset using the straight-line method. Fixed operating lease payments are recognized on a straight-line basis over the lease term to revenue. Variable lease payments received under our Dolby Cinema operating leases are computed as shares of lessees' box office revenue and recognized to revenue in the period that box office sales occur. Lease incentive payments we make to lessees are amortized as a reduction in revenue over the lease term. The components of lease income were as follows (in thousands):

	Fiscal Quarter Ended		Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025	June 26, 2026	June 27, 2025
Operating Lease Income				
Variable operating lease income	\$ 16,405	\$ 11,280	\$ 33,521	\$ 26,045
Fixed operating lease income	1,103	996	2,913	2,936

If a lease is classified as a sales-type lease, the carrying amount of the asset is derecognized from property, plant, and equipment, net, and a net investment in the lease is recorded. The net investment in the lease is measured at commencement date as the sum of the lease receivable and the estimated residual value of the equipment. The unguaranteed residual value of the equipment is determined as the estimated carrying value of the asset at the end of the lease term had the asset been depreciated on a straight-line basis. The unguaranteed residual value of sales-type leases was \$0.6 million and \$0.5 million as of June 26, 2026 and September 26, 2025, respectively. Selling profit or loss arising from a sales-type lease is recorded at lease commencement and presented on a gross basis. Over the term of the lease, we recognize interest income on the net investment in the lease, and variable lease payments, which are not included in the net investment in the lease. The variable lease payments are not material.

The following table presents the maturity analysis of fixed lease payments due to Dolby (in thousands):

	June 26, 2026	
	Sales-Type Leases	
Remainder of Fiscal 2026	\$	220
Fiscal 2027		220
Fiscal 2028 and thereafter		220
Total undiscounted cash flows		660
Less: Carrying value of lease receivables		—
Difference	\$	660

8. Goodwill and Intangible Assets

Goodwill

The following table outlines changes to the carrying amount of goodwill (in thousands):

	Goodwill	
Balance as of September 26, 2025	\$	529,900
Translation adjustments		(1,557)
Balance as of June 26, 2026	\$	528,343

Intangible Assets

Intangible assets are stated at their original cost less accumulated amortization, and principally consist of acquired patents, technology, and customer relationships and contracts. Intangible assets subject to amortization consisted of the following (in thousands):

Intangible Assets, Net	June 26, 2026			September 26, 2025		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Acquired patents and technology	\$ 629,497	\$ (347,564)	\$ 281,933	\$ 587,743	\$ (324,507)	\$ 263,236
Customer relationships	187,758	(87,380)	100,378	221,007	(87,401)	133,606
Other intangible assets	23,142	(23,019)	123	23,171	(22,956)	215
Total	\$ 840,397	\$ (457,963)	\$ 382,434	\$ 831,921	\$ (434,864)	\$ 397,057

During the third quarter of fiscal 2026, we purchased various patents for cash consideration of \$4.7 million, and upon acquisition, these patents had a weighted-average useful life of 15 years. During the fiscal year-to-date period ended June 26, 2026, we purchased various patents for cash consideration of \$41.7 million, and upon acquisition, these patents had a weighted-average useful life of 13.2 years. These patents have been categorized as "acquired patents and technology" intangible assets class.

During the fiscal year-to-date period ended June 26, 2026, Via sold its HEVC/VVC program intangible assets for a total consideration of \$25.0 million. Refer to Note 18, "Related Parties" for more information.

During the third quarter of fiscal 2025, we purchased various patents for purchase consideration of \$5.6 million, and upon acquisition, these intangible assets had a weighted-average useful life of 14 years. The remaining intangible assets purchased during the fiscal year-to-date period ended June 27, 2025 were not material.

Amortization expense for our intangible assets is included in cost of licensing, cost of products and services, R&D, S&M, and G&A expenses in our unaudited interim condensed consolidated statements of operations. Amortization expense was \$11.7 million and \$11.2 million in the third quarter of fiscal 2026 and 2025, respectively, and \$33.7 million and \$34.0 million in the fiscal year-to-date periods ended June 26, 2026 and June 27, 2025, respectively. As of June 26, 2026, expected amortization expense of our intangible assets in future fiscal periods was as follows (in thousands):

Fiscal Year	Amortization Expense	
Remainder of 2026	\$	11,691
2027		46,064
2028		42,344
2029		41,379
2030		40,056
Thereafter		200,900
Total	\$	382,434

9. Stockholders' Equity and Stock-Based Compensation

We provide stock-based awards as a form of compensation for employees, officers, and directors. We issue stock-based awards in the form of stock options and RSUs under our equity incentive plans, as well as shares under our ESPP.

Common Stock - Class A and Class B

Our Board of Directors has authorized two classes of common stock, Class A and Class B. As of June 26, 2026, we had authorized 500,000,000 Class A shares and 500,000,000 Class B shares. As of June 26, 2026, we had 59,393,554 shares of Class A common stock and 34,251,901 shares of Class B common stock issued and outstanding. Holders of our Class A and Class B common stock have identical rights, except that holders of our Class A common stock are entitled to one vote per share and holders of our Class B common stock are entitled to ten votes per share. Shares of Class B common stock can be converted to shares of Class A common stock at any time at the option of the stockholder and automatically convert upon sale or transfer, except for certain transfers specified in our amended and restated certificate of incorporation.

Stock Incentive Plans

Our 2020 Stock Plan originally was adopted by our Board of Directors and shareholders in 2005 (when the 2020 Stock Plan was called the 2005 Stock Plan). Our stockholders last approved amendments to the 2020 Stock Plan at our 2023 annual meeting of stockholders. Our 2020 Stock Plan, as amended and restated, provides for the ability to grant incentive stock options, non-qualified stock options, restricted stock, RSUs, stock appreciation rights, deferred stock units, performance units, performance bonus awards, and performance shares. A total of 64.0 million shares of our Class A common stock have been authorized for issuance under the 2020 Stock Plan in total since inception of the plan. Any shares subject to an award with a per share price less than the fair market value of our Class A common stock on the date of grant and any shares subject to an outstanding RSU award will be counted against the authorized share reserve as 1.6 shares for every one share subject to the award, and if returned to the 2020 Stock Plan, such shares will be counted as 1.6 shares for every one share returned.

Stock Options. Stock options are granted at fair market value on the date of grant. Options generally vest over four years, with 25% of the options becoming exercisable on the one-year anniversary of the date of grant and the balance of the shares vesting in equal monthly installments over the following 36 months. These options expire on the earlier of ten years after the date of grant or three months after termination of service. All options granted vest over the requisite service period and upon the exercise of stock options, we issue new shares of Class A common stock under the 2020 Stock Plan. Our 2020 Stock Plan also allows us to grant stock awards which vest based on the satisfaction of specific performance criteria.

Performance-Based Stock Options. From fiscal 2016 through fiscal 2019, we granted PSOs to certain officers with shares of our Class A common stock underlying such options. The contractual term for the PSOs was seven years, with vesting contingent upon market-based performance conditions, representing the achievement of specified Dolby annualized TSR targets at the end of a three-year measurement period following the date of grant. Anywhere from 0% to 125% of the shares subject to a PSO vested based on achievement of the performance conditions at the end of the three-year performance period.

In valuing the PSOs, which are recognized as compensation cost, we used a Monte Carlo valuation model. Aside from the use of an expected term for the PSOs commensurate with their shorter contractual term, the nature of the valuation inputs used in the Monte Carlo valuation model were consistent with those used to value our non-performance based options granted under the 2020 Stock Plan. Compensation cost was amortized on a straight-line basis over the requisite service period.

The following table summarizes information about stock options, including PSOs, issued under our 2020 Stock Plan:

	Shares (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value ⁽¹⁾ (in thousands)
Options outstanding as of September 26, 2025	3,259	\$ 72.71		
Grants	504	66.62		
Exercises	(168)	52.32		
Forfeitures and cancellations	(24)	68.40		
Options outstanding as of June 26, 2026	3,571	72.84	5.30	\$ 509
Options vested and expected to vest as of June 26, 2026	3,404	72.94	5.19	509
Options exercisable as of June 26, 2026	2,626	73.05	4.13	509

(1) Aggregate intrinsic value is based on the closing stock price of our Class A common stock on June 26, 2026 of \$53.49 and excludes the impact of options that were not in-the-money.

Restricted Stock Units. In fiscal 2008, we began granting RSUs to certain directors, officers, and employees. RSU awards granted to employees and officers generally vest over four years, with annual cliff-vesting. Awards granted to ongoing non-employee directors generally vest over approximately one year. Awards granted to new non-employee directors from fiscal 2014 onward vest on the earlier of the first anniversary of the award's date of grant, or the day immediately preceding the date of the next annual meeting of stockholders that occurs after the award's date of grant. At each vesting date, the holder of the award is issued shares of our Class A common stock. Compensation expense from these awards is equal to the adjusted fair market value of our Class A common stock on the date of grant, discounted to account for dividend payments forgone during the vesting period, and is recognized on a straight-line basis over the requisite service period. Certain grants may have other vesting conditions or other award terms as approved by the Compensation Committee of our Board of Directors. Our 2020 Stock Plan also allows us to grant RSUs that vest based on the satisfaction of specific performance criteria.

Performance-Based Restricted Stock Units. In fiscal 2020, we began granting PSUs to certain officers with shares of our Class A common stock underlying such awards. The terms of the PSU Agreement adopted in the first quarter fiscal 2020 provide for the grant of PSUs to certain officers contingent on Dolby's achievement of annualized TSR targets measured against a comparator index over a three-year performance period following the date of grant. Anywhere from 0% to 200% of eligible restricted stock units may vest based on achievement of the performance conditions at the end of the three-year performance period. The value of the PSUs, which is recognized as compensation cost, is calculated using a Monte Carlo valuation model. Compensation cost is being amortized on a straight-line basis over the requisite service period. Certain grants may have other vesting conditions or other award terms as approved by the Compensation Committee of our Board of Directors.

The following table summarizes information on PSUs granted to our officers that have not vested as of June 26, 2026:

Grant date	Aggregate Shares Granted	Potential Shares at Vest Date (at 200% of Target)
December 15, 2023	77,283	154,566
December 16, 2024	92,971	185,942
December 15, 2025	114,403	228,806

On December 15, 2021, we granted PSUs to our executive officers for an aggregate of 60,301 shares, which vested in December 2024 at 70% of the target award amount. On December 15, 2022, we granted PSUs to our executive officers for an aggregate of 90,613 shares, which vested in December 2025 at 65% of the target award amount. As of June 26, 2026, PSUs that would vest for an aggregate of 284,657 shares at the target award amount (569,314 shares at 200% of the target award amount) were outstanding.

The following table summarizes information about RSUs, including PSUs, issued under our 2020 Stock Plan:

	Shares	Weighted-Average Grant Date Fair Value
	(in thousands)	
Non-vested as of September 26, 2025	4,130	\$ 77.07
Granted	2,024	62.91
Vested	(1,423)	78.08
Forfeitures	(219)	73.66
Non-vested as of June 26, 2026	4,512	\$ 70.57

Employee Stock Purchase Plan. Our ESPP originally was adopted by our Board of Directors and shareholders in 2005. Our stockholders last approved amendments to the ESPP at our 2023 annual meeting of stockholders. The ESPP allows eligible employees to have up to 10 percent of their eligible compensation withheld and used to purchase Class A common stock, subject to a maximum of \$25,000 worth of stock purchased in a calendar year or no more than 1,000 shares in an offering period, whichever is less. An offering period consists of successive six-month purchase periods, with a look back feature to our stock price at the commencement of a one-year offering period. The plan provides for a discount equal to 15 percent of the lower of the closing price of our Class A common stock on the NYSE on the first day of the offering period and the last day of the purchase period. The plan also includes an automatic reset feature that provides for an offering period to be reset and recommenced to a new lower-priced offering if the offering price of a new offering period is less than that of the immediately preceding offering period. A total of 5.5 million shares of our Class A common stock have been authorized for issuance under the ESPP since inception of the plan.

Stock Option Valuation Assumptions

We use the Black-Scholes option pricing model to determine the estimated fair value of employee stock options at the date of the grant. The Black-Scholes model includes inputs that require us to make certain estimates and assumptions regarding the expected term of the award, as well as the future risk-free interest rate, and the volatility of our stock price over the expected term of the award.

Expected Term. The expected term of an award represents the estimated period of time that options granted will remain outstanding, and is measured from the grant date to the date at which the option is either exercised or canceled. Our determination of the expected term involves an evaluation of historical terms and other factors such as the exercise and termination patterns of our employees who hold options to acquire our Class A common stock, and is based on certain assumptions made regarding the future exercise and termination behavior.

Risk-Free Interest Rate. The risk-free interest rate is based on the yield curve of U.S. Treasury instruments in effect on the date of grant. In determining an estimate for the risk-free interest rate, we use average interest rates based on these instruments' constant maturities with a term that approximates and corresponds with the expected term of our awards.

Expected Stock Price Volatility. The expected volatility represents the estimated volatility in the price of our Class A common stock over a time period that approximates the expected term of the awards. The expected volatility has historically been determined using a blended combination of historical and implied volatility, but is currently being determined using historical volatility only. Historical volatility is representative of the historical trends in our stock price for periods preceding the measurement date for a period that is commensurate with the expected term. Implied volatility is based upon externally traded option contracts of our Class A common stock.

Dividend Yield. The dividend yield is based on our anticipated dividend payout over the expected term of our option awards. Dividend declarations and the establishment of future record and payment dates are subject to the Board of Directors' continuing determination that the dividend policy is in the best interests of our stockholders. The dividend policy may be changed or canceled at the discretion of the Board of Directors at any time.

The weighted-average assumptions used in the determination of the fair value of our stock options were as follows:

	Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025
Expected term (in years)	4.96	4.89
Risk-free interest rate	3.7 %	4.3 %
Expected stock price volatility	24.6 %	29.5 %
Dividend yield	2.1 %	1.7 %

There were no stock options granted during the third quarters of fiscal 2026 and fiscal 2025, and therefore no weighted average assumptions were used to calculate fair values.

Stock-Based Compensation Expense

Stock-based compensation expense for equity awards granted to employees is determined by estimating their fair value on the date of grant, and recognizing that value as an expense on a straight-line basis over the requisite service period in which our employees earn the awards. Compensation expense related to these equity awards is recognized net of estimated forfeitures, which reduce the expense recorded in the unaudited interim condensed consolidated statements of operations. The selection of applicable estimated forfeiture rates is based on an evaluation of trends in our historical forfeiture data with consideration for other potential driving factors. If in subsequent periods actual forfeitures significantly differ from our initial estimates, we will revise such estimates accordingly.

The following two tables separately present stock-based compensation expense both by award type and classification in our unaudited interim condensed consolidated statements of operations (in thousands):

Expense - By Award Type

	Fiscal Quarter Ended		Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025	June 26, 2026	June 27, 2025
Compensation expense				
Stock options	\$ 1,732	\$ 1,690	\$ 5,348	\$ 5,108
Restricted stock units ^{(1) (2)}	27,916	28,201	90,320	89,028
Employee stock purchase plan	1,316	837	3,215	3,326
Total stock-based compensation	30,964	30,728	98,883	97,462
Estimated benefit from income taxes	(4,362)	(4,822)	(13,931)	(15,406)
Total stock-based compensation, net of tax	\$ 26,602	\$ 25,906	\$ 84,952	\$ 82,056

(1) Stock-based compensation expense incurred by restricted stock units includes expense from PSUs.

(2) Excludes \$0.2 million and \$0.1 million of capitalized stock-based compensation related to internal-use software in the third quarter of fiscal 2026 and in the third quarter of fiscal 2025, respectively, and excludes \$0.4 million and \$0.2 million in the fiscal year-to-date periods ended June 26, 2026 and June 27, 2025, respectively.

Expense - By Income Statement Line Item Classification

	Fiscal Quarter Ended		Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025	June 26, 2026	June 27, 2025
Compensation expense				
Cost of products and services	\$ 440	\$ 420	\$ 1,394	\$ 1,321
Research and development	9,695	9,189	31,070	29,216
Sales and marketing	10,293	10,589	33,214	33,874
General and administrative	10,536	10,530	33,205	33,051
Total stock-based compensation	30,964	30,728	98,883	97,462
Estimated benefit from income taxes	(4,362)	(4,822)	(13,931)	(15,406)
Total stock-based compensation, net of tax	\$ 26,602	\$ 25,906	\$ 84,952	\$ 82,056

The tax benefit that we recognize from shares issued under our ESPP is excluded from the tables above. The tax benefit recognized was not material in the third quarters of fiscal 2026 and fiscal 2025, or in the fiscal year-to-date periods ended June 26, 2026 and June 27, 2025.

Unrecognized Compensation Expense. As of June 26, 2026, total unrecognized compensation expense associated with employee stock options expected to vest was approximately \$13.1 million, which is expected to be recognized over a weighted-average period of 2.8 years. As of June 26, 2026, total unrecognized compensation expense associated with RSUs expected to vest was approximately \$221.3 million, which is expected to be recognized over a weighted-average period of 2.5 years.

Common Stock Repurchase Program

In November 2009, we announced a stock repurchase program, providing for the repurchase of our Class A common stock. The following table summarizes the initial amount of authorized repurchases as well as additional repurchases approved by our Board of Directors as of June 26, 2026 (in thousands):

Date of Authorization	Authorization Amount
Fiscal 2010: November 2009	\$ 250,000
Fiscal 2010: July 2010	300,000
Fiscal 2011: July 2011	250,000
Fiscal 2012: February 2012	100,000
Fiscal 2015: October 2014	200,000
Fiscal 2017: January 2017	200,000
Fiscal 2018: July 2018	350,000
Fiscal 2019: July 2019	350,000
Fiscal 2021: July 2021	350,000
Fiscal 2022: February 2022	250,000
Fiscal 2022: August 2022	350,000
Fiscal 2024: August 2024	350,000
Total	\$ 3,300,000

Stock repurchases under the program may be made through open market transactions, negotiated purchases, or otherwise, at times and in amounts that we consider appropriate. The timing of repurchases and the number of shares repurchased depend upon a variety of factors, including price, regulatory requirements, the rate of dilution from our equity compensation plans, and other market conditions. The program does not have a specified expiration date, and can be limited, suspended, or terminated at our discretion at any time without prior notice. Shares repurchased under the program will be retired and returned to the status of authorized but unissued shares of Class A common stock. As of June 26, 2026, the remaining authorization to purchase additional shares was \$76.6 million.

The following table provides information regarding share repurchase activity under the program during fiscal 2026:

Quarterly Repurchase Activity	Shares Repurchased	Cost ⁽¹⁾	Average Price Paid Per Share ⁽²⁾
		(in thousands)	
Q1 - Quarter ended December 26, 2025	1,044,838	\$ 70,005	\$ 67.00
Q2 - Quarter ended March 27, 2026	1,010,900	64,999	64.30
Q3 - Quarter ended June 26, 2026	1,176,036	64,997	55.27
Total	3,231,774	\$ 200,001	

- (1) Cost of share repurchases includes the price paid per share, and excludes commission costs.
(2) Average price paid per share excludes commission costs.

Dividend Program

The following table summarizes dividends declared under the program during fiscal 2026:

Fiscal Period	Announcement Date	Record Date	Payment Date	Cash Dividend Per Common Share	Dividend Payment
Q1 - Quarter ended December 26, 2025	November 18, 2025	December 2, 2025	December 10, 2025 \$	0.36	\$34.3 million
Q2 - Quarter ended March 27, 2026	January 29, 2026	February 10, 2026	February 18, 2026 \$	0.36	\$34.3 million
Q3 - Quarter ended June 26, 2026	April 30, 2026	May 12, 2026	May 20, 2026 \$	0.36	\$34.0 million

On July 30, 2026, Dolby announced a cash dividend of \$0.36 per share of Class A and Class B common stock, payable on August 19, 2026, to stockholders of record as of the close of business on August 11, 2026. The estimated dividend payment of \$33.7 million related to this cash dividend is based on the number of shares of our Class A and Class B common stock that we estimate will be outstanding as of the Record Date.

10. Accumulated Other Comprehensive Loss

Other comprehensive income/loss consists of three components: unrealized gains or losses on our AFS marketable investment securities, gains and losses on derivatives in cash flow hedge relationships not yet recognized in earnings, and the gains and losses from the translation of assets and liabilities denominated in non-U.S. dollar functional currencies. Until realized and reported as a component of net income, these comprehensive income items accumulate and are included within accumulated other comprehensive loss, a subsection within stockholders' equity in our unaudited interim condensed consolidated balance sheets. Unrealized gains and losses on our investment securities are reclassified from AOCI into earnings when realized upon sale, and are determined based on specific identification of securities sold. Unrealized gains and losses on our cash flow hedges are reclassified from AOCI into earnings when the hedged operating expenses are recognized, which is also when the gains and losses are realized.

The following table summarizes the changes in the accumulated balances during the period, and includes information regarding the manner in which the reclassifications out of AOCI into earnings affect our unaudited interim condensed consolidated statements of operations (in thousands):

	Fiscal Quarter Ended June 26, 2026				Fiscal Year-To-Date Ended June 26, 2026			
	Investment Securities	Cash Flow Hedges	Currency Translation Adjustments	Total	Investment Securities	Cash Flow Hedges	Currency Translation Adjustments	Total
Beginning Balance	\$ 5	\$ 836	\$ (13,117)	\$ (12,276)	\$ —	\$ 1,251	\$ (13,768)	\$ (12,517)
Other comprehensive loss before reclassifications:								
Unrealized losses	—	(1,044)	—	(1,044)	(433)	(2,241)	—	(2,674)
Foreign currency translation losses ⁽¹⁾	—	—	(2,741)	(2,741)	—	—	(2,090)	(2,090)
Income tax effect - benefit ⁽³⁾	—	120	—	120	5	231	—	236
Net of tax	—	(924)	(2,741)	(3,665)	(428)	(2,010)	(2,090)	(4,528)
Amounts reclassified from AOCI into earnings:								
Realized gains ⁽²⁾	—	528	—	528	433	1,303	—	1,736
Income tax effect - expense ⁽³⁾	—	(55)	—	(55)	—	(159)	—	(159)
Net of tax	—	473	—	473	433	1,144	—	1,577
Net current-period other comprehensive income/(loss)	—	(451)	(2,741)	(3,192)	5	(866)	(2,090)	(2,951)
Ending Balance	\$ 5	\$ 385	\$ (15,858)	\$ (15,468)	\$ 5	\$ 385	\$ (15,858)	\$ (15,468)

	Fiscal Quarter Ended June 27, 2025				Fiscal Year-To-Date Ended June 27, 2025			
	Investment Securities	Cash Flow Hedges	Currency Translation Adjustments	Total	Investment Securities	Cash Flow Hedges	Currency Translation Adjustments	Total
Beginning Balance	\$ (91)	\$ (274)	\$ (27,613)	\$ (27,978)	\$ (83)	\$ —	\$ (19,104)	\$ (19,187)
Other comprehensive income/(loss) before reclassifications:								
Unrealized gains/(losses)	(68)	1,973	—	1,905	(215)	2,180	—	1,965
Foreign currency translation gains ⁽¹⁾	—	—	12,817	12,817	—	—	4,308	4,308
Income tax effect - expense ⁽³⁾	—	(391)	—	(391)	—	(391)	—	(391)
Net of tax	(68)	1,582	12,817	14,331	(215)	1,789	4,308	5,882
Amounts reclassified from AOCI into earnings:								
Realized gains/(losses) ⁽²⁾	(1)	166	—	165	138	(394)	—	(256)
Income tax effect - benefit/(expense) ⁽³⁾	—	(42)	—	(42)	—	37	—	37
Net of tax	(1)	124	—	123	138	(357)	—	(219)
Net current-period other comprehensive income/(loss)	(69)	1,706	12,817	14,454	(77)	1,432	4,308	5,663
Ending Balance	\$ (160)	\$ 1,432	\$ (14,796)	\$ (13,524)	\$ (160)	\$ 1,432	\$ (14,796)	\$ (13,524)

- (1) The foreign currency translation losses during the third quarter of fiscal 2026 and the fiscal year-to-date period ended June 26, 2026 were primarily due to the weakening of other foreign currencies as compared to the U.S. dollar. The foreign currency translation gains during the third quarter of fiscal 2025 and the fiscal year-to-date period ended June 27, 2025 were primarily due to the strengthening of other foreign currencies as compared to the U.S. dollar.
- (2) Realized gains or losses, if any, from the sale of our AFS investment securities or from foreign currency translation adjustments are included within other income/(expense), net in our unaudited interim condensed consolidated statements of operations. Realized gains or losses on foreign currency contracts designated as cash flow hedges are included in operating expenses in the unaudited interim condensed consolidated statements of operations.
- (3) The income tax benefit or expense is included within provision for income taxes in our unaudited interim condensed consolidated statements of operations.

11. Earnings Per Share

Basic EPS is computed by dividing net income attributable to Dolby Laboratories, Inc. by the number of weighted-average shares of Class A and Class B common stock outstanding during the period. Through application of the treasury stock method, diluted EPS is computed in the same manner, except that the number of weighted-average shares outstanding is increased by the number of potentially dilutive shares from employee incentive plans during the period.

Basic and diluted EPS are computed independently for each fiscal quarter and year-to-date period, which involves the use of different weighted-average share count figures relating to quarterly and annual periods. As a result, and after factoring the effect of rounding to the nearest cent per share, the sum of all four quarter-to-date EPS figures may not equal year-to-date EPS.

Potentially dilutive shares represent the hypothetical number of incremental shares issuable under the assumed exercise of outstanding stock options (both vested and unvested) and vesting of outstanding RSUs. The calculation of dilutive shares outstanding excludes securities that would have an antidilutive effect on EPS.

The following table sets forth the computation of basic and diluted EPS attributable to Dolby Laboratories, Inc. (in thousands, except per share amounts):

	Fiscal Quarter Ended		Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025	June 26, 2026	June 27, 2025
Numerator:				
Net income attributable to Dolby Laboratories, Inc.	\$ 28,602	\$ 46,071	\$ 176,844	\$ 205,686
Denominator:				
Weighted-average shares outstanding—basic	94,242	95,897	94,975	95,947
Potential common shares from options to purchase common stock	16	316	32	395
Potential common shares from restricted stock units	230	660	805	1,147
Potential common shares from employee stock purchase plan	30	27	47	48
Weighted-average shares outstanding—diluted	94,518	96,900	95,859	97,537
Net income per share attributable to Dolby Laboratories, Inc.:				
Basic	\$ 0.30	\$ 0.48	\$ 1.86	\$ 2.14
Diluted	\$ 0.30	\$ 0.48	\$ 1.84	\$ 2.11
Antidilutive awards excluded from calculation:				
Stock options	3,421	1,516	2,934	1,425
Restricted stock units	1,785	41	31	6
Employee stock purchase plan	21	6	3	1

12. Income Taxes

Our income tax expense, deferred tax assets and liabilities, and unrecognized tax benefits reflect management's best assessment of estimated current and future liabilities. We are subject to income taxes in the U.S. and numerous foreign jurisdictions. Significant judgments and estimates are required in determining the consolidated income tax expense.

On July 4, 2025, the U.S. Congress passed budget reconciliation bill H.R. 1 referred to as the One Big Beautiful Bill Act ("OBBBA"). The OBBBA contains several changes to corporate taxation including modifications to capitalization of research and development expenses, limitations on deductions for interest expense, and accelerated fixed asset depreciation. The international provisions are generally effective for our fiscal 2027. Dolby currently anticipates that the tax changes within OBBBA will not have a material impact to its financial statements. Dolby continues to review the OBBBA tax provisions to assess impacts to its financial statements.

Unrecognized Tax Benefits

As of June 26, 2026, the total amount of gross unrecognized tax benefits was \$92.7 million, of which \$30.5 million, if recognized, would reduce our effective tax rate. As of September 26, 2025, the total amount of gross unrecognized tax benefits was \$83.7 million, of which \$28.1 million, if recognized, would reduce our effective tax rate. The fiscal year-to-date period ended June 26, 2026 increase was primarily due to current year reserves for transfer pricing and interest accruals. Our liability for unrecognized tax benefits is classified within other non-current liabilities in our unaudited interim condensed consolidated balance sheets.

Effective Tax Rate

Each period, the combination of multiple different factors can impact our effective tax rate. These factors include recurring items such as tax rates and the relative amount of income earned in foreign jurisdictions, as well as discrete items that may occur in, but are not necessarily consistent between periods.

Our effective tax rate in the third quarter of fiscal 2026 was 33.3% or a tax expense of \$14.6 million and our effective tax rate in the third quarter of fiscal 2025 was 16.2% or a tax expense of \$9.0 million. The increase in our effective tax rate was primarily due to lower tax benefits from prior-year tax return true-ups related to U.S. federal research and development tax credits.

Our effective tax rate in the fiscal year-to-date period ended June 26, 2026 was 24.1% or a tax expense of \$56.8 million and our effective tax rate in the fiscal year-to-date period ended June 27, 2025 was 21.0% or a tax expense of \$55.0 million. The increase in our effective tax rate was primarily due to lower tax benefits from prior-year tax return true-ups related to U.S. federal research and development tax credits.

Our effective tax rate for the third quarter of fiscal 2026 and the fiscal year-to-date period ended June 26, 2026 exceeded the Federal statutory rate of 21%, primarily due to lower tax benefits from U.S. federal research and development tax credits.

13. Restructuring

Restructuring charges recorded as operating expenses in our unaudited interim condensed consolidated statements of operations represent costs associated with separate individual restructuring plans implemented in various fiscal periods. The extent of our costs arising as a result of these actions, including fluctuations in related balances between fiscal periods, is based on the nature of activities under the various plans.

Fiscal 2026 Restructuring Event

In June 2026, we initiated restructuring actions with the purpose of reorganizing and consolidating certain activities and positions within our global business infrastructure. In connection with this plan, we recorded expense in the third quarter of fiscal 2026 of \$4.0 million in severance and other related benefits. These activities are expected to result in estimated gross pre-tax operating income savings of approximately \$2 million in fiscal 2026 and \$12 million in fiscal 2027, due to estimated savings in compensation and benefits of impacted employees. The impact of these estimated savings on our operating expenses will be mostly offset by increased investment in our strategic priorities and the effects of inflation on our remaining expenses. Cash payment of the severance and other termination benefits are expected to be substantially completed by the end of the first quarter of fiscal 2027. We estimate that we will incur additional employee-related restructuring costs during fiscal 2026 and the first quarter of fiscal 2027; however, we cannot estimate the total amount expected to be incurred as cost reduction actions continue to be evaluated.

Fiscal 2025 Restructuring Events

In September 2025, we initiated restructuring actions in order to centralize teams into fewer locations, relocate certain roles to provide better access to talent pools, encourage multi-disciplinary collaboration, and simplify operations. In continuation with this plan, we recorded expense in the fiscal year-to-date period ended June 26, 2026 of \$12.7 million consisting primarily of severance and other related benefits. The majority of the remaining components of this plan were substantially completed by the end of the second quarter of fiscal 2026. Cash payment of the severance and other termination benefits were substantially completed by the end of the third quarter of fiscal 2026. These activities are expected to result in estimated gross pre-tax operating income savings of approximately \$20 million in fiscal 2026, due to estimated savings in compensation and benefits of impacted employees. The impact of these estimated savings on our operating expenses will be mostly offset by increased investment in our strategic priorities and the effects of inflation on our remaining expenses.

In November 2024, we initiated restructuring actions with the purpose of aligning our R&D resources, and to a lesser extent our S&M resources, with our highest strategic priorities. In connection with this plan, we recorded expense in the fiscal year-to-date period ended June 27, 2025 of \$9.2 million in severance and other related benefits. Cash payment of the severance and other termination benefits were substantially completed by the end of fiscal 2025. These activities resulted in gross pre-tax operating income savings of approximately \$20 million in fiscal 2025, due to savings in compensation and benefits of impacted employees, which was consistent with our expectations. The impact of these savings on our operating expenses was mostly offset by increased investment in our strategic priorities and the effects of inflation on our remaining expenses.

Fiscal 2024 Restructuring Event

In April 2024, we initiated restructuring actions with the purpose of focusing our resources on our highest strategic priorities. These activities resulted in gross pre-tax operating income savings of approximately \$11 million within fiscal 2025, which was consistent with our expectations. The impact of these savings on our operating expenses was mostly offset by increased investment in our strategic priorities and the effects of inflation on our remaining expenses.

The table presented below summarizes the changes in our restructuring accruals (in thousands):

	Severance	Leased facility exit costs and other costs	Total
Balance at September 27, 2024	\$ 2,765	\$ —	\$ 2,765
Restructuring charges	11,624	3,383	15,007
Cash payments and adjustments	(9,724)	(3,383)	(13,107)
Balance at September 26, 2025	4,665	—	4,665
Restructuring charges	11,676	4,929	16,605
Cash payments and adjustments	(6,604)	(4,929)	(11,533)
Balance at June 26, 2026	\$ 9,737	\$ —	\$ 9,737

Accruals for restructuring charges/(credits) incurred for the restructuring plans described above are included within accrued liabilities in our unaudited interim condensed consolidated balance sheets, while restructuring charges are included within restructuring charges in our unaudited interim condensed consolidated statements of operations.

14. Legal Matters

From time to time, we are involved in various legal proceedings that occasionally arise in the normal course of business. These can include claims of alleged infringement of IP rights, commercial, employment, and other matters. In our opinion, resolution of these proceedings is not expected to have a material adverse impact on our operating results or financial condition. On a quarterly basis, we evaluate based on the known facts and circumstances whether a potential loss or range of losses is considered probable and reasonably estimable in accordance with U.S. GAAP. We record a provision for a liability relating to these legal proceedings when a loss is both probable and the amount of the loss can be reasonably estimated. Legal costs associated with these legal proceedings are expensed as incurred.

Given the unpredictable nature of legal proceedings, it is possible that an unfavorable resolution of one or more such proceedings could materially affect our future operating results or financial condition in a particular period, including as a result of required changes to our licensing terms, monetary penalties, and other potential consequences. However, based on the information known by us as of the date of this filing and the rules and regulations applicable to the preparation of our unaudited interim condensed consolidated financial statements, other than the litigation matter discussed below, any such amounts are either immaterial, or it is not probable that a potential loss has been incurred or the amount of loss cannot be reasonably estimated.

Litigation

During the fiscal year-to-date period ended June 26, 2026, we recognized a \$34.5 million accrued liability related to an unfavorable judgment on litigation that we assumed as part of our acquisition of MPEG LA, L.L.C. in fiscal 2023. In connection with this business combination, the sellers provided indemnification for an unfavorable outcome of that litigation. Accordingly, we have recognized an indemnification asset of \$34.5 million during the fiscal year-to-date period ended June 26, 2026, which we expect to be settled within two years. The liability has been included within accrued liabilities and the indemnification asset has been included within other non-current assets in the unaudited interim condensed consolidated financial statements.

15. Commitments and Contingencies

In the ordinary course of business, we enter into contractual agreements with third parties that include non-cancelable payment obligations, for which we are liable in future periods. These arrangements can include terms binding us to minimum payments and/or penalties if we terminate the agreement for any reason other than an event of default as described by the agreement. The following table presents a summary of our contractual obligations and commitments as of June 26, 2026 (in thousands):

	Payments Due By Fiscal Period						Total
	Remainder of Fiscal 2026	Fiscal 2027	Fiscal 2028	Fiscal 2029	Fiscal 2030	Thereafter	
Naming rights	\$ 2,522	\$ 8,534	\$ 8,642	\$ 8,751	\$ 8,862	\$ 18,061	\$ 55,372
Purchase obligations	16,344	35,934	21,704	19,347	19,208	—	112,537
Donation commitments	—	153	153	153	153	432	1,044
Total	\$ 18,866	\$ 44,621	\$ 30,499	\$ 28,251	\$ 28,223	\$ 18,493	\$ 168,953

Naming Rights

We are party to agreements for naming rights of certain facilities, most significantly for naming rights and related benefits with respect to the Dolby Theatre in Hollywood, California, the location of the Academy Awards®. The term of this agreement is 20 years, over which we will make payments on a semi-annual basis until fiscal 2032. Our ongoing annual payment obligations are conditioned in part on the Academy Awards being held and broadcast from the Dolby Theatre. Our payment obligations may be suspended or reduced in certain circumstances, including the protracted closure of the Dolby Theatre. We also hold the naming rights to Dolby Live at the Park MGM in Las Vegas, Nevada. Dolby Live is a fully integrated performance venue offering live concerts in Dolby Atmos.

Purchase Obligations

Purchase obligations primarily consist of our commitments made under agreements to purchase goods and services related to Dolby Cinema and for purposes that include information technology and telecommunications, marketing and professional services, and manufacturing and other R&D activities. Also included in purchase

obligations are non-cancelable commitments to contract manufacturers, including potentially variable obligations related to inventory based on demand forecasts we provide to the contract manufacturers.

Donation Commitments

Our donation commitments relate to non-cancelable obligations that consist of maintenance services and installation of imaging and audio products in exchange for various marketing, branding, and publicity benefits. These donation agreements either transfer title of our audio and imaging products to the donees or offer use of the products free of charge for a specified period of time via a leasing arrangement. The recipients of these donations participate in or promote the cinema and entertainment industry and our commitments vary in length, lasting up to 15 years.

Indemnification Clauses

In limited cases, our contractual agreements contain a clause under which we agree to provide indemnification to the counterparty, most commonly to licensees in connection with licensing arrangements that include our IP. In such cases, the indemnification arrangements usually provide for limitations on the scope or amount of potential obligations. We have also, in certain limited instances, elected to defend our licensees from third party IP infringement claims even when not contractually required to do so. We are unable to reasonably estimate the potential exposure that could arise due to indemnifying our licensees.

We have also entered into indemnification agreements with our officers, directors, and certain employees, and our bylaws contain similar indemnification obligations. We are unable to reasonably estimate the potential exposure that could arise due to such indemnification obligations.

16. Business Combination

GE Licensing

On August 19, 2024, we acquired 100% of the issued and outstanding equity interests of GE Intellectual Property Licensing, LLC and GE Technology Development, Inc., which, collectively with each of their subsidiaries, comprised General Electric's IP licensing business that primarily targeted the consumer digital media and electronics sectors ("GE Licensing" or the "acquiree"). The acquisition is an extension of our existing licensing businesses and is expected to strengthen and expand the scale of our IP portfolio. The total consideration for the acquisition is comprised as the following (in thousands):

	Amount
Total amount paid for consideration	\$ 444,882
Less: Noncontrolling interest in Via	(9,921)
Settlement of pre-existing relationship	(750)
Total consideration transferred for acquisition of GE Licensing	434,211
Less: Cash acquired	(2,232)
Total consideration, net of cash acquired	\$ 431,979

We have accounted for the taxable transaction under the acquisition method of accounting for business combinations, and the results of operations of GE Licensing have been included in our consolidated statements of operations from the date of acquisition. Additionally, we have estimated the fair values of the net tangible and intangible assets acquired, and liabilities assumed as of the acquisition date, with any amounts paid in excess of the net assets recorded as goodwill. The fair values assigned to assets acquired and liabilities assumed were based on management's estimates and assumptions.

We initially acquired certain assets valued at \$18.2 million and increased the estimated fair value of the assets held for sale by \$6.3 million in fiscal 2025 for a total value of \$24.5 million. These assets were classified as held for sale within prepaid expenses and other current assets on the consolidated balance sheets and are measured at fair value less cost to sell. During fiscal 2025, we sold \$15.8 million of the assets classified as held for sale, and the remaining assets no longer met the criteria for held for sale, and as such, we reclassified \$8.7 million in assets held for sale to short-term and long-term investments.

17 . Operating Segments

We operate as a single reportable segment. We derive the majority of our revenue from licensing audio and video technology to electronics manufacturers, and a lesser portion of our revenue by offering premium audio and video technologies to cinema exhibitors. Our CODM is our Chief Executive Officer, who reviews financial information

presented on a consolidated basis to assess performance and allocate resources. Our CODM uses consolidated net income, as reported on the unaudited interim condensed consolidated statements of operations, as the primary measure of segment profit or loss by comparing actual results to the prior year comparative results and any internally or externally set expectations. Our CODM does not assess segment performance or make operating decisions using asset or liability information.

The following table presents selected financial information and significant segment expenses for the periods presented (in thousands):

	Fiscal Quarter Ended		Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025	June 26, 2026	June 27, 2025
Total revenue	\$ 304,995	\$ 315,546	\$ 1,047,331	\$ 1,042,106
Less:				
Cost of licensing ⁽¹⁾	16,128	15,103	47,754	42,474
Cost of products and services ^{(1) (2)}	16,393	21,116	57,033	54,469
Research and development expense ^{(1) (2)}	56,054	56,794	167,407	165,112
Sales and marketing expense ^{(1) (2)}	74,426	75,234	238,511	234,906
General and administrative expense ^{(1) (2)}	63,495	59,904	183,754	174,146
Restructuring charges	3,955	(547)	16,605	8,879
Stock-based compensation	30,964	30,728	98,883	97,462
Amortization of acquisition-related intangibles	9,705	10,016	29,285	30,741
Interest (income)/expense, net	(3,453)	(4,111)	(12,595)	(10,316)
Equity method investees' net income	(5,669)	(3,727)	(14,063)	(17,129)
Other income, net ^{(1) (3)}	(805)	(480)	(346)	(455)
Income tax expense	14,588	8,974	56,754	54,979
Net income including noncontrolling interest	29,214	46,542	178,349	206,838
Less: net income attributable to noncontrolling interest	(612)	(471)	(1,505)	(1,152)
Net income attributable to Dolby Laboratories, Inc.	\$ 28,602	\$ 46,071	\$ 176,844	\$ 205,686

(1) Excludes amortization of acquisition-related intangibles presented separately.

(2) Excludes stock-based compensation expense presented separately.

(3) Excludes our proportional share of net income in our equity method investees presented separately.

18. Related Parties

During the fiscal year-to-date period ended June 26, 2026, our subsidiary, Via, sold its HEVC/VVC program intangible assets to Access Advance, our equity method investment, for a total consideration of \$25.0 million. As an equity method investment, we possess the ability to exercise significant influence, but not control, over operating and financing decisions of Access Advance.

19. Subsequent Event

Share Repurchase Program. On July 30, 2026, we announced that our Board of Directors approved increasing the size of our stock repurchase program by \$350 million, bringing the amount available for future repurchases of our Class A Common Stock to approximately \$427 million. Stock repurchases under this program may be made through open market transactions, negotiated purchases, or otherwise, at times and in amounts that we consider appropriate. The timing of repurchases and the number of shares repurchased depend upon a variety of factors, including price, regulatory requirements, the rate of dilution from our equity compensation plans, and other market conditions. The program does not have a specified expiration date, and can be limited, suspended or terminated at our discretion at any time without prior notice. Shares repurchased under the program will be retired and returned to the status of authorized but unissued shares of Class A common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our unaudited interim condensed consolidated financial statements and the related notes that appear elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements reflecting our current expectations that are subject to risks and uncertainties, including, but not limited to statements regarding: operating results and underlying measures and the effect of acquisitions; demand and acceptance for our technologies and products; the effect of macroeconomic factors on our business; market growth opportunities and trends, including artificial intelligence and new technologies; the development and launch of new products, features, and platforms; our ability to maintain key partnership relationships; our plans, strategies and expected opportunities, including for our licensing business; future competition; our stock repurchase plan; and our dividend policy. Use of words such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue," "intend," "could," "can," "would," "target," "goal," "outlook," "project," "contemplate," "future," or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions indicates a forward-looking statement. Such forward-looking statements are based on management's reasonable and current assumptions and expectations, but such statements inherently involve substantial risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements due to a number of factors, including but not limited to the risks set forth in Part II, Item 1A, "Risk Factors" and key challenges set forth in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe 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. We disclaim any duty to update any of the forward-looking statements after the date of this Quarterly Report on Form 10-Q to conform our prior statements to actual results.

Investors and others should note that we disseminate information to the public about our company, our products, services, and other matters through various channels, including our website (www.dolby.com), our investor relations website (<http://investor.dolby.com>), SEC filings, press releases, public conference calls, and webcasts, in order to achieve broad, non-exclusionary distribution of information to the public. We encourage investors and others to review the information we make public through these channels, as such information could be deemed to be material information.

OVERVIEW

Founded in 1965, we are in the business of improving entertainment experiences by inventing and innovating technologies that advance audio and video capture, transmission, and playback. We enable highly compelling experiences in movies and TV shows, music, sports and more by meeting the needs of content creators, distributors, and consumer electronics manufacturers. We have been at the forefront of multiple audio and video revolutions over the last sixty years including the transitions from mono to stereo then surround, analog to digital, and terrestrial broadcasting to streaming. Our strength and durability stem from our ability to combine our expertise in signal processing with our close relationships with artists and other industry experts to continually bring to the creative community technology that allows them to express themselves in new and compelling ways.

Dolby is recognized within the entertainment industry for technologies designed to support high-quality entertainment from a consumer perspective and is fundamental to makers of consumer electronic devices as our technology is an important component in the creation and delivery of audio and video content. While some of our technology represents relatively elemental functions like audio signal compression that enable playback, we also offer technology that is innovating in emerging categories including spatial audio and high contrast video. We derive the majority of our revenue from licensing audio and video technology to electronics manufacturers, and a lesser portion of our revenue by offering premium audio and video technologies to cinema exhibitors.

STRATEGY

Key elements of our strategy include:

Advancing the Science of Sight and Sound. We apply our understanding of the human senses, audio, and imaging engineering by collaborating with music, TV and movie creators, and innovating in emerging categories like user-generated content, sports and podcasts, to develop and update technologies aimed at enabling and improving how people experience and interact with entertainment content.

Delivering Superior Creative Experiences. We promote the use of our solutions as creative tools that allow filmmakers, musical artists, sound mixers, and other content creators and providers to fully express their creative intent to their audiences. Our technologies and solutions significantly improve delivery and playback so that consumers may enjoy richer, clearer, and immersive sound and sight experiences.

Building Ecosystems that Benefit from and Sustain Demand for our Solutions. We work closely with content creators, content distributors, and device makers to enable them to deliver great experiences to their audiences, creating a virtuous cycle of product development, improved experiences, and sustained demand for our solutions. We also work closely with technology developers to create and promote standardized technologies that enable content to be enjoyed any place, any time on a broad range of devices.

Expanding the Reach of our Technologies. We look for new and innovative ways to apply our expertise in the science of sight and sound to expand the reach of our technologies to new content, media, devices, and audiences.

PRODUCTS AND REVENUE GENERATION

We generate most of our revenue by licensing technology, our brand, and patents to device manufacturers, and selling cinema hardware and services to movie exhibitors.

The following table presents a summary of the composition of our revenue for all periods presented (in thousands, except percentage amounts). Refer to Note 3 "Revenue Recognition" for further detail.

	Fiscal Quarter Ended				Fiscal Year-To-Date Ended							
Revenue	June 26, 2026		June 27, 2025		June 26, 2026		June 27, 2025					
Licensing	\$	282,351	93 %	\$	289,905	92 %	\$	974,367	93 %	\$	966,390	93 %
Products and services		22,644	7 %		25,641	8 %		72,964	7 %		75,716	7 %
Total revenue	\$	304,995	100 %	\$	315,546	100 %	\$	1,047,331	100 %	\$	1,042,106	100 %

Licensing

The two primary components of our licensing business are Branded Technologies which include Branded Audio Codecs, Dolby Atmos & Dolby Vision, and Patents, which include Audio Patents and Imaging Patents.

We generated over 90% of our revenue in the third quarters of fiscal 2026 and fiscal 2025, and the fiscal year-to-date periods ended June 26, 2026 and June 27, 2025 from agreements to license branded technology and patents that enable approximately 1,000 electronic device manufacturers to enable and enhance the audio and visual capabilities of their products by incorporating our technology. As of June 26, 2026, we had approximately 30,100 issued patents relating to technologies, that are licensed to third parties and comprise a significant portion of our licensing revenue. We have approximately 1,600 trademark registrations throughout the world for a variety of wordmarks, logos, and slogans. These trademarks are an integral part of our technology licensing program as licensees typically place them on their products that incorporate our technologies to inform consumers that they have met our quality specifications.

Branded Technology Licensing

Dolby branded technologies offer enhanced audio and video experiences for consumers. Dolby branded technologies enjoy widespread adoption, are occasionally mandated as standards, and are frequently considered fundamental to a wide variety of devices and types of entertainment content, including movies, TV shows, sports and music.

Our branded technology solutions are complete solutions. We provide licensees with software, patent rights, and know how to enable content creation, delivery, and playback. Our branded offerings are designed to support ease of adoption and deployment. Additionally, our device partners derive value from the use of the Dolby brand, which is synonymous with high quality entertainment.

Dolby branded technologies are part of a unique and broad ecosystem that includes content creators, distributors (such as streaming media companies and broadcasters), and device manufacturers. Initial ecosystem adoption of these technologies yields a virtuous cycle. The more content made available using our branded technologies, the higher the likelihood that more devices embed our technology to facilitate the playback of that content. The more device manufacturers include our technology, the more content creators and distributors want to make content available in Dolby formats.

Branded Audio Codecs

A significant portion of our branded licensing is centered on audio codecs: compression and decompression technologies for audio. The most important of these are the following:

- *DD+*. DD+ is an advanced surround sound audio codec technology that enables the Dolby audio experience across home theaters, smartphones, operating systems, and browsers. A versatile, bandwidth efficient, and scalable home theater grade audio codec for A/V content, DD+ is designed to deliver up to 7.1 channels of surround sound across multiple platforms and content types.
- *Dolby AC-4*. Dolby AC-4 is an audio codec that delivers equivalent experiences at half the bitrate of DD+, its predecessor. Dolby AC-4 matches the delivery method with the optimal configuration, enabling encodes tailored for broadcast or streaming and catering to headphone or speaker playback. It is also capable of delivering enhanced, user-configurable, and accessible experiences. The Dolby AC-4 coding system utilizes new aspects of object audio for features like dialogue enhancement or commentator substitution.

Dolby Atmos and Dolby Vision

Dolby Atmos and Dolby Vision are Dolby's next generation of branded licensing products. They represent significant innovations, and enable consumers to enjoy increasingly immersive audio and video experiences. Dolby Atmos and Dolby Vision include encoding technologies that artists use to create more compelling and immersive audio and video experiences, as well as a set of decoding technologies that device manufacturers include on their devices to decode the content the artists have created.

- *Dolby Atmos*. Dolby Atmos is a three-dimensional audio experience with object-based sound technology using up to 128 audio objects that can be positioned anywhere to allow for precise placement and movement of sound in a three-dimensional space. This is achieved by adding height channels and spatially encoded digital signals. Dolby Atmos can adapt to varied playback environments and devices, including stereo headphones, speakers, receivers, TVs, soundbars, AVRs, and automotive systems.
- *Dolby Vision*. Dolby Vision is a visual technology that uses HDR to improve the quality of images in movies, TV shows, sports, and games. Dolby Vision is designed to make images appear more realistic by enhancing details in both dark and bright areas, and by increasing brightness, increasing the range of colors, and depicting deep blacks. It includes dynamic metadata that adjusts the picture based on a display's capabilities on a per-frame or per-shot basis. Dolby Vision 2, the next generation of Dolby Vision, expands the market opportunity by enhancing picture quality with Dolby Vision 2 Max for premium televisions and Dolby Vision 2 for mainstream televisions.

A device must support Dolby Atmos and Dolby Vision to fully experience content in Dolby Atmos and Dolby Vision. Ecosystems for these products flourish because creatives appreciate that creating content using Dolby Atmos and Dolby Vision tools enables them to express their creativity in unique and compelling ways. Distributors see value in distributing this differentiated content. Device manufacturers understand that consumers want to enjoy content in the highest quality possible and will express a preference for devices with Dolby Atmos and Dolby Vision playback.

The volume of content available in Dolby Atmos and Dolby Vision formats has increased in recent periods. In addition to strong momentum in music, TV shows and movies, our technologies are gaining increased adoption in user-generated content, audio books, and live sports. The increasing availability of Dolby Atmos and Dolby Vision content provides device manufacturers with an incentive to license our technology in order to make it available to their customers.

Revenue Generation

We license our branded technologies via a direct sales force that works with approximately 1,000 consumer electronics manufacturers all over the globe. Licensing usually occurs in two stages. First, we license to

semiconductor manufacturers who incorporate our technologies in ICs that they sell to OEMs of consumer entertainment devices. These semiconductor licensees pay us a nominal initial fee for use of our technology and the services that we provide in their implementation process. Second, we license OEMs, who are then authorized to purchase chips from the chip makers, and incorporate those chips into Dolby-approved products. In addition to the two-stage model, we also license directly to integrated chip and device makers.

Our branded licensing customers typically enter into a per unit royalty arrangement whereby they pay us for each unit they sell. In accordance with U.S. GAAP, we estimate the number of units each customer sells every quarter and record it as revenue, and then true up that estimate when we get the actual unit sales data, typically one quarter in arrears. This method can lead to variability in revenue in any given quarter.

Some of our customers choose to enter into a minimum volume commitment where they commit to a certain minimum number of devices in exchange for a lower price per unit. If the customer sells more than the number of units they committed to, they pay a set per unit royalty for each incremental unit. These are annual and sometimes multiyear deals, where the value of the committed volume is generally recognized as revenue up front. These contract structures, as well as the occasional fixed fee contract whereby a licensee pays for unlimited units, are often selected by large customers and can also lead to variability in quarterly revenue.

We price our products based on value and volume, among other factors.

With respect to value, the advanced features of Dolby Atmos and Dolby Vision enhance the audio and video capabilities of our consumer electronics OEM partners' products and many of those partners can charge a premium for devices that include these technologies. Branded audio codecs can be implemented standalone but are necessary components for an effective Dolby Atmos implementation. Generally, the more technologies a customer licenses, the higher the total royalty per device.

Higher volumes generally equate to lower prices. This dynamic manifests at a market level for device families that represent significant volume. For example, in 2025, there were over one billion mobile devices, approximately 200 million TVs and, according to Wards Intelligence, an Auto Research firm, approximately 90 million cars sold. Accordingly, ARPU for cars is higher than ARPU for TVs, which is higher than ARPU for mobile phones.

Patent Licensing

We generate patent licensing revenue primarily from licensing Dolby-owned patents essential to standardized audio and video technologies. These technologies are fundamental to the capture, storage, transmission and playback of audio and video, and are embodied in billions of products sold each year throughout the world, including streaming devices, televisions, gaming consoles, automotive media consoles, and security cameras.

Technology Standards

The standardized technologies at the core of our patent licenses are generally developed in an open, collaborative process under the auspices of international standard-setting organizations like ETSI, ISO, IEC and/or ITU. Active participants are leaders in the field, and often include businesses (large and small), research institutes, and universities. Participants, including Dolby, contribute specialized expertise and/or technology with the goal of creating common industry solutions to address technical challenges. Given the collaborative and meritocratic nature of the standardization process, the resulting technology solution is both state-of-the-art and designed to meet the requirements of the market, increasing the likelihood of industry adoption.

For audio and video codecs, the standardization process is centered on creating interoperable solutions that work in a uniform manner despite increasingly complex device requirements. The resulting standardized technologies are intended to connect billions of disparate devices worldwide in a way that allows for seamless communication. These technology standards have played an essential role in advancing the technology of media capture, storage, transmission, and playback through multiple generations of technological development. For example, the AVC codec helped enable standard-definition streaming over the internet, while the next-generation HEVC codec optimized streaming for higher-definition formats like 4K.

Looking forward, Dolby intends to continue to actively participate (both in standards bodies and independently) in the development of next-generation standardized audio and video technologies.

Key Current Programs

The majority of revenue from Dolby's patent licensing comes from licensing standard essential patents associated with standardized AAC, AVC, and HEVC codecs, each of which is described below.

- *AAC, HE-AAC, and Extended HE-AAC.* The AAC family of audio codecs comprises some of the most efficient audio coding technologies available today. These codecs are designed to provide high quality audio at lower bitrates than prior coding formats. The AAC family of codecs is widely deployed across most consumer media playback devices.
- *AVC.* The AVC digital video codec is highly efficient and is widely implemented in video playback devices including STBs, mobile devices, cameras, and broadcast television services and other products. AVC is the most widely deployed video codec used by broadcasters and video streaming companies.
- *HEVC.* HEVC is a next-generation digital video codec that compresses video more efficiently than AVC, leading to an average bitrate reduction of up to 50%. HEVC enables the distribution of higher-quality video, such as 4K streaming. HEVC is especially useful for streaming video on mobile devices, where data usage and processing power are often limited.

In addition, we also license patents essential to other audio, video, and communications codec technologies, such as AV1, MPEG H, Opus, and VVC. These technologies and licensing programs are in earlier phases of technology adoption and licensing program maturity.

Revenue Generation

Given the collaborative nature of the standardization process, Dolby generally owns only a portion of the patent rights in the resulting standard. As such, patent licensing solutions are not Dolby-branded, and we can directly offer licensees only a portion of the rights necessary to practice the relevant standard.

Our preferred solution to these ownership dynamics is the patent pool.

A patent pool is a collaborative structure administered by a patent pool administrator and comprised of multiple patent owners (referred to as licensors) who agree to jointly license their patents relevant to a particular technology. There can be dozens of licensors contributing IP to a patent pool for a standardized technology.

By bringing together multiple patent owners to offer a combined solution, pools offer a number of advantages over direct licensing, including the following:

- Pools dramatically decrease transaction costs for most licensees and, to a lesser extent, for most licensors;
- Pools offer licensees relatively simple access to fundamental technology in a simplified 'one-stop shop,' enabling licensees to focus their resources on developing their own products and technologies;
- Pools enable widespread, rapid adoption of a technology, which accelerates research into subsequent technologies and catalyzes downstream competition;
- Pools allow licensors like Dolby to focus on innovation rather than sales, marketing, and licensing activities; and
- The pool structure naturally leads to more transparent and consistent licensing terms.

Patent pools employ a variety of licensing revenue models, including per-unit and fixed-fee royalties, and sometimes include royalty caps or committed volume arrangements in exchange for a lower price per unit. The fees charged for licensing pooled patents are initially determined by market forces - a careful balance of the need to compensate innovators with the desire to develop an active licensee base. This balance of licensor and licensee interests is also a core consideration in the development of non-fee licensing terms.

Licensing fees collected from companies implementing the technology are distributed to the licensors by the patent pool administrator after deducting an administration fee. Royalty share among the pool licensors is determined based on the value of the patents each licensor contributes to the pool, as governed by allocation rules negotiated among the pool licensors.

We operate as licensors in patent pools administered by several patent pool administrators including Access Advance, Sisvel, Via, and Vectis. We are a majority stockholder and licensor in Via, which we co-own with Philips and Mitsubishi. We hold a minority ownership interest in Access Advance. Patent pool administration fees are paid as a

percentage of royalties collected for services rendered by the pool administrator such as royalty collection, allocation and compliance, financial reporting, and tax planning and preparation.

The vast majority of our patent licensing revenue comes from patent pools in the form of royalties, and a minority of our patent licensing revenue is generated from bilateral licensing agreements between Dolby and licensees, with licensing fees negotiated directly with the licensee. We also generate revenue from Via administration fees.

Recoveries

We also generate licensing revenue via recoveries, which is revenue attributable to unlicensed or under-reported distribution of products incorporating our technologies in prior periods. Recoveries arise in the context of both branded technology licensing and patent licensing, and usually result from a settlement following a licensee audit under an existing license agreement, or as part of back-royalties paid in connection with a license agreement with a new licensee. Within the Results of Operations section of Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations," revenue attributable to previous periods' usage including settlements are collectively referred to as "recoveries." Recoveries are a recurring element of our business and are subject to fluctuation and unpredictability.

Dolby Cinema

We leverage our universe of creative talent to bring the highest quality experiences to our exhibitor partners. Dolby Cinemas are PLF cinemas that deliver a Dolby branded premium cinema offering with Dolby Vision, Dolby Atmos, and a proprietary Dolby theater design. We typically provide Dolby Cinema exhibitors with the requisite Dolby technology at minimal or no upfront cost and generate revenue from these sites through a share of box office receipts, which we recognize as licensing revenue. Dolby Cinemas deliver a unique, high-end theater experience, that is different from competing PLFs as well as our exhibitor partner's other theaters that use Dolby manufactured and distributed cinema hardware, including those that may utilize Dolby Atmos and/or Dolby Vision.

Products and Services

Cinema Products and Services

We design and manufacture audio, imaging, accessibility, and other hardware and software solutions primarily for the cinema, with occasional applications in the television, broadcast, and live entertainment industries.

Cinema Imaging Products include digital cinema servers used to load, store, decrypt, decode, watermark, and playback digital film files for presentation on cinema projectors. It also includes software used to encrypt, encode, and package digital media files for distribution.

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.

In addition, we offer various services to support theatrical and television production for cinema, broadcast, and home entertainment, including equipment training and maintenance, mixing room alignment, equalization, as well as audio, color, and light image calibration. We also provide PCS for products sold and equipment installed at Dolby Cinema theaters operated by exhibitor partners, and we support the implementation of our technologies into products manufactured by our licensees.

Revenue Generation

We generate revenue from Dolby Cinema Products by selling and leasing products to exhibitors, excluding Dolby Cinemas, and offering PCS to exhibitors.

Dolby OptiView

Dolby OptiView is our unique content delivery system enabling immersive, interactive, and social experiences with real-time engagement for live events, for example live sports. Dolby OptiView comprises a number of products that work individually or together to optimize these experiences. Dolby OptiView ensures a high-quality, synchronized viewer experience across the globe, with minimal delay – as low as sub-second. This enables our customers to engage viewers effectively with interaction tools that strengthen connections and drive participation. Dolby OptiView Ads is an ad delivery system that increases the impact of ads delivered with video services through just-in-time

delivery, personalization, and customizable on-screen presentation. Dolby OptiView Ads integrates with advertising platforms like Google Ad Manager.

As the world of streaming audiovisual content continues to evolve, understanding and engaging viewers presents a challenge for content creators and distributors. We are partnering with our Dolby OptiView customers to develop a solution that increases engagement and delivers value.

Revenue Generation

Dolby OptiView is a software as a service (SaaS) product licensed directly to enterprises via a consumption-based revenue model.

END MARKETS

We generated 93% and 92% of our revenue in the third quarters of fiscal 2026 and fiscal 2025, respectively, and 93% and 93% of the fiscal year-to-date periods ended June 26, 2026 and June 27, 2025, respectively, through licensing our technology, brand, and patents, primarily to device manufacturers. The following table presents the end market composition of revenue from our licensing business for all periods presented:

Market	Fiscal Quarter Ended		Fiscal Year-To-Date Ended		Main Components of Each Category
	June 26, 2026	June 27, 2025	June 26, 2026	June 27, 2025	
Broadcast	38%	38%	33%	33%	Televisions and STBs
Mobile	18%	19%	23%	23%	Smartphones and Tablets
CE	11%	10%	12%	12%	DMAs, Blu-ray Disc devices, AVRs, Soundbars, and DVDs
PC	10%	12%	12%	13%	Windows and macOS devices
Other	23%	21%	20%	19%	Dolby Cinema, Gaming consoles, Automotive, Patent pool administrative fees, and VDP licensing revenue
Total	100%	100%	100%	100%	

MACROECONOMIC CONDITIONS

Our revenue can be negatively impacted by macroeconomic conditions, including but not limited to, the financial health of our licensees, inflation, heightened interest rates, foreign exchange rates, shortages or rising costs of material, increased shipping costs, tariffs and trade barriers, war and other international conflicts, labor disputes, reduced discretionary consumer spending, and reduced new product investment by our customers. The U.S. tariff situation remains dynamic and the impacts of potential tariffs are difficult to predict with certainty. Increases in tariffs or other trade barriers may, directly or indirectly, increase the cost of producing or delivering our products, increase the costs to our licensees of licensing our technology, and may decrease demand for our products and services. Our business may also be impacted by global material shortages that affect the sectors in which we operate, such as shortages and potential shortages that impact the pricing and availability of memory components and ICs for the consumer electronics market. If the foregoing or similar factors increase the costs or lead times required for our licensees to manufacture and export their products, such as consumer electronics products and cars, and that results in higher prices or longer lead times for end consumers, sales of those products may decrease and thus royalty payments payable to Dolby that are based on unit shipments may decrease.

Macroeconomic conditions also impart substantial uncertainty into our operating environment and may lead to follow-on negative economic effects like recession or heightened inflation, each of which presents additional challenges for our business. For example, recent conflicts in the Middle East have increased uncertainty around shipping costs and delays, the availability of materials, and other supply chain issues that may impact our licensees in the short and long term. Uncertainty and its related impacts, or an adverse economic climate generally, may impact consumer demand for our licensees' products that incorporate our technology and for our own products and services. Such conditions may also cause delays or a decrease in the adoption of our technologies into new products by partners and licensees, or lead manufacturers to discontinue including our technology in their products or to seek price reductions. Further, the noted macroeconomic conditions and related uncertainty may negatively impact transaction cycles and our recovery of revenue associated with past unauthorized or unreported usage.

The future implications of these macroeconomic conditions on our business, results of operations and overall financial position remain uncertain. We continue to monitor the evolving macroeconomic environment, including international conflicts and the imposition of tariffs and other trade barriers, and the potential impacts on our business. Further discussion of the potential impacts of these macroeconomic effects on our business can be found in Part II, Item 1A "*Risk Factors*."

LICENSING

The majority of our revenue is derived from two licensing models: Branded Technology Licensing and Patent Licensing, each of which individually comprises a substantial portion of our revenue. While each has had successes, they share certain challenges. In particular, factors such as global supply constraints or device lifecycles may impact licensing revenue. Further, in certain countries, we and other IP owners face difficulties enforcing contractual and IP rights, including instances in which our licensees fail to accurately report the shipment of products using our technologies. Finally, we face geopolitical challenges including changes in diplomatic and trade relationships, trade protection measures including the imposition of tariffs, and import or export licensing requirements. Further discussion of the potential impacts of the key challenges on our business can be found in Part II, Item 1A "*Risk Factors*."

Branded Technology Licensing

Dolby's branded technology licensing offers complete technology solutions to our licensees, primarily device manufacturers. Licenses include rights to software, patent rights, know-how, and the relevant Dolby brand. Our branded technologies are primarily comprised of Branded Audio Codecs (DD+ and AC-4) and Dolby Atmos and Dolby Vision (Dolby Atmos for audio, and Dolby Vision for imaging). Licensing revenue is primarily driven by the adoption of our technologies on devices and the number of devices shipped by licensees. Our branded audio codecs have broad penetration across a diverse set of devices and end markets. Revenue from these technologies is primarily driven by device shipments from licensees, and as such, is impacted by consumer spending. The remaining portion of our branded licensing revenue is derived from Dolby Vision and Dolby Atmos. Dolby Vision and Dolby Atmos have not been in the market as long as our branded audio codecs, thus revenue growth is driven by device shipments, increased adoption, and the addition of new licensees.

We are focused on expanding our leadership in audio and imaging solutions for premium entertainment content by increasing the number of Dolby experiences that people can enjoy, which will drive revenue growth across the markets we serve. We work across our ecosystem of partners including creators, distributors, and device

manufacturers to increase the number of Dolby experiences that people can enjoy by enhancing content, including movies and TV, music and live sports, using Dolby branded technologies. Increased content in these areas increases our value proposition across our end markets. In movies and TV, thousands of movie titles and tens of thousands of TV episodes have been created and released in Dolby Atmos and/or Dolby Vision. Major streaming services such as Netflix, Disney+, Apple TV, Amazon, HBO Max, Paramount+, Peacock, and other streaming services internationally, continue to enhance content in Dolby Vision and/or Dolby Atmos. Recently, the 2026 FIFA World Cup was shown in Dolby Atmos and/or Dolby Vision across various broadcast, streaming, and pay TV, including Peacock and Comcast in the U.S., Bell TV in Canada, and TV GLOBAL in Brazil.

Patent Licensing

Our patents are incorporated into the AAC, HE-AAC, and Extended HE-AAC standards for audio, and the AVC and HEVC standards for imaging. The licensing of these patents forms the core of our patent licensing. Revenue generated through our patent licensing model is driven primarily by our royalty share within patent pools, licensee penetration, device shipments, and the introduction of new standardized technologies and patent programs.

We, together with our patent pool partners, continue to make progress in licensee expansion across our video programs. In July 2026, Access Advance announced that Meta Platforms, Inc. one of the world's largest distributors of video content across its social media platforms, joined the VDP, HEVC, and VVC programs as a licensee. Also in July, Access Advance announced that Alibaba expanded their VDP license to cover their full video ecosystem. In the third quarter of fiscal 2026, eight new licensors joined Access Advance's VDP program, including Sharp, Digital Insights and Hanwha, 25 new licensees joined the HEVC program, and six new licensees joined the VVC program, including Samsung and Sharp. Dolby is a licensor in the VDP, HEVC and VVC programs.

Revenue from our patent licensing is driven, in part, by the adoption and use of the standardized technologies in which we participate by device manufacturers. As in any technology licensing business, it is possible that changing partner preferences, consumer preferences, or other market dynamics could lead to increased or decreased adoption, or the use of alternative technologies.

Revenue derived from our patent licensing programs is also driven by the success of the patent pools in which we participate, which is driven by licensee, licensor, and program renewals. The revenue we derive from patent pools also depends significantly on the patent pool administrators' success in negotiating licenses with companies already using the relevant standard (i.e. licensee penetration). Additionally, our licensing revenue from patent pools is driven, in part, by the royalty share among pool licensors, which is determined based on the value of the patents each licensor contributes to the pool, as governed by allocation rules negotiated among the pool licensors.

The standardized technologies at the core of our patent licensing are intended for broad use across all device categories that play back audio and visual content. Device manufacturers typically negotiate and acquire the patent rights for these technologies for implementation across all their device categories and product lines in their applicable end markets.

For a discussion of certain risks related to our patent licensing model, please refer to Part II, Item 1A "*Risk Factors*" in this quarterly report on Form 10-Q, in particular the sections under the headings "*Technology Standards*" and "*Intellectual Property*."

Licensing End Markets

The following are highlights from our third quarter of fiscal 2026 and key challenges related to Dolby's licensing businesses, by market.

Broadcast

Highlights

We have an established global presence and broad adoption of our branded audio and patent licensing technologies in broadcast services and devices, which primarily include TVs and STBs. We work with many TV OEMs and strategic partners to enable and promote Dolby Vision and Dolby Atmos experiences within their TV lineups. We have strong attach rates for Dolby Atmos and Dolby Vision with high end TVs and continue to grow adoption on mid-range TVs. Many partners continue to expand their support of the combined Dolby Vision and Dolby Atmos experience. Dolby Vision 2 is now in market with some Hisense TVs, and by the end of this calendar year, TCL and Philips will also be shipping TVs with Dolby Vision 2.

Key Challenges

Our pursuit of new licensees and further adoption of our technologies by existing licensees may be impacted by a number of factors. We must continue to present compelling reasons for consumers to demand our audio and video technologies, including ensuring that there is a breadth of available content in our formats and such content is being widely distributed. To the extent that OEMs do not incorporate our technologies in current and future products or our technology is not included in future broadcast industry standards, our revenue could be negatively impacted. Changing trends in the way that video content is distributed and consumed may impact our business and future growth in the broadcast market, such as the trend away from subscription-based cable and satellite television providers toward streaming services.

Mobile

Highlights

We continue to promote adoption of our technologies across major mobile ecosystems, including Apple and Android. Our patent licensing technologies are adopted broadly throughout the mobile device ecosystem. Dolby Atmos and Dolby Vision are included throughout the Apple device line-up and in Apple TV, and Dolby Atmos is included in Apple Music. Dolby Vision Capture, Playback, and Dolby Atmos have been supported on all iPhones since the iPhone 12. We have strong adoption of Dolby Atmos and our branded audio codecs across high-end Android mobile devices and are focused on growing our presence on low and mid-tier phones. An increasing number of Android device manufacturers have adopted Dolby Vision and Dolby Vision Capture on high end devices and we are focused on the opportunity to significantly increase our adoption. We increasingly see adoption of our technologies in other personal, battery powered electronics, including devices providing augmented reality and virtual reality experiences. The breadth of mobile devices supporting Dolby technologies continues to increase globally. In the third quarter of fiscal 2026, RayNeo, the leading provider of augmented reality glasses, launched the RayNeo GT Max, the first AR smart glasses supporting Dolby Vision. Also in the third quarter of fiscal 2026, Insta360, a leader in the action and panoramic cameras segments, launched the Luna Ultra, which supports Dolby Vision capture.

Key Challenges

Growth in this market is dependent on several factors. Due to short product life cycles, mobile device OEMs can readily add or remove certain of our technologies from their devices. Our success depends on our ability to address the rapid pace of change in mobile devices, and we must continuously collaborate with mobile device OEMs to incorporate our technologies. We rely on a small number of partnerships with key participants in this market. If we are unable to maintain these key relationships, we may experience a decline in mobile devices incorporating our technologies. To the extent that OEMs do not incorporate our technologies in current and future products or our technology is not included in future mobile industry standards, our revenue could be impacted. We must also continue to support the development and distribution of Dolby-enabled content via various ecosystems.

Consumer Electronics

Highlights

We have an established presence in the home entertainment market across devices such as wireless and smart speakers, soundbars, DMAs (devices that connect a home media system to the internet), and AVRs, through the inclusion of our branded audio codecs, and increasingly through the inclusion of Dolby Atmos and Dolby Vision. Our patent licensing technologies also have broad adoption in the home entertainment market. We continue to focus on expanding the availability of Dolby technologies to new devices.

Key Challenges

We must continue to present compelling reasons for consumers to demand our technologies wherever they enjoy entertainment content, while promoting creation and broad availability of content in our formats. With relatively short product life cycles for many consumer electronics, OEMs can add or remove certain of our technologies from their products which could impact our revenue. In addition, to the extent that our technology is not included in future industry standards, our revenue could be impacted.

Personal Computers

Highlights

DD+ enhances audio playback in Mac computers through the operating system with native support in the Safari browser, and Windows-based PCs through PC OEM implementations and native support in the Microsoft Edge browser. Dolby's presence in these browsers enables us to reach more users through various types of content, including streaming video entertainment. A number of PCs from partners such as Apple, Lenovo, Dell, Samsung, Microsoft, and ASUS also support Dolby Vision and/or Dolby Atmos, with continued expansion of applications through music, streaming, and gaming.

Key Challenges

Demand for PCs has fluctuated significantly in recent years. We must continuously collaborate and maintain our key partnerships with PC manufacturers to incorporate our technologies, and we must continue to support the development and distribution of Dolby-enabled content via various ecosystems. To the extent that PC manufacturers do not incorporate our technologies in current and future products, our revenue could be impacted.

Other Markets

Highlights

We generate revenue from the automotive industry primarily through the adoption of Dolby Atmos in cars. As of the end of the third quarter of fiscal 2026, we have announced partnerships with over 40 car makers that are shipping or have announced models that support our technologies, up from over 20 car makers at the end of fiscal 2025. In the third quarter of fiscal 2026, Google announced support for Dolby Atmos through Android Auto with partners including BMW, Genesis, Mahindra, Mercedes, Renault, and Skoda. Recently, Volkswagen launched its first Dolby Atmos-enabled vehicle in China, the fully electric SUV ID, and Buick announced pre-sales for the Electra E7 in China, which supports Dolby Atmos.

Gaming consoles such as the Sony PlayStation and the Microsoft Xbox use DD+ to support gaming content and streaming for movie and television content. The PlayStation 5 supports compatible Dolby Atmos-enabled living room devices. The Xbox Series X and Series S gaming consoles support Dolby Vision and Dolby Atmos for streaming and gaming content. Additionally, our technologies continue to be incorporated into the latest headphones by various OEMs.

Key Challenges

Our automotive-related revenue growth will be impacted if OEMs do not incorporate our technologies in their latest products. The long development cycle of the automotive industry reduces the frequency of our opportunities to be incorporated into additional products. Additionally, the automotive industry is cyclical, so our revenue from the auto market is affected by the broader cycles of the industry. Consumer demand for gaming devices is impacted by anticipation of console refresh cycles, which could result in fluctuations in our revenue. In addition, the gaming console market has competition from mobile devices and gaming PCs, which have faster refresh cycles and appeal to a broader consumer base.

Included within Other Markets is also licensing revenue from audio and video technologies used to create Dolby experiences through Dolby Cinema.

Dolby Cinema

Highlights: We continue to expand our global presence for Dolby Cinema, with sites located in the U.S. and internationally. Additionally, we increased the number of Dolby Atmos and Dolby Vision theaters or exhibitors in Taiwan, Vietnam, and Germany.

Key Challenges: Although the PLF market for the cinema industry has been growing, Dolby Cinema competes with other existing offerings. Our success depends on our partners and their success, and our ability to differentiate our offering and deploy new sites. In addition, the success of our Dolby Cinema offering is tied to global movie production and box office performance generally.

PRODUCTS AND SERVICES

A majority of our Products and Services revenue is derived from the sale of audio and imaging products for the cinema industry. Revenue from Dolby OptiView is also included in products and services.

Cinema Products and Services

Highlights

To help enable the playback of content in Dolby formats, we offer a range of servers, which include the IMS3000 (an integrated imaging and audio server with Dolby Atmos), and audio processors, such as the CP950, to cinema exhibitors globally. Dolby Atmos has been adopted broadly across studios, content creators, post-production facilities, and exhibitors. As of the end of the third quarter of fiscal 2026, there are over 8,600 Dolby Atmos screens installed or committed and over 4,500 Dolby Atmos theatrical titles have been announced or released.

We also offer a variety of other cinema products, such as the Dolby Multichannel Amplifier and our high-power flexible line of speakers. These products allow us to offer exhibitors a more complete Dolby Atmos solution that is often more cost effective than other commercially available options.

Key Challenges

Demand for our cinema products is dependent upon our partners and their success in the market, industry and economic cycles, box office performance, and our ability to develop and introduce new technologies, further our relationships with content creators, and promote new cinematic audio and video experiences. A significant portion of our growth opportunity lies in international markets, which are subject to geopolitical risks. We may also be faced with pricing pressures or competing technologies, which would affect our revenue. In addition, supply chain constraints may impact our ability to provide cinema products and services to our customers. Long lead times and increased cost of materials due to the macroeconomic conditions, including higher interest rates have also negatively impacted the financial health of our cinema customers and partners, leading to reduced new product investment and lower demand.

Dolby OptiView

Highlights

Our strategy for Dolby OptiView is to expand our addressable market by offering solutions that increase audience engagement to companies building real-time digital experiences.

We are initially focusing on live sports as a key vertical. We are delivering solutions to improve the streaming experience and drive fan engagement, which is a top priority for the sports industry. These solutions include ultra-low latency streaming of audiovisual content, which enables more interactivity around live content for fantasy sports, betting, communal viewing, and many other benefits; and optimized advertising delivery which increases revenue by delivering ads that are personalized to viewers and more integrated with the content they are watching.

In the third quarter of fiscal 2026, Roberts Communications Network, the largest horse racing streaming provider in the U.S., agreed to use Dolby OptiView for ultra-low latency video streaming. In addition, Google announced that Dolby OptiView Ads has been certified through their Ad Manager Technology Partner program. The certification recognizes the performance and monetization improvements that Dolby OptiView Ads delivers when integrated with Google Ad Manager, and creates an opportunity to partner with Google to reach their Google Ad Manager customers more efficiently and with the benefit of Google's endorsement.

Key Challenges

Dolby OptiView is an early-stage business, and it is uncertain when or if it will be a material revenue driver. Our success in this market will depend on adoption by companies building real-time digital experiences that increase audience engagement, the volume of usage of the services and our ability to monetize our services. In addition, the development and maintenance needed to provide a reliable and scalable platform may require us to incur additional costs to develop new skills within our existing employee base or hire external specialized talent. Although the market for real-time experiences has been growing, Dolby OptiView competes with other offerings from third parties.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no material changes to the critical accounting policies from those included in our fiscal 2025 Annual Report on Form 10-K filed with the SEC, as per Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates included therein.

RESULTS OF OPERATIONS

For each line item included on our unaudited interim condensed consolidated statements of operations described and analyzed below, the significant factors identified as the leading drivers contributing to the overall fluctuation are presented in descending order of their impact on the overall change (from an absolute value perspective). This discussion and analysis highlights comparisons of material changes in the unaudited interim condensed consolidated financial statements for the quarters and fiscal year-to-date periods ended June 26, 2026 and June 27, 2025. Note that adjustments related to sales-based royalties that were misreported by licensees as well as unlicensed settlement activity, are collectively referred to as "recoveries." Amounts displayed, except percentages, are in thousands.

Revenue and Gross Margin

Licensing

Licensing revenue consists of fees earned from licensing our technologies to customers who incorporate them into their products and services to enable and enhance audio and imaging capabilities. The technologies that we license are either internally developed, acquired, or licensed from third parties. We also generate administrative fees for managing patent pools on behalf of third party patent owners through our subsidiary, Via. A significant portion of our licensing revenue pertains to customer-shipment royalties that we recognize based on estimates of our licensees' shipments. To the extent that shipment data reported by licensees differs from estimates we made and recorded, we recognize an adjustment to revenue for such difference in the period we receive the reported shipment data.

Our cost of licensing consists mainly of amortization of certain purchased intangible assets and intangible assets acquired in business combinations, depreciation, third party royalty obligations, and patent pool fees.

	Fiscal Quarter Ended		Change		Fiscal Year-To-Date Ended		Change	
	June 26, 2026	June 27, 2025	\$	%	June 26, 2026	June 27, 2025	\$	%
Licensing								
Revenue	\$282,351	\$289,905	\$(7,554)	(3)%	\$974,367	\$966,390	\$7,977	1%
Percentage of total revenue	93%	92%			93%	93%		
Cost of licensing	22,718	21,713	1,005	5%	67,523	62,508	5,015	8%
Gross profit	259,633	268,192	(8,559)	(3)%	906,844	903,882	2,962	—%
Gross margin	92%	93%			93%	94%		
Licensing Revenue By Market	Fiscal Quarter Ended				Fiscal Year-To-Date Ended			
	June 26, 2026	June 27, 2025			June 26, 2026	June 27, 2025		
Broadcast	\$ 106,579	38 %	\$ 111,286	38 %	\$ 326,041	33 %	\$ 321,297	33 %
Mobile	51,010	18 %	56,295	19 %	220,199	23 %	217,942	23 %
CE	31,506	11 %	28,071	10 %	118,057	12 %	115,668	12 %
PC	28,343	10 %	33,589	12 %	116,523	12 %	123,247	13 %
Other	64,913	23 %	60,664	21 %	193,547	20 %	188,236	19 %
Total licensing revenue	\$ 282,351	100 %	\$ 289,905	100 %	\$ 974,367	100 %	\$ 966,390	100 %

Current Quarter: Q3 2026 vs. Q3 2025

Factor	Licensing Revenue		Gross Margin	
Mobile	↓	Lower revenue due to timing of minimum volume commitments in our audio patent programs, partially offset by higher revenue from imaging patents	↓	Lower gross margin primarily due to revenue mix
PC	↓	Lower revenue from recoveries and timing of minimum volume commitments, partially offset by higher revenue from our imaging patents		
Broadcast	↓	Lower revenue from recoveries and audio patent programs, partially offset by higher revenue from imaging patents and adoption of Dolby Atmos and Dolby Vision		
Other	↑	Higher revenue from Dolby Cinema and Dolby Atmos adoption in Auto, partially offset by lower gaming console unit shipments and lower revenue from imaging patents		
CE	↑	Higher revenue primarily from recoveries		

Year-To-Date: Q3 2026 vs. Q3 2025

Factor	Licensing Revenue		Gross Margin	
PC	↓	Lower revenue from lower unit shipments, recoveries and timing of minimum volume commitments, partially offset by higher revenue from imaging patents	↓	Lower gross margin primarily due to revenue mix
Other	↑	Higher revenue primarily from Dolby Cinema, imaging patents and Atmos adoption in Auto, partially offset by lower gaming console unit shipments		
Broadcast	↑	Higher revenue primarily from recoveries, partially offset by lower true-up and timing of minimum volume commitments		
CE	↑	Higher revenue primarily from recoveries, partially offset by lower unit shipments		
Mobile	↑	Higher revenue from Dolby Vision adoption and recoveries, partially offset by timing of minimum volume commitments in our patent programs		

Products and Services

Products revenue is generated from the sale of audio, imaging, accessibility, and other hardware and software solutions primarily for the cinema, with occasional applications in the television, broadcast, and live entertainment industries. Also included in Products revenue are amounts relating to certain Dolby Cinema arrangements that are considered sales-type leases that involve fixed or minimum fees. Cost of products includes materials, labor, manufacturing overhead, amortization of certain intangible assets, and certain third party royalty obligations.

Services revenue consists of fees charged to support theatrical and television production for cinema exhibition, broadcast, and home entertainment, including equipment training and maintenance, mixing room alignment, equalization, as well as audio, color, and light image calibration. Services revenue also includes PCS for products sold and equipment installed at Dolby Cinema theaters operated by exhibitor partners and support for the implementation of our technologies into products manufactured by our licensees. Also included in Services revenue are amounts generated through Dolby OptiView. Cost of services consists of personnel and personnel-related costs for providing our professional services, software maintenance and support, external contractors, and other direct expenses incurred on behalf of customers.

	Fiscal Quarter Ended		Change		Fiscal Year-To-Date Ended		Change	
	June 26, 2026	June 27, 2025	\$	%	June 26, 2026	June 27, 2025	\$	%
Products and Services								
Revenue	\$22,644	\$25,641	\$(2,997)	(12)%	\$72,964	\$75,716	\$(2,752)	(4)%
Percentage of total revenue	7%	8%			7%	7%		
Cost of products and services	17,601	22,289	(4,688)	(21)%	60,735	58,105	2,630	5%
Gross profit	5,043	3,352	1,691	50%	12,229	17,611	(5,382)	(31)%
Gross margin	22%	13%			17%	23%		

Current Quarter: Q3 2026 vs. Q3 2025

Factor	Products and Services Revenue		Gross Margin	
Products	↓	Lower cinema products revenue	↓	Lower gross margin primarily due to lower cinema products revenue
Services	↔	No significant fluctuations	↑	Higher gross margin primarily due to lower Dolby Cinema warranty and maintenance costs

Year-To-Date: Q3 2026 vs. Q3 2025

Factor	Products and Services Revenue		Gross Margin	
Products	↓	Lower cinema products revenue	↓	Lower gross margin primarily due to lower cinema products revenue
Services	↑	Higher Dolby OptiView revenue	↓	Lower gross margin primarily due to higher Dolby Cinema warranty and maintenance costs, offset by higher Dolby OptiView revenue

Operating Expenses
Research and Development

R&D expenses consist primarily of employee compensation and benefits expenses, stock-based compensation, external contractor costs, depreciation and amortization, facilities costs, costs for outside materials, and information technology expenses.

	Fiscal Quarter Ended		Change		Fiscal Year-To-Date Ended		Change	
	June 26, 2026	June 27, 2025	\$	%	June 26, 2026	June 27, 2025	\$	%
Research and development	\$65,749	\$65,982	\$(233)	—%	\$198,477	\$194,327	\$4,150	2%
Percentage of total revenue	22%	21%			19%	19%		

Current Quarter: Q3 2026 vs. Q3 2025

Category	Key Drivers	
Research and Development	↔	No significant fluctuations

Year-To-Date: Q3 2026 vs. Q3 2025

Category	Key Drivers	
Systems, Telecom, and Computer Equipment	↑	Higher costs of \$1.6 million primarily due to higher spend on IT costs and cloud computing costs
Various	↑	Higher salaries expense and stock-based compensation expense, offset by lower consulting costs

Sales and Marketing

S&M expenses consist primarily of employee compensation and benefits expenses, stock-based compensation, marketing and promotional expenses for events such as trade shows and conferences, marketing campaigns, travel-related expenses, contractor fees, facilities costs, depreciation and amortization, information technology expenses, and legal costs associated with unreported and underreported use of our IP.

	Fiscal Quarter Ended		Change		Fiscal Year-To-Date Ended		Change	
	June 26, 2026	June 27, 2025	\$	%	June 26, 2026	June 27, 2025	\$	%
Sales and marketing	\$85,071	\$86,163	\$(1,092)	(1)%	\$272,786	\$270,191	\$2,595	1%
Percentage of total revenue	28%	27%			26%	26%		

Current Quarter: Q3 2026 vs. Q3 2025

Category	Key Drivers	
Various	↓	Lower marketing program and taxes and insurance costs, offset by higher tradeshow costs

Year-To-Date: Q3 2026 vs. Q3 2025

Category	Key Drivers	
Legal, Professional, and Contractors	↑	Higher costs of \$2.3 million primarily due to costs toward the patent pool litigation fund

General and Administrative

G&A expenses consist primarily of employee compensation and benefits expenses, stock-based compensation, depreciation and amortization, facilities and information technology costs, as well as professional fees and other costs associated with external contractors.

	Fiscal Quarter Ended		Change		Fiscal Year-To-Date Ended		Change	
	June 26, 2026	June 27, 2025	\$	%	June 26, 2026	June 27, 2025	\$	%
General and administrative	\$75,585	\$72,307	\$3,278	5%	\$221,783	\$212,814	\$8,969	4%
Percentage of total revenue	25%	23%			21%	20%		

Current Quarter: Q3 2026 vs. Q3 2025

Category	Key Drivers	
Legal, Professional, and Contractors	↑	Higher costs of \$5.3 million primarily due to litigation expenses and patent pool program-related costs
Various	↓	Lower taxes and insurance and consulting costs

Year-To-Date: Q3 2026 vs. Q3 2025

Category	Key Drivers	
Legal, Professional, and Contractors	↑	Higher costs of \$8.2 million primarily due to litigation expenses and patent pool program-related costs

Restructuring Charges

Restructuring charges recorded as operating expenses in our unaudited interim condensed consolidated statements of operations represent costs associated with separate individual restructuring plans implemented in various fiscal periods. The extent of our costs arising as a result of these actions, including fluctuations in related balances between fiscal periods, is based on the nature of activities under the various plans.

	Fiscal Quarter Ended		Change		Fiscal Year-To-Date Ended		Change	
	June 26, 2026	June 27, 2025	\$	%	June 26, 2026	June 27, 2025	\$	%
Restructuring charges/(credits)	\$3,955	\$(547)	\$4,502	(823)%	\$16,605	\$8,879	\$7,726	87%
Percentage of total revenue	1%	—%			2%	1%		

Fiscal 2026 Restructuring Event

In June 2026, we initiated restructuring actions with the purpose of reorganizing and consolidating certain activities and positions within our global business infrastructure. In connection with this plan, we recorded expense in the third quarter of fiscal 2026 of \$4.0 million in severance and other related benefits. These activities are expected to result in estimated gross pre-tax operating income savings of approximately \$2 million in fiscal 2026 and \$12 million in fiscal 2027, due to estimated savings in compensation and benefits of impacted employees. The impact of these estimated savings on our operating expenses will be mostly offset by increased investment in our strategic priorities and the effects of inflation on our remaining expenses. Cash payment of the severance and other termination benefits are expected to be substantially completed by the end of the first quarter of fiscal 2027. We estimate that we will incur additional employee-related restructuring costs during fiscal 2026 and the first quarter of fiscal 2027; however, we cannot estimate the total amount expected to be incurred as cost reduction actions continue to be evaluated.

Fiscal 2025 Restructuring Events

In September 2025, we initiated restructuring actions in order to centralize teams into fewer locations, relocate certain roles to provide better access to talent pools, encourage multi-disciplinary collaboration, and simplify operations. In continuation with this plan, we recorded expense in the fiscal year-to-date period ended June 26, 2026 of \$12.7 million consisting primarily of severance and other related benefits. The majority of the remaining components of this plan were substantially completed by the end of the second quarter of fiscal 2026. Cash payment of the severance and other termination benefits were substantially completed by the end of the third quarter of fiscal 2026. These activities are expected to result in estimated gross pre-tax operating income savings of approximately \$20 million in fiscal 2026, due to estimated savings in compensation and benefits of impacted employees. The impact of these estimated savings on our operating expenses will be mostly offset by increased investment in our strategic priorities and the effects of inflation on our remaining expenses.

In November 2024, we initiated restructuring actions with the purpose of aligning our R&D resources, and to a lesser extent our S&M resources, with our highest strategic priorities. In connection with this plan, we recorded expense in the fiscal year-to-date period ended June 27, 2025 of \$9.2 million in severance and other related benefits. Cash payment of the severance and other termination benefits were substantially completed by the end of fiscal 2025. These activities resulted in gross pre-tax operating income savings of approximately \$20 million in fiscal 2025, due to savings in compensation and benefits of impacted employees, which was consistent with our expectations. The impact of these savings on our operating expenses was mostly offset by increased investment in our strategic priorities and the effects of inflation on our remaining expenses.

Fiscal 2024 Restructuring Event

In April 2024, we initiated restructuring actions with the purpose of focusing our resources on our highest strategic priorities. These activities resulted in gross pre-tax operating income savings of approximately \$11 million within fiscal 2025, which was consistent with our expectations. The impact of these savings on our operating expenses was mostly offset by increased investment in our strategic priorities and the effects of inflation on our remaining expenses.

For additional information on our Restructuring programs, see Note 13 "Restructuring" to our unaudited interim condensed consolidated financial statements.

Other Income/Expense

Other income/expense primarily consists of interest income earned on cash and investments and the net gains or losses from foreign currency transactions, derivative instruments, our proportionate share of net income or losses from our equity method investments, and gains and losses on the sales of marketable securities from our investment portfolio.

	Fiscal Quarter Ended		Change		Fiscal Year-To-Date Ended		Change	
	June 26, 2026	June 27, 2025	\$	%	June 26, 2026	June 27, 2025	\$	%
Other income	\$9,486	\$7,877	\$1,609	20%	\$25,681	\$26,535	\$(854)	(3)%
Percentage of total revenue	3%	2%			2%	3%		

Current Quarter: Q3 2026 vs. Q3 2025

Category	Key Drivers	
Other Income	↑	Higher income from our equity method investments in the current year

Year-To-Date: Q3 2026 vs. Q3 2025

Category	Key Drivers	
Other Income	↓	Lower income from our equity method investments in the current year

Income Taxes

Our effective tax rate is based on our projected annual fiscal year results and is affected each period-end by several factors. These factors include changes in our projected fiscal year results, recurring items such as tax rates and relative income earned in our foreign jurisdictions, as well as discrete items such as changes to our unrecognized tax benefits that may occur in but are not necessarily consistent between periods. For additional information related to effective tax rates, see Note 12 "Income Taxes" to our unaudited interim condensed consolidated financial statements.

	Fiscal Quarter Ended		Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025	June 26, 2026	June 27, 2025
Provision for income taxes	\$(14,588)	\$(8,974)	\$(56,754)	\$(54,979)
Effective tax rate	33.3%	16.2%	24.1%	21.0%

Current Quarter: Q3 2026 vs. Q3 2025

Factor	Impact On Effective Tax Rate	
Research and Development	↑	Lower benefit from R&D tax credits

Year-To-Date: Q3 2026 vs. Q3 2025

Factor	Impact On Effective Tax Rate	
Research and Development	↑	Lower benefit from R&D tax credits

LIQUIDITY, CAPITAL RESOURCES, AND FINANCIAL CONDITION

Our principal sources of liquidity are cash, cash equivalents, and investments, as well as cash flows from operations. We also have additional access to liquidity under a revolving credit facility, as noted in our Current Report on Form 8-K filed with the SEC on November 19, 2024. We believe that these sources will be sufficient to satisfy our currently anticipated cash requirements through at least the next twelve months.

As of June 26, 2026, we had cash and cash equivalents of \$669.4 million, which consisted of cash and highly liquid money market funds. In addition, we had short and long-term investments of \$87.1 million, which primarily consisted of equity method investments and equity securities without a readily determinable fair value.

The following table presents selected financial information as of June 26, 2026 and September 26, 2025 (in thousands):

	June 26, 2026	September 26, 2025
Cash and cash equivalents	\$ 669,394	\$ 701,893
Short-term investments	652	703
Long-term investments	86,437	80,205
Accounts receivable, net	285,148	331,096
Accounts payable and accrued liabilities	372,877	387,096
Working capital	909,712	950,471

Capital Expenditures and Uses of Capital

Historically, our capital expenditures consisted of purchases of land, building, building fixtures, laboratory equipment, office equipment, computer hardware and software, leasehold improvements, and production and test equipment. Currently, our capital expenditures primarily include expenditure amounts associated with our Dolby Cinema locations. We continue to invest in S&M and R&D to promote the overall growth of our business and technological innovation.

We continue to retain sufficient cash holdings to support our operations and we also have historically purchased investment-grade securities diversified among security types, industries, and issuers. We have used cash generated from our operations to fund a variety of activities related to our business in addition to our ongoing operations, including business expansion and growth, acquisitions, and repurchases of our Class A common stock. We have historically generated significant cash from operations. However, these cash flows and the value of our investment portfolio could be affected by various risks and uncertainties, as described in Part II, Item 1A "Risk Factors."

Shareholder Return

We have returned cash to stockholders through both repurchases of Class A common stock under our repurchase program initiated in fiscal 2010 and our quarterly dividend program initiated in fiscal 2015. Refer to Note 9 "Stockholders' Equity and Stock-Based Compensation" to our unaudited interim condensed consolidated financial statements for a summary of dividend payments made under the program during fiscal 2026 and additional information regarding our stock repurchase program.

Stock Repurchase Program. Our stock repurchase program was approved in fiscal 2010, and since then we have completed approximately \$3.2 billion of stock repurchases under the program.

Quarterly Dividend Program. During fiscal 2015, we initiated a recurring quarterly cash dividend program for our stockholders. In the third quarter of fiscal 2026, a quarterly dividend of \$0.36 per share was paid on our Class A and Class B common stock to eligible stockholders of record. On July 30, 2026, Dolby announced a cash dividend of \$0.36 per share of Class A and Class B common stock, payable on August 19, 2026, to stockholders of record as of the close of business on August 11, 2026.

Cash Flows Analysis

For the following comparative analysis performed for each of the sections of the unaudited interim condensed consolidated statements of cash flows, the significant factors identified as the leading drivers contributing to the fluctuation are presented in descending order of their impact relative to the overall change (in thousands).

Operating Activities

	Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025
Net cash provided by operating activities	\$ 314,767	\$ 349,367

Net cash provided by operating activities decreased \$34.6 million in the fiscal year-to-date period ended June 26, 2026 as compared to the fiscal year-to-date period ended June 27, 2025, primarily due to the following:

Factor	Impact On Cash Flows	
Operating assets and liabilities	↓	Lower inflows due to higher prepaid expenses and other assets, partially offset by higher accounts payable and accrued liabilities

Investing Activities

	Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025
Net cash provided by/(used in) investing activities	\$ (54,633)	\$ 11,326

Net cash provided by investing activities was \$66.0 million lower in the fiscal year-to-date period ended June 26, 2026 as compared to the fiscal year-to-date period ended June 27, 2025, primarily due to the following:

Factor	Impact On Cash Flows	
Purchase of Intangible Assets	↓	Higher outflows from the purchase of intangible assets
Proceeds from Sale of Assets Held for Sale	↓	Lower inflows from sale of held for sale assets
Proceeds from Sale of Intangible Assets	↑	Higher inflows from sale of intangible assets related to the HEVC/VVC program

Financing Activities

	Fiscal Year-To-Date Ended	
	June 26, 2026	June 27, 2025
Net cash used in financing activities	\$ (312,728)	\$ (183,183)

Net cash used in financing activities was \$129.5 million higher in the fiscal year-to-date period ended June 26, 2026 as compared to the fiscal year-to-date period ended June 27, 2025, primarily due to the following:

Factor	Impact On Cash Flows	
Share Repurchases	↓	Higher outflows primarily due to higher common stock repurchases
Common Stock Issuance	↓	Lower inflows from employee stock option exercises

Contractual Obligations and Commitments

Since the end of our fiscal year ended September 26, 2025, there have been no material changes in either our off-balance sheet financing arrangements or contractual obligations outside the ordinary course of business. For additional details regarding our contractual obligations, see Note 7 "Leases" and Note 15 "Commitments and Contingencies" to our unaudited interim condensed consolidated financial statements.

In the third quarter of fiscal 2026, we did not enter into any off-balance sheet arrangements that are expected to have a material effect on Dolby's liquidity or the availability of capital resources.

Indemnification Clauses

In limited cases, our contractual agreements contain a clause under which we agree to provide indemnification to the counterparty, most commonly to licensees in connection with licensing arrangements that include our IP. In such cases, the indemnification arrangements usually provide for limitations on the scope or amount of potential obligations. We have also, in certain limited instances, elected to defend our licensees from third party IP infringement claims even when not contractually required to do so. We have also entered into indemnification agreements with our officers, directors, and certain employees, and our bylaws contain similar indemnification obligations. For additional

details regarding indemnification clauses within our contractual agreements, see Note 15 "*Commitments and Contingencies*" to our unaudited interim condensed consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Sensitivity

As of June 26, 2026, we had cash and cash equivalents of \$669.4 million, which consisted of cash and highly-liquid money market funds. In addition, we had short-term and long-term investments of \$87.1 million, which primarily consisted of equity method investments and equity securities without a readily determinable fair value. Our investment policy is focused on the preservation of capital and support for our liquidity requirements. Under the policy, we invest in highly rated securities with a minimum credit rating of A- while limiting the amount of credit exposure to any one issuer other than the U.S. government. We do not invest in financial instruments for trading or speculative purposes, nor do we use leveraged financial instruments. We utilize external investment managers who adhere to the guidelines of our investment policy. The investments within our fixed-income portfolio are subject to fluctuations in interest rates, which could affect our financial position, and to a lesser extent, results of operations.

Foreign Currency Exchange Risk

We maintain business operations in foreign countries, most significantly in Australia, China, Germany, Ireland, Poland, and the United Kingdom ("U.K."). Additionally, a portion of our business is conducted outside of the U.S. through subsidiaries with functional currencies other than the U.S. dollar, most notably:

- Australian Dollar
- British Pound
- Chinese Yuan
- Euro
- Polish Zloty

As a result, we face exposure to adverse movements in currency exchange rates as the financial results of our international operations are translated from local currency into U.S. dollars upon consolidation. The majority of our revenue generated from international markets is denominated in U.S. dollars, while the operating expenses of our foreign subsidiaries are predominantly denominated in local currencies. Therefore, our operating expenses will increase when the U.S. dollar weakens against the local currency and decrease when the U.S. dollar strengthens against the local currency. Additionally, foreign exchange rate fluctuations on transactions denominated in currencies other than the functional currency result in gains or losses that are reflected in our unaudited interim condensed consolidated statements of operations. Our foreign operations are subject to the same risks present when conducting business internationally, including, but not limited to, changes in economic conditions and geopolitical climate, differing tax structures, foreign exchange rate volatility, and other regulations and restrictions.

We also enter into forward currency contracts exclusively designated as cash flow hedges, which have a maturity of thirteen months or less, to reduce the impact of currency volatility on U.S. dollar operating expenses. The gains and losses from the effective portions of cash flow hedges are recorded at fair value as a component of AOCI, until the hedged transaction affects earnings. In the period when the hedged transaction affects earnings, the corresponding gains or losses of the cash flow hedge are recognized in the same line item in our unaudited interim condensed consolidated statements of operations.

The pre-tax losses attributed to the effective portion of cash flow hedges recognized in AOCI was \$1.0 million in the third quarter of fiscal 2026 and was \$2.2 million in the fiscal year-to-date period ended June 26, 2026. The pre-tax gains attributed to the effective portion of cash flow hedges recognized in AOCI was \$2.0 million in the third quarter of fiscal 2025 and was \$2.2 million in the fiscal year-to-date period ended June 27, 2025.

The pre-tax effective portion of the gains or losses reclassified to the unaudited interim condensed consolidated statements of operations was a \$1.3 million gain in the fiscal year-to-date period ended June 26, 2026, and was not material in the third quarters of fiscal 2026 and fiscal 2025, and in the fiscal year-to-date period ended June 27, 2025.

We also enter into foreign currency forward contracts to hedge against assets and liabilities for which we have foreign currency exchange rate exposure and selected anticipated expenses. The contracts hedging receivables and payables are carried at fair value with changes in the fair value recorded to other income/(expense), net, in our unaudited interim condensed consolidated statements of operations.

As of June 26, 2026 and September 26, 2025, the total notional amounts of outstanding contracts were \$149.9 million and \$195.9 million, respectively. As of June 26, 2026, the outstanding derivative instruments had maturities of equal to or less than 3 months.

A sensitivity analysis was performed on all of our foreign currency forward contracts as of June 26, 2026. This sensitivity analysis was based on a modeling technique that measures the hypothetical market value resulting from a 10% shift in the value of exchange rates relative to the U.S. dollar. For these forward contracts, duration modeling was used where hypothetical changes were made to the spot rates of the currency. A 10% increase in the value of the U.S. dollar would lead to a decrease in the fair value of our financial instruments by \$1.3 million. Conversely, a 10% decrease in the value of the U.S. dollar would result in an increase in the fair value of these financial instruments by \$1.3 million.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Subject to the limitations noted above, our management, with the participation of our CEO and CFO, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the fiscal period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the CEO and CFO have concluded that, as of such date, our disclosure controls and procedures were effective to meet the objective for which they were designed and operate at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended June 26, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in various legal proceedings that occasionally arise in the normal course of business activities, including claims of alleged infringement of IP rights, commercial, employment, and other matters. In our opinion, resolution of these proceedings is not expected to have a material adverse impact on our operating results or financial condition. Given the unpredictable nature of legal proceedings, it is possible that an unfavorable resolution of one or more such proceedings could materially affect our future operating results or financial condition in a particular period; however, based on the information known by us as of the date of this filing and the rules and regulations applicable to the preparation of our unaudited interim condensed consolidated financial statements, other than the litigation matter discussed in Note 14 "*Legal Matters*," any such amounts are either immaterial, or it is not probable that a potential loss has been incurred or the amount of loss cannot be reasonably estimated.

ITEM 1A. RISK FACTORS

The following risk factors and other information included in this Quarterly Report on Form 10-Q should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not currently known to us or that we currently deem less significant may also affect our business operations or financial results. If any of the following risks actually occur, our stock price, business, operating results and financial condition could be materially adversely affected.

REVENUE GENERATION

Markets We Target

Changing trends in content distribution and consumption may negatively impact our business. Changing trends in the way that content is distributed and consumed may impact our existing business and future opportunities for growth. One such trend has been the shift by consumers in certain markets away from subscription-based cable and satellite television providers toward streaming services, commonly referred to as "cord-cutting." While cable and satellite television often require a STB, consumers can also access streaming media through smart TVs or DMA devices. As consumers have trended toward canceling subscriptions to traditional cable and satellite providers in favor of streaming media, we have observed declines in demand for STBs in certain regions. While we adjust our strategy and offerings to respond to and anticipate changes to the way content is distributed and consumed, such as licensing our technology to streaming content providers, those efforts may not be successful and our licensing and other businesses may be impacted.

The mobile device market is concentrated and susceptible to competition and rapid change, which may negatively affect our penetration and pricing in that market. Successful penetration of the mobile device market is important to our future growth. The mobile device market, particularly smartphones and tablets, is characterized by rapidly changing market conditions, frequent product introductions and intense competition based on features and price. Our technologies usually are not mandated as an industry standard for mobile devices. We must continually convince mobile device OEMs and end users of mobile devices of the value of our technologies. With shorter product lifecycles, it is easier for mobile device OEMs to add or remove our technologies from mobile devices than it is for TV OEMs and other hardware OEMs. In addition, because the mobile industry is concentrated, we rely on a small number of partnerships with key participants in the mobile market. If we are unable to maintain these key relationships, we may experience a decline in mobile devices incorporating our technologies.

In order to increase the value of our technologies in the mobile market and increase OEM and software vendor demand for our decoding technologies, we have worked with online and mobile media content service providers to encode their content with our technologies. However, the online and mobile media content services markets are also characterized by intense competition, evolving industry standards and business and distribution models, disruptive software and hardware technology developments, frequent product and service introductions and short life cycles, and price sensitivity on the part of consumers, all of which may result in downward pressure on pricing or the removal of our technologies by these providers and may result in decreased revenue from our mobile market. Further, macroeconomic conditions such as inflation, trade barriers, international conflicts and geopolitical instability, global health risks, and other factors may adversely impact the ability of our partners to manufacture and distribute mobile devices and consumer demand for mobile devices.

Our revenue from the PC market is reliant on key partnerships and is vulnerable to macroeconomic risks. Our

revenue from the PC market depends on several factors, including underlying PC unit shipments, the extent to which our technologies are included on computers, including through operating systems and various subsystems, and the terms of any royalties or other payments we receive. To the extent that PC manufacturers do not incorporate our technologies in current and future products, our revenue could be impacted. Further, we rely on a small number of partnerships with key participants in the PC market. If we are unable to maintain these key relationships, we may experience a decline in PCs incorporating our technologies. Demand for PCs has also fluctuated significantly in recent years. Macroeconomic conditions may also adversely impact PC manufacturing, supply chain and distribution, the timing of the adoption of our technologies into products by partners and licensees, and the timing of launches for new products.

The success of Dolby Cinema and cinema product sales are subject to a number of factors beyond our control, such as the production of films in Dolby formats and broader cinema industry conditions. Revenue from Dolby Cinema and cinema product sales is subject to our ability to develop and implement new technologies, the pace of construction or upgrade of screens, the financial stability of exhibitors, the advent of new or competing technologies, and the willingness of movie studios to produce films in our Dolby Atmos and Dolby Vision formats. Although we have invested a substantial amount of time and resources developing Dolby Cinema, and expect to continue to invest and build partnerships in connection with the launch of Dolby Cinema locations, we may not continue to recognize a meaningful amount of revenue from these efforts in the near future. Additionally, we collaborate with multiple exhibitors in foreign markets, including Asia, Europe, and the Middle East, and we may face a number of risks in expanding Dolby Cinema in these and other new international markets. The revenue we receive from Dolby Cinema exhibitors is based on a portion of box-office receipts from the installed theaters, and the timing of such theater installations is dependent upon a number of factors beyond our control. In addition, the success of our Dolby Cinema offering will be tied to the pipeline and success of motion pictures available at Dolby Cinema locations generally. The success of Dolby Cinema and cinema products depends in large part on our ability to differentiate our offering, deploy new sites and installations in accordance with plans, provide a compelling experience, and attract and retain a viewing audience. A decrease in our ability to develop and introduce new cinema products and services successfully could affect licensing of our consumer technologies, because the strength of our brand and our ability to leverage professional product developments to introduce new consumer technologies could be negatively impacted. To the extent that we do not make progress in these areas or are faced with pricing pressures or competing technologies, our revenue may be adversely impacted.

Our revenue and associated demand for Dolby Cinema and cinema products are affected by cinema industry and macroeconomic conditions, which are subject to risks including consumer trends and box office performance in general, delays in cinematic releases, the seasonality of film releases and associated moviegoing attendance, discretionary consumer spending, and other events or conditions in the cinema industry. For example, restrictions related to the COVID-19 pandemic and certain entertainment industry labor strikes resulted in reduced cinema attendance and box office receipts in the past. Such disruptions impacted, and potential similar disruptions in the future could potentially impact, revenue generated by Dolby Cinema theaters and exhibitors' willingness and ability to invest in Dolby Cinema and cinema products. Consolidation among the major motion picture studios may impact the number of films released theatrically and could impart volatility into the timing and number of ticket sales. The trend towards shorter theatrical release windows may also impact ticket sales. Additionally, a portion of our opportunity lies in the China market, which is subject to unique economic and geopolitical risks, including risks posed by tariffs and other trade barriers. Furthermore, future growth of our cinema products offerings also depends upon new theater construction and entering into an equipment replacement cycle whereby previously purchased cinema products are upgraded or replaced. To the extent that such cinema industry and macroeconomic challenges constrain the growth of our Dolby Cinema and cinema products offerings, our revenue may be adversely impacted.

Customers

Our licensing business depends on the incorporation of our technologies into products and the sales of such products, which are, in large part, not within our control. Our licensing businesses depend on OEMs and other licensees to incorporate our technologies into their products. Our license agreements are typically non-exclusive, and frequently do not mandate use of our technologies. Additionally, a small number of our licensees or other customers may represent a significant percentage of our licensing, products, or services revenue. Customer demand for our technologies and products can shift quickly as many of our markets are rapidly evolving. In consumer electronic device markets, our technologies are not mandated and are subject to significant competition, so there is a risk that a large consumer electronic device licensee may reduce or eliminate its use of our technologies. Our revenue will decline if our licensees choose not to incorporate our technologies into their products or if they sell fewer products incorporating our technologies.

Our licensing business depends, in part, on semiconductor manufacturers and the availability of semiconductor components. Our licensing revenue from OEM system licensees depends in large part upon the availability of ICs that implement our technologies. IC manufacturers incorporate our technologies into these ICs, which are then incorporated in consumer entertainment products. We do not manufacture these ICs, but rather depend on IC manufacturers to develop, produce, and then sell them to system licensees in accordance with their agreements. We do not control the IC manufacturers' decisions on whether or not to incorporate our technologies into their ICs, and we do not control their product development or commercialization efforts. More generally, demand levels and supply chain issues may result in shortages of semiconductor components and other key materials for IC production. Notably, the rapid expansion of data center and artificial intelligence infrastructure has placed pressure on global semiconductor and memory supply chains, leading to tighter capacity allocation, higher costs, and periodic availability constraints for certain electronic components, which has impacted the end markets we serve. Further, the IC manufacturing industry is geographically concentrated and thus can be particularly sensitive to regional and macroeconomic developments that create impediments to IC production. Obstacles to IC production and delivery may adversely impact the ability of our implementation and system licensees and other customers to meet product demand in a timely fashion and lead to other negative impacts for the technology industry, which is in large part dependent on the continued supply of ICs.

Consumer spending weakness may impact our licensees and licensing revenue generally. Weakness in general economic conditions due to inflation, elevated interest rates, lower consumer confidence, tariffs and non-tariff trade barriers, a potential recession, pandemic or other adverse economic conditions and related uncertainty, may suppress consumer demand in our markets and consumers going to the movies. Many of the products in which our technologies are incorporated are discretionary goods, such as PCs, TVs, STBs, video game consoles, AV Receivers, mobile devices, in-car entertainment systems, and home-theater systems, which makes revenue generated by such technologies vulnerable to weakness in consumer spending. Prolonged weakness in consumer spending may also lead to licensees and other customers becoming delinquent on their obligations to us or being unable to pay, resulting in a higher level of write-offs. Weakness in consumer spending may also increase underreporting and non-reporting of royalty-bearing revenue by our licensees as well as increase the unauthorized use of our technologies.

If we fail to promote and maintain the Dolby brand, our business will suffer. Maintaining and strengthening the Dolby brand is critical to maintaining and expanding our licensing, products, and services business, as well as our ability to offer technologies for new markets. Our continued success depends on our reputation for providing high quality technologies, products, and services across a wide range of entertainment markets, including the consumer electronics, PC, broadcast, and gaming markets. If we fail to promote and maintain the Dolby brand successfully in licensing, products or services, our business will suffer. Furthermore, we believe that the strength of our brand may affect the likelihood that our technologies are adopted as industry standards in various markets and for various applications. Our ability to maintain and strengthen our brand will depend heavily on our ability to develop innovative technologies for the entertainment industry, to enter into new markets successfully, and to provide high quality products and services in these new markets. In addition, our practices and public disclosures related to environmental, social and governance (ESG) matters could impact our brand and reputation. If our ESG practices do not meet evolving investor or other stakeholder expectations and societal and regulatory standards, or if we are unable to make progress on or achieve our goals and objectives in this area, then our reputation, our ability to attract or retain employees, and our attractiveness as an investment or business partner could be negatively impacted, which could adversely affect our operating results.

Technology Standards

Certain parts of our business are dependent on the inclusion of our technologies in technology standards, the adoption and development of which are not fully within our control. Standards-setting organizations establish technology standards for use in a wide range of products and solutions. The entertainment industry in particular has historically depended upon technology standards to ensure compatibility and interoperability across delivery platforms and a wide variety of consumer entertainment products. We make significant efforts to design our products and technologies to address capability, quality, and cost considerations so that they either meet or, more importantly, are adopted as industry standards across the broad range of entertainment industry markets in which we participate, as well as the markets in which we plan to compete in the future. We are also active in standards development where many contributing members work together to come up with next-generation technology standards in media, entertainment, and communications technologies. Nonetheless, it can be difficult to have our technologies and products adopted as technology standards. To do so, we must convince a broad spectrum of standards-setting organizations throughout the world, as well as our major customers and licensees who are members of such organizations, to adopt them as such. Multiple companies, including ones that typically compete against one another, are involved in the development of new technology standards for use in consumer products. Furthermore, some

standards-setting organizations choose to adopt a set of optional standards or a combination of mandatory and optional standards; in such cases, our technologies may be adopted only as an optional standard and not a mandatory standard. Standards may also change in ways that are unfavorable to Dolby.

The market for broadcast technologies in particular has traditionally been heavily based on technology standards, in some cases mandated by governments choosing from among alternative standards. The continued advancement of OTT media delivery and consumption is altering the landscape for broadcast standards. The importance of broadcast standards in the entertainment technology ecosystem has been gradually diminishing over the recent years. This trend is reducing the importance of the inclusion of our technology in certain broadcast standards while increasing the importance of inclusion within internet and mobile technology standards. We cannot predict the extent to which this trend may impact our revenue.

Participants may choose alternative technologies within standards. Even when a standards-setting organization incorporates our technologies in a technology standard for a particular market or geographic region, our technologies may not be the sole technologies adopted for that market. Furthermore, different standards may be adopted within a single market or region, and across different markets and regions. Our operating results depend upon participants in that market choosing to adopt our technologies instead of competitive technologies that also may be acceptable under such standard. For example, the continued growth of our revenue from the mobile device market will depend, in part, upon both the continued global adoption of the 3GPP telecommunications standards by the market generally and the choice to use the media codec standards in which we participate such as Extended HE-AAC, where they are one of several accepted industry standards.

Being part of a standard may limit our licensing practices. When a standards-setting organization mandates our technologies, we generally must agree to license such technologies on a fair, reasonable, and non-discriminatory basis, which could limit our control over the use of these technologies. In these situations, we must often limit the royalty rates we charge for these technologies, and we may be unable to limit to whom we license such technologies or to restrict many terms of the license. We have in the past, and may in the future, be subject to claims that our licensing of industry standard technologies may not conform to the requirements of the standards-setting organization. Allegations such as these could be asserted in private actions seeking monetary damages and injunctive relief, or in regulatory actions. Claimants in such cases could seek to restrict or change our licensing practices or our ability to license our technologies. Additionally, where our technologies are incorporated into a standard, our licensing practices may become subject to additional regulatory requirements.

Royalty Reporting

Reporting practices and uncertainty may result in fluctuations in our royalty revenue from period to period. We recognize a material portion of our licensing revenue based on our estimate of sales of royalty-bearing products. Upon receipt of actual reporting of sales-based royalties, we record a favorable or unfavorable adjustment based on the difference, if any, between estimated and actual sales. Our sales estimates may be based on reports or studies from third parties that may turn out to be inaccurate or incomplete, and that risk may increase when macroeconomic conditions are highly dynamic, which could result in significant variation in the amount of revenue we recognize in a quarter. Additionally, from time to time we reach agreements for retroactive royalties that cover extended periods in the past, such as when an audit of a licensee identifies under-reporting of royalties or where we have reached a settlement relating to past unlicensed use of our technologies. In certain cases, applicable accounting standards require us to recognize all or a substantial portion of such retroactive royalties as revenue in the period in which the audit or settlement is resolved, which could cause our results of operations to vary materially from quarter to quarter and cause volatility in the price of our Class A common stock.

Royalty reporting by our licensees may be inaccurate or understated. We generate licensing revenue primarily from OEMs who license our technologies and incorporate those technologies into their products. Our license agreements generally obligate our licensees to pay us a specified royalty for every product they ship that incorporates our technologies, and we rely on our licensees to report their shipments accurately. However, it is inherently difficult to independently determine whether our licensees are reporting shipments accurately, particularly with respect to software incorporating our technologies because unauthorized copies of such software can be made relatively easily. A licensee may disagree with our interpretation of the terms of a license agreement or, as a result of an audit, a licensee could challenge the accuracy of our calculation. We are regularly involved in discussions with licensees regarding license terms. Most of our license agreements permit us to audit our licensees' records, and we routinely exercise these rights, typically by using an independent third party auditor. Such audits are generally expensive, time-consuming, and potentially detrimental to our ongoing business relationships with our licensees. In the past, some

licensees have understated or failed to report the number of products incorporating our technologies that they shipped, and we have not been able to collect and recognize revenue to which we were entitled. We expect that we will continue to experience understatement and non-reporting of royalties by our licensees. We have been able to obtain certain recovery payments from licensees (either in the form of back payments or settlements), and such recoveries have become a recurring element of our business; however, we are unable to predict with certainty the revenue that we may recover in the future or our ability to continue to obtain such recoveries at all.

The amount of royalties we owe others may be disputed. In some cases, the products we sell and the technologies we license include IP that we have licensed from third parties. Our agreements with these third parties generally require us to pay them royalties for that use, and to give the third parties the right to audit our calculation of those royalties. A third party may disagree with our interpretation of the terms of a license agreement or, as a result of an audit, a third party could challenge the accuracy of our calculation. A successful challenge by a third party could result in the termination of a license agreement or an increase in the amount of royalties we have to pay to the third party.

TECHNOLOGY TRENDS AND DEVELOPMENTS

Developing new and enhanced technologies is inherently difficult and our revenue growth may be impacted if we are unsuccessful in our efforts. Our revenue growth will depend upon our success in new and existing markets for our technologies, such as digital broadcast, mobile devices, online and mobile media distribution, cinema, and cloud services. The markets for our technologies and products are influenced by:

- Rapid technological change;
- New and improved technology and frequent product introductions;
- Evolving consumer and licensee expectations with respect to features and capabilities;
- Evolving industry standards; and
- Technology and product obsolescence.

Our future success depends on our ability to enhance our technologies and products and to develop new technologies and products that address market needs in a timely manner, including the development of technologies and products that incorporate rapidly developing generative artificial intelligence and other artificial intelligence and machine learning technologies ("AI/ML"). Our use of AI/ML technologies in the technology development process is dependent, in part, on foundation models that are developed and provided by other companies. As a result, such models may not continue to be well-suited to our needs or to be available to us on commercially reasonable terms. Technology development is a complex, uncertain process requiring high levels of innovation, highly-skilled engineering and development personnel, and the accurate anticipation of technological and market trends. We may not be able to identify, develop, acquire, market, or support new or enhanced technologies or products on a timely basis, if at all. If we are unable to develop technologies and related intellectual property that are accepted into technology standards, or are unable to do so at the same rate as other technology developers, our royalty share within patent pools that we participate in may decline.

Our efforts to expand into new markets may not be successful. Our future growth will depend, in part, upon our continued expansion into areas beyond our established lines of business. As we enter into new markets, such as licensing our technology to streaming content providers, we will face new sources of competition, new business models, and new customer relationships. In order to be successful in these markets, we will need to cultivate new industry relationships and strengthen existing relationships to bring our products, services, and technologies to market. Our limited experience in new markets could limit our ability to successfully execute on our growth strategy.

The success of our existing products and newer initiatives is dependent on the use of Dolby formats in, and commercial success of, products and content. The success of many of our initiatives, such as Dolby Atmos, Dolby Vision, and Dolby Cinema, is dependent upon the availability and success of (i) products that incorporate Dolby formats and (ii) content produced in Dolby formats. However, there is no guarantee that device makers will continue to incorporate Dolby formats into their products, that content creators will continue to release content in Dolby formats, or that either those products or that content will be commercially successful.

For instance, to broaden adoption of Dolby Vision and Dolby Atmos, we will need to continue to expand the array of products and consumer devices that incorporate Dolby Atmos and Dolby Vision, expand the pipeline of Dolby Atmos and Dolby Vision content available from content creators, and encourage consumer adoption in the face of

competing products and technologies. Similarly, the success of Dolby Cinema and cinema products is dependent on our ability to partner with movie theater exhibitors to launch new Dolby Cinema locations and screens using our cinema products and to deploy new sites in accordance with plans, and on the continued release and box-office success of new films in the Dolby Vision and Dolby Atmos formats.

Further, the commercial success of products incorporating Dolby formats, content released in Dolby formats, and Dolby Cinemas generally, depends upon a number of factors outside of our control, including, but not limited to, consumer preferences, critical reception, timing of release, marketing efforts of third parties, and general market conditions. Moreover, release and distribution of such products and content can be subject to delays in production or changes in release schedule, which can negatively impact the quantity, timing and quality of such products and content released in Dolby formats and available at Dolby Cinema theaters.

INTELLECTUAL PROPERTY

Our business is dependent on protecting our intellectual property rights. Our business is dependent upon protecting our patents, trademarks, trade secrets, copyrights, and other IP rights, the loss or expiration of which may significantly impact our results of operations and financial condition. Effective IP rights protection, however, may not be available under the laws of every country in which our products and those of our licensees are distributed. The efforts we have taken to protect our proprietary rights may not be sufficient or effective. We also seek to maintain select IP as trade secrets, and third parties or our employees could intentionally or accidentally compromise the IP that we maintain as trade secrets. In addition, protecting our IP rights is costly and time consuming. We have taken steps in the past to enforce our IP rights and expect to do so in the future. However, it may not be practicable or cost effective for us to enforce our IP rights fully, particularly in some countries or where the initiation of a claim might harm our business relationships.

We seek patent protection for many of our innovations. However, our patent program faces a number of challenges, including:

- Possibility that innovations may not be protectable;
- Failure to protect innovations that later turn out to be important;
- Insufficient patent protection to prevent third parties from designing around our patent claims;
- Our pending patent applications may not be approved;
- Possibility that an issued patent may later be found to be invalid or unenforceable; and
- Patents eventually expire.

Our revenue could decline if we are unable to maintain patent coverage for our technologies. Many of the technologies that we license to our system licensees are covered by patents, and the licensing revenue that we receive from those licenses depends in part upon the life of such patents. In general, our agreements with our licensees require them to pay us a full royalty with respect to a particular technology only until there are no patents or, in some cases, no patent applications covering that technology in countries where applicable products are made and sold. As of June 26, 2026, we had approximately 30,100 issued patents in addition to approximately 6,700 pending patent applications in more than 200 jurisdictions throughout the world. Our currently issued patents expire at various times ranging from 2026 through 2049. If we are unable to refresh our technology with new patented inventions or expand our patent portfolio, our revenue could decline. In addition to patents covering technology we license directly, if patents we license through patent pool arrangements expire or we are otherwise unable to maintain our share of pool royalties, then our revenue could be impacted. Additionally, if the patents licensed through a patent pool arrangement are deemed not to be valuable in the aggregate by the licensees of such patent pool, they may not renew their licenses, which could impact our revenue.

We seek to mitigate this risk in a variety of ways. We regularly look for opportunities to expand our patent portfolio through organic development and acquisitions. We develop technologies to replace licensing revenue from technologies covered by expiring patents with licensing revenue supported by patents with a longer remaining life. And we develop and license our intellectual property in a manner designed to promote the continued use and licensing of our technology. The continued success of these risk mitigation strategies is not guaranteed, including the risk that such technologies will not achieve widespread adoption or be licensed at a rate sufficient to replace licensing revenue from technologies covered by expiring patents.

In the case of our patent coverage related to DD and DD+ audio codec technologies, some of our relevant

patents have expired and will expire in the coming years, but others will continue to apply. We have continued to innovate and develop IP to support these standardized technologies and their various implementations, including generating patents associated with different or new features of the technologies and obtaining patents that generally expire later than those incorporated into the original standards. Our customers use our DD and DD+ implementation for quality, reliability, and performance and to take advantage of other elements of these offerings such as Dolby branding, even in locations where we have not had or no longer have applicable patent coverage. Nevertheless, revenue attributed to DD and DD+ technologies has declined and is expected to continue to decline due, in part, to expiration of relevant patents. Many of our partners have adopted newer generations of our offerings such as Dolby AC-4 technologies, the associated patents of which generally expire later than those associated with DD and DD+. We will continue to work to transition our DD and DD+ licensees to our newer technologies, but the success of such efforts is not guaranteed.

Some of our patents incorporated into the AAC audio coding standard and the AVC digital video coding standard, from which we derive a significant portion of our licensing revenue, have expired and others will expire over the next several years. While there are alternative versions of these standards that offer different features and that incorporate patents that have later expirations, licensees may see less value in those alternative versions, resulting in a decrease in royalty revenue. A decrease in royalty revenue may also result in decreased revenue from patent pool administration fees. Our patents are incorporated into newer coding standards that represent successive generations of technology, such as, in the case of AAC, Extended HE-AAC and, in the case of AVC, HEVC whose patents generally expire later than the AAC and AVC patents and to which many of the AAC and AVC licensees have, are in the process of, or may in the future transition. However it is not certain that all or most licensees will transition to such newer technologies.

Unauthorized use of our intellectual property has occurred and will likely continue to occur. We have often experienced, and expect to continue to experience, problems with non-licensee OEMs and software vendors, particularly in certain emerging economies, incorporating our technologies and trademarks into their products without authorization and without paying licensing fees. Unauthorized IP use occurs in the context of both branded products and technology offered through open standards. Manufacturers of ICs containing our technologies occasionally sell these ICs to third parties who are not our system licensees. These sales, and the failure of such manufacturers to report the sales, facilitate the unauthorized use of our IP. As emerging economies have transitioned from analog to digital content, such as the transition from analog to digital broadcast, we have observed an increase in problems with this form of piracy.

Our business may be negatively impacted by intellectual property litigation. Companies in the technology and entertainment industries frequently engage in litigation based on allegations of infringement or other violations of IP rights. We have faced such claims in the past, and we expect to face similar claims in the future. Any IP claims, with or without merit, could be time-consuming, expensive to litigate or settle, and could divert management resources and attention. In the past, we have settled claims relating to infringement allegations and agreed to make payments in connection with such settlements. An adverse determination in any IP claim could require that we pay damages or stop using technologies found to be in violation of a third party's rights and could prevent us from offering our products and services to others. In order to avoid these restrictions, we may have to seek a license for the technology, which may not be available on reasonable terms or at all. Licensors could also require us to pay significant royalties. As a result, we may be required to develop alternative non-infringing technologies, which could require significant effort and expense. If we cannot license or develop technologies for any aspects of our business found to be infringing, we may be forced to limit our product and service offerings and may be unable to compete effectively.

In some instances, we have contractually agreed to provide indemnifications to licensees relating to our IP. Additionally, at times we have chosen to defend our licensees from third party IP infringement claims even where such defense was not contractually required, and we may choose to take on such defense in the future.

Our business may be negatively impacted by disputes involving the licensing of our IP. At times, we are engaged in disputes regarding the licensing of our IP rights, including matters related to our royalty rates, whether products are royalty-bearing, and other terms of our licensing arrangements. These types of disputes can be asserted by our customers or prospective customers or by other third parties as part of negotiations with us or in private actions seeking monetary damages or injunctive relief, or in regulatory actions. In the past, licensees have threatened to initiate litigation against us based on potential antitrust claims or regarding our licensing royalty rate practices. Damages and requests for injunctive relief asserted in claims like these could be significant, and could be disruptive to our business.

Maintaining and enforcing our IP rights in the U.S. and abroad presents challenges to our business. Our

licensing business depends in part on the uniform and consistent treatment of patent rights in the U.S. and abroad. Changes to the patent and intellectual property laws and regulations in the U.S. and abroad may limit our ability to obtain, license, and enforce our rights. Additionally, court and administrative rulings may interpret existing patent laws and regulations in ways that hurt our ability to obtain, license, and enforce our patents. We face challenges protecting our IP in foreign jurisdictions, including that our ability to enforce our contractual and IP rights, especially in countries that do not recognize and enforce IP rights to the same extent as the U.S., Japan, Korea, and European countries do, which increases the risk of unauthorized use of our technologies. Also, because of limitations in the legal systems in many countries, our ability to obtain and enforce patents in many countries is uncertain, and we must strengthen and develop relationships with entertainment industry participants worldwide to increase our ability to enforce our IP and contractual rights without relying solely on the legal systems in the countries in which we operate.

OPERATIONS

Production processes for our products and reliance on key suppliers present certain risks to our business, many of which are beyond our control. We rely on contract manufacturers to manufacture our products and such reliance involves risks, including limited control over timely delivery and quality of such products. We may be unable to quickly adapt manufacturing capacity to rapidly changing market conditions, such as fluctuations in customer demand. Supply chain disruptions, production interruptions, and shortages of manufacturing capacity could each lead to an inability to manufacture and deliver our products on a timely basis, which could negatively impact our operating results and damage our customer relationships.

Our reliance on suppliers for some of the key materials and components we use in manufacturing our products involves risks, including limited control over the price, timely delivery, and quality of such components, as well as delays caused by military conflicts, including the ongoing conflicts in Russia and Ukraine and in the Middle East, and other potential interruptions to the supply chain. Due to the relatively small volume of components we purchase for use in manufacturing, we purchase such components primarily through distributors. As such, we have relatively limited influence over the suppliers of such components to, for example, ensure continuity of supply. Although we have identified alternate suppliers for most of our key materials and components, any required changes in our suppliers could cause delays in our operations and increase our production costs. In addition, our suppliers may not be able to meet our production demands as to volume, quality, or timeliness. Our ability to source materials and components is also subject to risks from supply chain disruptions due to global shortages, such as those that impact the pricing and availability of memory components and ICs. Avoiding the potential inclusion of "conflict minerals" in the materials used in our products could also affect the sourcing, availability and pricing of such materials as well as the companies we use to manufacture our products.

Due to the bespoke nature of some of the components and products we purchase and relatively low quantities needed, sourcing multiple suppliers for every item we purchase is not practicable. Some of the components that we use to manufacture our products are sole-sourced. Also, the projectors offered as part of our cinema offerings are provided by a single supplier. These sole source suppliers may become unable or unwilling to deliver their products to us at an acceptable cost or at all, which could force us to redesign certain products or locate alternative suppliers. Our inability to obtain timely delivery of key components or projectors of acceptable quality, any significant increases in the prices of such products, or the redesign of our products could result in production delays, increased costs, and reductions in shipments of our offerings.

Ensuring the quality of our products and the products in which our technology is incorporated is inherently difficult, and product quality failures can be costly. While we conduct security testing prior to releasing new products or new versions of existing products, there are sometimes errors or vulnerabilities that are not detected during development or testing. We have limited control over manufacturing performed by contract manufacturers, which could result in quality problems. Furthermore, our products and technologies are sometimes combined with or incorporated into products from other vendors, sometimes making it difficult to identify the source of a problem or, in certain instances, making the quality of our implementation dependent in part upon the quality of such other vendors' products. While we have processes to remediate errors and vulnerabilities, we cannot guarantee that we will detect all issues or develop successful patches. If our products or technologies contain errors, we could be required to replace or reengineer them and, as with security vulnerabilities, we may rely upon parties who have incorporated our technologies into their products to implement updates to address such issues, which could leave any such errors or vulnerabilities unresolved. As an example of these types of risks, in October 2025, a team of security researchers announced a vulnerability related to a specific Dolby software module. We have developed a corrective software patch and made the patch, as well as other assistance, available to potentially impacted partners. While many of our partners have deployed the patch across their devices, the application of the patch across all affected devices will

require the effort of our partners and, in some cases, the end users and other third parties, which we cannot guarantee. While there are technical impediments to exploiting unpatched devices, we cannot guarantee that malicious actors will not exploit unpatched vulnerabilities and damage or gain unauthorized access to affected products. Negative publicity or impact related to errors or vulnerabilities could affect the perception of our brand and market acceptance of our products or technologies. Moreover, if any errors or vulnerabilities cause unintended consequences, we could incur substantial costs in investigating and remediating those consequences, including defending and settling product liability claims. Although we generally attempt to contractually limit our liability, if these contract provisions are not enforced, or are unenforceable for any reason, or if liabilities arise that are not effectively limited, we could incur substantial costs in defending and settling product liability claims.

We face threats to the confidentiality, integrity, and availability of our information systems, which could result in disruption of our business, reputational damage, legal exposure, and financial losses. The number and sophistication of cyber attacks and disruptions that companies have experienced has increased in recent years, including computer viruses, malware, ransomware, cyber extortion, social engineering, denial of service, supply chain attacks, and other similar attacks and disruptions, often perpetrated by nation-states or sophisticated cyber criminals. These risks could be elevated in connection with geopolitical conflicts. Measures we have undertaken to protect our information systems may be unsuccessful in deterring or repelling malicious actors. Since techniques used by malicious actors (many of whom are highly sophisticated and well-funded) to access or sabotage networks and computer systems change frequently and often are not recognized until after they are used, we may be unable to anticipate or immediately detect these techniques. This could delay our detection and response, or impede the effectiveness of our response, our operations and ability to limit our exposure to third party claims and other potential liability. Attacks on our systems have occurred in the past and may occur, and be successful, in the future. Such risks are also faced by our third party service providers and others, which forms another vector for malicious attacks on our systems and on information of ours stored on our vendors' networks and systems.

We also may suffer data security breaches and the unauthorized access to, misuse or acquisition of, our proprietary business information, personal data, trade secrets or other sensitive and confidential information as the result of intentional or inadvertent breaches or other compromises of our systems, including by our employees or service providers. We rely on information technology systems designed and managed by third parties and sensitive information could potentially be misappropriated by third party service providers or others who may inappropriately access or exfiltrate that information from a third party service provider's system. Any data security breach or other incident, whether external or internal in origin, could compromise our networks and systems, create system disruptions or slowdowns and exploit security vulnerabilities of our products. Disruptions to our information technology systems, whether due to security breaches, network outages, or other causes, could also disrupt our work and ability to communicate. Furthermore, a data security breach or other incident can result in the information stored on our networks and systems, or our vendors' networks and systems, being improperly accessed or acquired, publicly disclosed, lost, stolen, modified, made unavailable, or otherwise processed without authorization. Any such breach or other incident, or the perception any has occurred, could subject us to demands, litigation, and liability to our customers, suppliers, business partners and others, as well as regulatory investigations and other proceedings, fines, penalties, and other liabilities, and brand and reputational damage. We make efforts to detect and investigate such attempts and incidents and to prevent their recurrence where practicable through changes to our internal processes and tools, but in some cases preventive and remedial action might not be sufficient or successful.

We must comply with a variety of data privacy regulations. Compliance with such regulations can be costly and failure to comply may affect our operations, financial performance, and business. A variety of provincial, state, national, and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data. These laws and regulations are evolving, including with respect to the development and use of AI/ML technologies, and may result in ever-increasing obligations and regulatory and public scrutiny and escalating levels of enforcement and sanctions. For example, the California Privacy Rights Act (CPRA), as well as obligations under other recently-enacted and forthcoming privacy laws, including those in other states, may require us to further modify certain of our information practices and could subject us to additional compliance costs and expenses. Our actual or perceived failure to adequately comply with applicable laws and regulations relating to privacy and data protection (including regimes such as the California Consumer Privacy Act, as amended and supplemented by the CPRA, and continuing developments in the European Union, U.K., and U.S. data privacy frameworks that are rapidly evolving) could result in regulatory fines, investigations and other proceedings, penalties and other liabilities, claims for damages by affected individuals, and damage to our reputation, any of which could have a material adverse effect on our operations, financial performance, and business. Our commercial and cybersecurity insurance policies may be insufficient to insure us against these risks, and future escalations in premiums and deductibles under these policies may render them uneconomical.

COMPETITION

The markets for our technologies are highly competitive. The markets for our technologies are highly competitive, and we face competitive threats and pricing pressure in our markets. Consumers may perceive the quality of the visual and audio experiences produced by some of our competitors' technologies to be equivalent or superior to the sight and sound experiences produced by our technologies. Some of our current or future competitors may have significantly greater financial, technical, marketing, and other resources than we do, or may have more experience or advantages in the markets in which they compete. These competitors may also be able to offer integrated systems in markets for entertainment technologies on a royalty-free basis or at a lower price than our technologies, including audio, imaging, and other technologies, which could make competing technologies that we develop less attractive. Competitors may also be able to develop and market new technologies that render our existing or future products less competitive. For example, advances in AI/ML may enable competitors to develop competing technologies more rapidly and with fewer resources, or to develop products that incorporate AI/ML in a way that makes them more effective, than has historically been possible. Such use of disruptive technologies could significantly alter the market for our products in unpredictable ways.

Many of the markets for our products and for products in which our technologies are incorporated are price sensitive. The markets for the consumer entertainment products in which our technologies are incorporated are intensely competitive and price sensitive. We expect to face increased royalty pricing pressure for our technologies as we seek to increase the adoption of our technologies in online content and portable devices, such as tablets and smartphones. Such pricing pressures may be exacerbated by elevated rates of inflation, tariffs and other trade barriers, which may cause device manufacturers to take additional steps to limit costs. Retail prices for consumer entertainment products that include our audio technologies, such as home theater systems, have decreased significantly, and we expect prices to decrease for the foreseeable future. In response, OEMs have sought to reduce their product costs, which can result in additional downward pressure on the licensing fees we charge. Further, Dolby OptiView faces pricing pressure from other platforms offering similar solutions that may be able to offer competing services at lower prices.

We face competitive risks in situations where our customers are also current or potential competitors. We face competitive risks in situations where our customers are also current or potential competitors. For example, Samsung is a significant customer, but some of its technologies are competitive with some of our consumer and cinema technologies. Our customers may choose to use competing technologies they have developed or in which they have an interest rather than use our technologies. The existence of important customer relationships may influence which strategic opportunities we pursue, as we may forgo some opportunities in the interests of preserving a critical customer relationship.

We face competition from other audio formats, imaging solutions, and integrated system offerings. We believe that the success we have had licensing our audio and imaging technologies is due, in part, to the high quality of the solutions that our technologies provide, our success in fostering content and device ecosystems, and to the strength of our brand. However, both free and proprietary sound and imaging technologies are becoming increasingly prevalent, and we expect competitors to continue to enter these fields with other offerings. Furthermore, to the extent that customers perceive our competitors' products or open source alternatives as providing the same or similar advantages as our technologies for free or at lower prices, there is a risk that these customers may treat sound and video encoding technologies as commodities, resulting in loss of status of our technologies, decline in their use, and significant pricing pressure. For example, we face competition with respect to our immersive audio technology, Dolby Atmos, from open source and proprietary alternatives. While Dolby Atmos provides certain advantages over the alternatives, consumers and device makers may prefer those alternatives, which would impact our revenue and results of operations.

In addition, some of our current or potential competitors may be able to offer integrated systems in certain markets for entertainment technologies, including audio and imaging, which could make competing technologies that we develop or acquire obsolete. By offering an integrated system solution, these potential competitors may also be able to offer competing technologies at lower prices than we can, which could adversely affect our operating results.

STRATEGIC ACTIVITIES

The success of our business depends on strong industry relationships. To be successful, we must maintain and grow our relationships with a broad range of industry participants, including:

- Content creators, such as film directors, studios, mobile and online content producers, and music

producers;

- Content distributors, such as studios, film exhibitors, broadcasters, operators, streaming providers, and OTT video service providers and video game publishers;
- Companies building real-time digital experiences that increase audience engagement;
- Device manufacturers; and
- Standards-setting organizations and other participants in the development of industry standards.

Industry relationships have historically played an important role in the markets that we serve, particularly in the entertainment market. For example, sales of our products and services are particularly dependent upon our relationships with major film studios and broadcasters, and licensing of our technologies is particularly dependent upon our relationships with system licensees and IC manufacturers. Industry relationships also play an important role in other markets we serve; for instance, our relationships with companies building real-time digital experiences support the adoption of Dolby OptiView solutions. If we fail to maintain and strengthen our industry relationships, industry participants may be less likely to purchase and use our technologies, products, and services, create content incorporating our technologies, or develop standards that incorporate our technologies.

Our M&A activity is subject to certain risks, including risks associated with integrating acquired businesses. We evaluate a wide array of possible strategic transactions, including acquisitions. We consider these types of transactions as part of our efforts to strengthen our existing lines of business and to expand into new markets and lines of business. Although we cannot predict whether or not we will complete any such acquisitions or other transactions in the future, any of these transactions could be significant in relation to the size and scale of our business. Future acquisitions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses, and write-offs of goodwill. Future acquisitions may also require us to obtain additional equity or debt financing, which may not be available on favorable terms or at all, particularly during times of market volatility, elevated interest rates, and general economic instability. Also, the anticipated benefits of our acquisitions may not materialize. Foreign acquisitions involve unique risks in addition to those mentioned above, including those related to integration of operations across different geographies, cultures, and languages; currency risks; and risks associated with the economic, political, and regulatory environment in specific countries.

The process of integrating an acquired company, business, or technology into our organization may create challenges to our business, including:

- Diversion of management time and focus from operating our business to acquisition integration challenges;
- Cultural and logistical challenges associated with integrating employees from acquired businesses into our organization and integrating acquired businesses' accounting, human resources, and other administrative systems with existing systems;
- Retaining employees, suppliers and customers from businesses we acquire;
- The need to implement or improve internal controls, procedures, and policies appropriate for a public company at businesses that prior to the acquisition may have lacked effective controls, procedures, and policies;
- Possible write-offs or impairment charges resulting from acquisitions; and
- Unanticipated or unknown liabilities relating to acquired businesses.

LEGAL AND REGULATORY COMPLIANCE

Conducting business internationally presents a number of risks to our business, including trade restrictions and changing, unpredictable, and/or inconsistent laws in the jurisdictions in which we operate. We are dependent on international sales for a substantial amount of our total revenue. Approximately 57% and 62% of our revenue was derived outside of the U.S. in the fiscal year-to-date periods ended June 26, 2026 and June 27, 2025, respectively. We are subject to a number of risks related to conducting business internationally, including:

- U.S. and foreign government trade restrictions or sanctions, including those which may impose restrictions on the importation or exportation of products, equipment, materials, software, technologies, services, on technology transfers, or on the receipt or collection of payments and distribution of royalties, and any political or economic responses or counter-responses to such restrictions or sanctions, including

any such restrictions, sanctions, responses, or counter-responses related to global military conflicts, a trade war or changes in US export controls related to China and other countries;

- Changes in global trade or trade relationships, including new and retaliatory tariffs, trade protection measures, import or export licensing requirements, trade agreements, trade embargoes and other trade barriers imposed by the U.S., China, or by other countries;
- Compliance with applicable international laws and regulations, including antitrust and other competition laws and laws and regulations that relate to environmental, social, and governance matters, that may change unexpectedly, differ, or conflict with laws in other countries where we conduct business, or are otherwise not harmonized with one another;
- Foreign government taxes, regulations, and permit requirements, including foreign taxes that we may not be able to offset against taxes imposed upon us in the U.S., and other laws limiting our ability to repatriate funds to the U.S.;
- Potential adverse changes in the political, social, and/or economic stability of or conflicts within the regions in which we operate or in diplomatic relations between governments, including policy changes, turmoil or disruptions resulting from elections or other leadership changes;
- Difficulty in establishing, staffing, and managing foreign operations, including but not limited to restrictions on the ability to obtain or retain licenses required for operation, relationships with local labor unions and works councils, investment restrictions and/or requirements, and restrictions on foreign ownership of subsidiaries;
- Adverse fluctuations in foreign currency exchange rates and interest rates, including risks related to any interest rate swap or other hedging activities we undertake;
- Poor recognition and enforcement of IP rights;
- Difficulties in enforcing contractual rights;
- Compliance with multi-jurisdictional data protection, privacy, and AI laws, including, for example, the European Union's General Data Protection Regulation, restrictions on transferring personal data outside of a jurisdiction, and the Artificial Intelligence Act which could potentially impact our development of products incorporating AI/ML or the use of AI/ML tools in our business; and
- The global macroeconomic environment and potential slowing of key markets we serve.

Any or all of these factors, and the uncertainties associated with them, may impact our ability to operate in foreign countries and our ability to develop, the demand for, and profitability of, our technologies and products, as well as our customers' products that incorporate our technologies.

Certain foreign governments and industry participants have advanced arguments under competition laws that exert downward pressure on royalties for IP. The regulatory enforcement activities in such jurisdictions can be unpredictable, in some cases because these jurisdictions have only recently implemented competition laws. From time to time, we are the subject of requests for information, market conduct examinations, inquiries or investigations by industry groups and/or regulatory agencies in these jurisdictions. In the event that we are involved in significant disputes or are the subject of a formal action by a regulatory agency, our results could be negatively impacted and we could be exposed to costly and time-consuming legal proceedings.

In many foreign countries, particularly in those with developing economies, it is common to engage in business practices that are prohibited by U.S. regulations applicable to us such as the FCPA and U.S. export controls. Although we implement policies and procedures designed to ensure compliance with the FCPA and U.S. export controls, such measures can not guarantee that all of our employees, distributors, dealers, and agents will not take actions in violation of our policies or these regulations, which could subject us to criminal or civil penalties as well as potential stockholder litigation.

Environmental laws and regulations may pose additional costs on and otherwise impact our products and operations. Our products and operations may be regulated under federal, state, local, and international laws governing the environment, including those governing the discharge of pollutants into the air and water, the management, disposal, and labeling of hazardous substances and wastes, the achievement of certain energy performance criteria, and the cleanup of contaminated sites. In addition, future environmental laws and regulations have the potential to affect our operations, increase our costs, decrease our revenue, or change the way we design or

manufacture our products. We face increasing complexity in our product design as we adjust to requirements relating to the materials composition of our products. In some products, the use or avoidance of particular components that contain regulated hazardous substances may be more difficult or costly, and additional redesign efforts could result in production delays. We could incur costs, fines, and civil or criminal sanctions, third party property damage or personal injury claims, or could be required to incur substantial investigation or remediation costs, if we were to violate or become liable under environmental laws.

We are subject to complex and changing tax laws which may impact our financial results. We are a U.S. multi-national company that is subject to tax in multiple U.S. and foreign jurisdictions. We must use judgment to determine our worldwide tax provision. We earn a significant amount of our income outside the U.S. and receive tax benefits from a portion of these foreign sales. Realizability of these benefits are contingent upon existing current tax laws and regulations in the U.S. and countries where we operate. The following could materially affect our effective tax rate:

- Changes in geographic mix of earnings, where earnings are lower than anticipated in countries with lower tax rates and higher than anticipated in countries with higher tax rates;
- Changes in the valuation of our deferred tax assets and liabilities;
- Changes in transfer pricing arrangements;
- Outcomes of tax audits;
- Changes in accounting principles; or
- Our ability to effectively implement changes to our corporate structure in response to changes in applicable tax laws and regulations in the countries in which we operate.

Changes in tax laws and regulations in the countries in which we operate, including an increase in tax rates or an adverse change in the treatment of an item of income or expense, may affect our results of operations. For example, in July 2025 budget reconciliation bill H.R. 1, referred to as the One Big Beautiful Bill Act (the "OBABA"), was signed into law. The OBABA contains several changes to corporate taxation rules which may affect our business.

In addition, the Organization of Economic Cooperation and Development ("OECD"), an international association of many countries including the U.S., has made changes to many long-standing transfer pricing and cross-border taxation rules that affect our operations. The OECD introduced a framework to implement a 15% global minimum corporate tax, referred to as Pillar 2 or the minimum tax directive which has been adopted by the EU and other foreign jurisdictions. Further, the OECD, European Commission, EU Member States and other individual countries are contemplating additional changes to long-standing tax principles. To the extent these developments impact actions by tax jurisdictions in which we operate, it is possible that these and future law changes and efforts may increase uncertainty and have an adverse impact on our effective tax rates or operations.

We are subject to the periodic examination of our income tax returns by tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes and to consider potential responsive actions, but an adverse decision by tax authorities exceeding our reserves could significantly impact our financial results.

STOCK-RELATED ISSUES

The Dolby family has control over stockholder decisions as a result of the control of a majority of the voting power of our outstanding common stock by them and their affiliates. As of June 26, 2026, the Dolby family and their affiliates owned 249,435 shares of our Class A common stock and 34,197,733 shares of our Class B common stock. As of June 26, 2026, the Dolby family and their affiliates had voting power of 99.8% of our outstanding Class B common stock, which combined with their shares of our Class A common stock, represented 85.1% of the combined voting power of our outstanding Class A and Class B common stock. Under our certificate of incorporation, holders of Class B common stock are entitled to ten votes per share while holders of Class A common stock are entitled to one vote per share. Generally, shares of Class B common stock automatically convert into shares of Class A common stock upon transfer of such Class B common stock, other than transfers to certain specified persons and entities, including the spouse and descendants of Ray Dolby and the spouses and domestic partners of such descendants.

As a result of this dual class structure, the Dolby family and their affiliates will, for the foreseeable future, have significant influence over our management and affairs, and will be able to control virtually all matters requiring stockholder approval, including the election of directors and significant corporate transactions such as mergers or other sales of our company or assets, even if they come to own considerably less than 50% of the total number of

outstanding shares of our Class A and Class B common stock. Absent a transfer of Class B common stock that would trigger an automatic conversion as described above, there is no threshold or time deadline at which the shares of Class B common stock will automatically convert into shares of Class A common stock.

Moreover, the Dolby family and their affiliates may take actions in their own interests that our other stockholders do not view as beneficial.

Sales of substantial amounts of our Class A common stock in the public markets could reduce the price of our Class A common stock. If our large shareholders, officers, directors or employees sell, or indicate an intention to sell, substantial amounts of our Class A common stock in the public market, including shares of Class A common stock issuable upon conversion of shares of Class B common stock, the trading price of our Class A common stock could decline.

There are risks associated with our stock repurchase program. Our stock repurchase program may reduce the public float of shares available for trading on a daily basis. Such purchases may be limited, suspended, or terminated at any time without prior notice. There can be no assurance that we will buy additional shares of our Class A common stock under our stock repurchase program or that any future repurchases will have a positive impact on our stock price or EPS. Important factors that could cause us to discontinue or decrease our share repurchases include, among others, unfavorable market conditions, the market price of our Class A common stock, the nature of other investment or strategic opportunities presented to us, the rate of dilution of our equity compensation programs, our ability to make appropriate, timely, and beneficial decisions as to when, how, and whether to purchase shares under the stock repurchase program, the tax consequences of any repurchases (including the potential impact of the 1% excise tax on certain stock repurchases), and the availability of funds necessary to continue purchasing stock. If we curtail our repurchase program, our stock price may be negatively affected.

There are risks associated with our dividend program. In October 2014, we announced a quarterly cash dividend program for our stockholders that was initiated by our Board of Directors. Although we anticipate paying regular quarterly dividends for the foreseeable future, we are not obligated to, and cannot provide assurance that we will, continue to pay dividends. Dividend declarations are subject to the Board of Directors' continuing determination that the dividend policy is in the best interests of our stockholders. The dividend policy may be changed or canceled at the discretion of the Board of Directors at any time. If we do not pay dividends, the market price of our Class A common stock must appreciate for investors to realize a gain on their investment. This appreciation may not occur and our Class A common stock may in fact depreciate in value.

GENERAL RISK FACTORS

Macroeconomic conditions, including inflation, elevated interest rates, and supply chain constraints have impacted and may continue to impact the markets we serve and our business and results of operations. Our revenue and operations and the markets we serve have been, and may continue to be, impacted by macroeconomic conditions, including but not limited to, inflation, elevated interest rates, supply chain constraints including shortages of memory and semiconductor materials and components, increased fuel and transportation costs, tariffs and changes in international trade relations, international conflicts and geopolitical instability, reduced discretionary consumer spending, and reduced new product investment by our customers caused by elevated interest rates and lower demand. The current macroeconomic environment has negatively impacted, and may continue to negatively impact, many of our licensees and that directly impacts, and may continue to impact, our financial results. The impacts of the current macroeconomic environment on our partners have resulted in, and may continue to cause, the disruption of consumer products' supply chains, and delays in shipments, product development, and product launches. The macroeconomic conditions also impart substantial uncertainty into our operating environment, which presents additional challenges for our business. These factors and the related uncertainty may cause delays or a decrease in the adoption or implementation of our technologies into new products by partners and licensees. These conditions may impact consumer demand for devices and services and our partners' ability to manufacture devices. Further, we may be negatively impacted by delays in transaction cycles and our recoveries efforts due to the noted macroeconomic conditions and related uncertainty. The future implications of these macroeconomic conditions on our business, the markets we serve, results of operations and overall financial position remain uncertain.

Adverse changes to tariffs, trade agreements, and trade policies may have a negative effect on our business and results of operations. The U.S. and other countries in our supply chain or in which we have sales have imposed and may impose additional tariffs and other trade regulations, or may adversely adjust prevailing tariff levels and other trade restrictions. We rely on contract manufacturers and component suppliers, some of which are located outside of

the U.S., and we export our products to and license our technology in foreign countries. As such, tariffs or other trade barriers could, directly or indirectly, increase the cost or time required to produce or deliver our products and may increase the costs associated with licensing our technology. Our results may also be impacted indirectly by the imposition of tariffs and other trade barriers on our customers and licensees. If the cost to manufacture products that incorporate our technology, such as consumer electronics or cars, is increased as a result of tariffs, it may exert general pricing pressure which could lead manufacturers to discontinue including our technology in their products or to seek price reductions. If the costs or lead times associated with exporting licensees' products or the components thereof result in higher prices or longer lead times for end consumers, sales of those products may decrease and thus royalty payments to us based on unit shipments may decrease. More generally, the imposition of tariffs and the outbreak of a trade war may lead to general negative economic effects, such as decreased consumer demand, recession or the elevated risk of recession, or higher inflationary pressures, which could adversely impact our business and results of operations.

Our results may be impacted by fluctuations in foreign currency exchange rates. We earn revenue, pay expenses, own assets and incur liabilities in foreign countries using several currencies other than the U.S. dollar. As a result, we face exposure to adverse movements in currency exchange rates as the financial results of our international operations are translated from local currency into U.S. dollars upon consolidation. The majority of our revenue generated from international markets is denominated in U.S. dollars, while the operating expenses of our foreign subsidiaries are predominantly denominated in local currencies. Therefore, our operating expenses will increase when the U.S. dollar weakens against the local currency and decrease when the U.S. dollar strengthens against the local currency. Additionally, foreign exchange rate fluctuations on transactions denominated in currencies other than the functional currency result in gains or losses that are reflected in our unaudited interim condensed consolidated statements of operations. Further, our hedging programs may not be effective to offset any, or more than a portion, of the adverse impact of currency exchange rate movements. Additional risks related to fluctuations in foreign currency exchange rates are described in the Foreign Currency Exchange Risk section of Part I, Item 3 "Quantitative and Qualitative Disclosures About Market Risk."

Maintaining a credit facility and future debt obligations could adversely affect our business and financial condition. We maintain a revolving credit facility (the "Credit Facility") with Bank of America, N.A. which is currently undrawn. The Credit Facility provides us with an additional source of capital and liquidity, but maintaining a debt facility inevitably presents certain risks. We are subject to certain covenants and other obligations under the Credit Facility, such as maintaining a required gross leverage ratio, avoiding certain liens and paying commitment fees. Our failure to comply with these covenants could result in the declaration of an event of default and cause us to be unable to borrow under the Credit Facility or result in the acceleration of the maturity of any indebtedness thereunder. In the event we draw on the Credit Facility, our debt obligations could adversely impact us by, for example, requiring us to use a large portion of our cash flow to service the debt, which would reduce the amount of cash flow available to fund working capital, capital expenditures, and other business activities. Borrowing under the Credit Facility would also increase our exposure to interest rate risk from variable rate indebtedness.

Business interruptions by natural disasters and other events beyond our control could adversely impact our business. Although we maintain crisis management plans, our business operations are subject to interruption by natural disasters and catastrophic events beyond our control, including, but not limited to, earthquakes, hurricanes, floods, tsunamis, fires, public health issues and pandemics, severe changes in climate, war, terrorism, and geopolitical unrest and uncertainties. Further, outbreaks of pandemic diseases, or the fear of such events, could provoke (and, in the case of COVID-19, did provoke) responses, including government-imposed travel restrictions and limits on access to entertainment venues. These responses could negatively affect consumer demand and our business, particularly in international markets. War, including the military conflicts between Russia and Ukraine and in the Middle East, as well as any related political or economic responses and counter-responses or otherwise by various global actors or the general effect on the global economy and supply chain, could also affect our business.

Additionally, several of our offices, including our corporate headquarters in San Francisco, are located in seismically active regions. Because we do not carry earthquake insurance for earthquake-related losses and significant recovery time could be required to resume operations, our financial condition and operating results could be materially adversely affected in the event of a major earthquake or catastrophic event.

We face intense competition for employees. In order to be successful, we must attract, develop, and retain employees, including employees to work on our growth initiatives where our current employees may lack experience with the business models and markets we are pursuing. Competition for experienced employees in our markets can be intense. In order to attract and retain employees, we must provide competitive compensation packages, including

cash and equity compensation. Our equity awards include stock options, RSUs and performance-based RSUs. The future value of these awards is uncertain and depends on our stock price performance over time. In order for our compensation packages to be viewed as competitive, prospective employees must perceive our equity awards to be a valuable benefit.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Our Board of Directors announced a \$250.0 million stock repurchase program on November 3, 2009. The program, which has no expiration date, approved the repurchase of shares of our Class A common stock, \$0.001 par value per share. The authorized maximum was subsequently increased by \$300.0 million, \$250.0 million, \$100.0 million, \$200.0 million, \$200.0 million, \$350.0 million, \$350.0 million, \$350.0 million, \$250.0 million, \$350.0 million, and \$350.0 million as announced on July 29, 2010, August 4, 2011, February 8, 2012, October 23, 2014, January 25, 2017, July 25, 2018, August 1, 2019, July 29, 2021, February 3, 2022, August 9, 2022, and August 7, 2024 respectively. Stock repurchases under this program may be made through open market transactions, negotiated purchases, or otherwise, at times and in amounts that we consider appropriate. For additional details on the increase announced on July 30, 2026, refer to Note 19 "*Subsequent Event*" to our unaudited interim condensed consolidated financial statements.

The following table provides information regarding our share repurchases made under the program during the third quarter of fiscal 2026:

Repurchase Activity	Total Shares Repurchased	Average Price Paid Per Share ⁽¹⁾	Total Shares Purchased As Part Of Publicly Announced Programs	Remaining Authorized Share Repurchases ⁽²⁾
March 28, 2026 - April 24, 2026	—	—	—	\$141.6 million
April 25, 2026 - May 22, 2026	650,376	\$ 55.52	650,376	\$105.5 million
May 23, 2026 - June 26, 2026	525,660	\$ 54.96	525,660	\$76.6 million
Total	1,176,036		1,176,036	

(1) Average price paid per share excludes commission costs.

(2) Amounts represent the approximate dollar value of the maximum remaining number of shares that may yet be purchased under the stock repurchase program as of the end of the applicable period and excludes commission costs.

ITEM 5. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

During the fiscal quarter ending June 26, 2026, no director or officer, as defined in Rule 16a-1(f), adopted and/or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Regulation S-K Item 408.

ITEM 6. EXHIBITS

Exhibit Number	Description	Incorporated By Reference Herein			Provided Herewith
		Form	File Number	Date	
10.1*	Form of Indemnification Agreement entered into between the Registrant and its Directors and Officers				X
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act				X
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act				X
32.1+	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act				X
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				X
101.SCH	XBRL Taxonomy Extension Schema Document				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	XBRL Extension Definition				X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				X

* Denotes a management contract or compensatory plan or arrangement.

+ Furnished herewith.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 30, 2026

DOLBY LABORATORIES, INC.

By:

/S/ ROBERT PARK

Robert Park

**Senior Vice President and Chief Financial Officer
(Principal Financial Officer)**

DOLBY LABORATORIES, INC.

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is entered into, by and between Dolby Laboratories, Inc., a Delaware corporation (the "Company"), and _____ ("Indemnitee"), effective as of _____.

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available;

WHEREAS, Indemnitee is a director and/or officer of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims currently being asserted against directors and officers of corporations;

WHEREAS, the Bylaws of the Company require the Company to indemnify and advance expenses to its directors and officers to the fullest extent permitted under Delaware law, and the Indemnitee has been serving and continues to serve as a director and/or officer of the Company in part in reliance on the Company's Bylaws; and

WHEREAS, in recognition of Indemnitee's need for (i) substantial protection against personal liability based on Indemnitee's reliance on the aforesaid Bylaws, (ii) specific contractual assurance that the protection promised by the Bylaws will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of the Bylaws or any change in the composition of the Company's Board of Directors or acquisition transaction relating to the Company) and (iii) an inducement to provide effective services to the Company as a director and/or officer, the Company wishes to provide in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the fullest extent (whether partial or complete) permitted under Delaware law and as set forth in this Agreement, and, to the extent insurance is maintained, to provide for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

NOW, THEREFORE, in consideration of the above premises and of Indemnitee serving or continuing to serve the Company directly or, at its request, with another enterprise, and intending to be legally bound hereby, the parties agree as follows:

1. Certain Definitions:

- (a) "Board" shall mean the Board of Directors of the Company.
- (b) "Affiliate" shall mean any corporation or other person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with, the person specified.
- (c) A "Change in Control" shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934,

as amended (the “Exchange Act”)) (other than the Company, a trustee or other fiduciary holding securities under an employee benefit plan of the Company, or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, and other than a Permitted Transferee (as defined in the Company’s Certificate of Incorporation)), is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the total voting power represented by the Company’s then outstanding Voting Securities, (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new director whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board, (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other entity, other than a merger or consolidation that would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company (in one transaction or a series of transactions) of all or substantially all of the Company’s assets, or (v) any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Exchange Act, as amended, whether or not the Company is then subject to such reporting requirement.

(d) “Expenses” shall mean any reasonable expense, liability or loss, including attorneys’ fees, judgments, fines, ERISA excise taxes and penalties, amounts paid or to be paid in settlement, any interest, assessments or other charges imposed thereon, any federal, state, local or foreign taxes imposed as a result of the actual or deemed receipt of any payments under this Agreement and all other costs and obligations, paid or incurred in connection with investigating, defending, being a witness in, participating in (including on appeal) or preparing for any of the foregoing in, any Proceeding relating to any Indemnifiable Event.

(e) “Indemnifiable Event” shall mean any event or occurrence that takes place either prior to or after the execution of this Agreement, related to the fact that Indemnitee is or was a director or officer of the Company or an Affiliate, or while a director or officer is or was serving at the request of the Company or an Affiliate as a director, officer, employee, trustee, agent or fiduciary of another foreign or domestic corporation, partnership, joint venture, employee benefit plan, trust or other enterprise or was a director, officer, employee or agent of a foreign or domestic corporation that was a predecessor corporation of the Company or of another enterprise at the request of such predecessor corporation, or related to anything done or not done by Indemnitee in any such capacity, whether or not the basis of the Proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent of the Company or an Affiliate, as described above.

(f) “Independent Counsel” shall mean the person or body appointed in connection with Section 3.

(g) “Proceeding” shall mean any threatened, pending or completed action, suit or proceeding or any alternative dispute resolution mechanism (including an action by or in the right of the Company or an Affiliate) or any inquiry, hearing or investigation, whether conducted by the Company or an Affiliate or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.

(h) “Reviewing Party” shall mean the person or body appointed in accordance with Section 3.

(i) “Voting Securities” shall mean any securities that vote generally in the election of directors or in the selection of members of the governing body of the applicable entity.

2. Agreement to Indemnify.

(a) General Agreement. In the event Indemnitee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Proceeding by reason of (or arising in part out of) an Indemnifiable Event, the Company shall indemnify Indemnitee from and against any and all Expenses to the fullest extent permitted by law, as the same exists or may hereafter be amended or interpreted (but in the case of any such amendment or interpretation, only to the extent that such amendment or interpretation permits the Company to provide broader indemnification rights than were permitted prior thereto). The parties hereto intend that this Agreement shall provide for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Company’s Certificate of Incorporation, its Bylaws, or vote of its shareholders or disinterested directors or applicable law.

(b) Initiation of Proceeding. Notwithstanding anything in this Agreement to the contrary, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Proceeding (or part thereof) initiated by Indemnitee against the Company or any director or officer of the Company unless (i) the Company has joined in or the Board has consented to the initiation of such Proceeding, (ii) the Proceeding is one to enforce indemnification rights under Section 5 or (iii) the Proceeding is instituted after a Change in Control.

(c) Expense Advances. If so requested by Indemnitee in a writing accompanied by invoices or other appropriate documentation received in connection with the Expenses for such advancement is sought (but in the case of invoices with respect to legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with such invoices), the Company shall advance as soon as reasonably practicable, but in any event no later than twenty (20) days after receipt of such written request and accompanying invoices, any and all Expenses to Indemnitee (an “Expense Advance”). The Indemnitee shall qualify for such Expense Advances upon the execution and delivery to the Company of this Agreement which shall constitute an

undertaking providing that the Indemnatee undertakes to promptly repay such Expense Advances if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnatee is not entitled to be indemnified by the Company. Indemnatee's obligation to reimburse the Company for Expense Advances shall be unsecured and no interest shall be charged thereon.

(d) Mandatory Indemnification. Notwithstanding any other provision of this Agreement, to the extent that Indemnatee has been successful on the merits or otherwise in defense of any Proceeding relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, Indemnatee shall be indemnified against all Expenses incurred in connection therewith.

(e) Partial Indemnification. If Indemnatee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnatee for the portion thereof to which Indemnatee is entitled.

(f) Prohibited Indemnification. No indemnification pursuant to this Agreement shall be paid by the Company on account of any Proceeding (or any part thereof) (i) in which a final judgment is rendered against Indemnatee for an accounting of profits made from the purchase or sale by Indemnatee of securities of the Company pursuant to the provisions of Section 16(b) of the Exchange Act or similar provisions of any federal, state or local laws; (ii) for any reimbursement of the Company by Indemnatee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnatee from the sale of securities of the Company, in either case as required under any clawback or compensation recovery policy adopted by the Company, applicable securities exchange and association listing requirements, including, without limitation, those adopted in accordance with Rule 10D-1 under the Exchange Act and/or the Exchange Act (including, without limitation, any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnatee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnatee is held liable therefor (including pursuant to any settlement arrangements); or (iii) if prohibited by applicable law. Notwithstanding anything to the contrary stated or implied in this Section 2(f), indemnification pursuant to this Agreement relating to any Proceeding against Indemnatee for an accounting of profits made from the purchase or sale by Indemnatee of securities of the Company pursuant to the provisions of Section 16(b) of the Exchange Act or similar provisions of any federal, state or local laws shall not be prohibited if Indemnatee ultimately prevails.

3. Reviewing Party. Prior to any Change in Control, the Reviewing Party shall be any appropriate person or body consisting of a member or members of the Board or any other person or body appointed by the Board who is not a party to the particular Proceeding with respect to which Indemnatee is seeking indemnification; after a Change in Control, the Independent Counsel referred to below shall become the Reviewing Party. For the purposes of this agreement, "Independent Counsel" shall mean a law firm, or a partner or member of a law firm, selected by Indemnatee and approved by the Company (which approval shall not be unreasonably withheld or delayed), and who has not otherwise performed services for the Company or the Indemnatee (other

than in connection with indemnification matters) within the last five years. The Independent Counsel shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnatee in an action to determine Indemnatee's rights under this Agreement. Such counsel, among other things, shall render its written opinion to the Company and Indemnatee as to whether and to what extent the Indemnatee should be permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of the Independent Counsel and to indemnify fully such counsel against any and all expenses (including attorneys' fees), claims, liabilities, loss and damages arising out of or relating to this Agreement or the engagement of Independent Counsel pursuant hereto.

4. Indemnification Process and Appeal.

(a) Indemnification Payment. Indemnatee shall be entitled to indemnification of Expenses, and shall receive payment thereof, from the Company in accordance with this Agreement as soon as practicable after Indemnatee has made written demand (which written demand must include such documentation and information as is reasonably available to Indemnatee and as is reasonably necessary to determine whether and to what extent Indemnatee is entitled to indemnification with respect to such Proceeding) on the Company for indemnification, but in no event later than thirty (30) days after the Company's receipt of such demand, unless the Reviewing Party has given a written opinion to the Company that Indemnatee is not entitled to indemnification under applicable law.

(b) Suit to Enforce Rights. Regardless of any action by the Reviewing Party, if Indemnatee has not received full indemnification within thirty (30) days after making a demand in accordance with Section 4(a), Indemnatee shall have the right to enforce its indemnification rights under this Agreement by commencing litigation seeking an initial determination by the court or challenging any determination by the Reviewing Party or any aspect thereof. The Company hereby consents to service of process and to appear in any such proceeding. Any determination by the Reviewing Party that Indemnatee is entitled to indemnification shall be binding on the Company and may not be challenged and any other such determination not challenged by the Indemnatee shall be binding on the Company and Indemnatee. The remedy provided for in this Section 4 shall be in addition to any other remedies available to Indemnatee at law or in equity.

(c) Defense to Indemnification, Burden of Proof, and Presumptions. It shall be a defense to any action brought by Indemnatee against the Company to enforce this Agreement that it is not permissible under applicable law for the Company to indemnify Indemnatee for the amount claimed or to advance the Expenses claimed; provided that the Company may not assert such defense with respect to a claim for advancement of Expenses incurred in any proceeding described in clause (i) or (ii) of the first sentence of Section 2(f) prior to a determination that Indemnatee is not entitled to be indemnified by the Company. In connection with any action to enforce this Agreement or any determination by the Reviewing Party or otherwise as to whether Indemnatee is entitled to be indemnified hereunder, to the fullest extent not prohibited by law, the person, persons, or entity making such determination shall presume that Indemnatee is entitled to indemnification under this Agreement, and the burden of proof to overcome that presumption shall be on the Company by clear and convincing evidence. Neither the failure of the Reviewing Party or

the Company (including its Board, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action by Indemnitee that indemnification of the claimant is proper under the circumstances because Indemnitee has met the standard of conduct set forth in applicable law, nor an actual determination by the Reviewing Party or Company (including its Board, independent legal counsel or its stockholders) that the Indemnitee had not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct. For purposes of this Agreement, the termination of any claim, action, suit or proceeding, by judgment, order, settlement (whether with or without court approval), conviction or upon a plea of nolo contendere or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Company or another foreign or domestic corporation, partnership, joint venture, employee benefit plan, trust or other enterprise of which Indemnitee is or was serving at the request of the Company or an Affiliate as a director, officer, employee, trustee, agent or fiduciary shall be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

5. Indemnification for Expenses Incurred in Enforcing Rights. The Company shall indemnify Indemnitee against any and all Expenses that are incurred by Indemnitee in connection with any action brought by Indemnitee for:

(a) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or under applicable law or the Company's Certificate of Incorporation or Bylaws now or hereafter in effect relating to indemnification for Indemnifiable Events, and/or

(b) recovery under directors' and officers' liability insurance policies maintained by the Company;

but only in the event that Indemnitee ultimately is determined to be entitled to such indemnification or insurance recovery, as the case may be. In addition, the Company shall, if so requested by Indemnitee, advance the foregoing Expenses to Indemnitee, subject to and in accordance with Section 2(c).

6. Notification and Defense of Proceeding.

(a) Notice. Promptly after receipt by Indemnitee of notice of the commencement of any Proceeding, Indemnitee shall, if a claim in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof; but the omission so to notify the Company will not relieve the Company from any liability that it may have to Indemnitee, except as provided in Section 6(c).

(b) Defense. With respect to any Proceeding as to which Indemnitee may be entitled to indemnification or advancement pursuant to the terms of this Agreement, the Company will be entitled to participate in the Proceeding at its own expense and except as otherwise provided

below, to the extent the Company so wishes, it may assume the defense thereof with counsel reasonably satisfactory to Indemnatee upon delivery to Indemnatee of written notice of the Company's election to do so. After delivery of notice from the Company to Indemnatee of its election to assume the defense of any Proceeding, the Company shall not be liable to Indemnatee under this Agreement or otherwise for any Expenses subsequently incurred by Indemnatee in connection with the defense of such Proceeding other than reasonable costs of investigation or as otherwise provided below. Indemnatee shall have the right to employ legal counsel in such Proceeding, but all Expenses related thereto incurred after delivery of notice from the Company of its assumption of the defense shall be at Indemnatee's expense unless: (i) the employment of legal counsel by Indemnatee has been authorized by the Company, (ii) counsel for the Company or counsel for Indemnatee has reasonably determined that there may be a conflict of interest between Indemnatee and the Company in the defense of the Proceeding such that Indemnatee needs to be separately represented, (iii) after a Change in Control, the employment of counsel by Indemnatee has been approved by the Independent Counsel, or (iv) the Company shall not in fact have employed counsel to assume the defense of such Proceeding, in each of which cases all Expenses of the Proceeding shall be borne by the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company.

(c) Settlement of Claims. The Company shall not be liable to indemnify Indemnatee under this Agreement or otherwise for any amounts paid in settlement of any Proceeding (or any part thereof) effected without the Company's written consent, such consent not to be unreasonably withheld; provided, however, that if a Change in Control has occurred, the Company shall be liable for indemnification of Indemnatee for amounts paid in settlement if the Independent Counsel has approved the settlement. The Company shall not settle any Proceeding (or any part thereof) in any manner that would impose any penalty or limitation on Indemnatee without Indemnatee's written consent, such consent not to be unreasonably withheld. The Company shall not be liable to indemnify the Indemnatee under this Agreement with regard to any judicial award if the Company was not given a reasonable and timely opportunity as a result of Indemnatee's failure to provide notice, at its expense, to participate in the defense of such action, and the lack of such notice materially prejudiced the Company's ability to participate in defense of such action. The Company's liability hereunder shall not be excused if participation in the Proceeding by the Company was barred by this Agreement.

7. Establishment of Trust. In the event of a Change in Control, the Company shall, upon written request by Indemnatee, create a trust for the benefit of the Indemnatee (the "Trust") and from time to time upon written request of Indemnatee shall fund the Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request to be incurred in connection with investigating, preparing for, participating in, and/or defending any Proceeding relating to an Indemnifiable Event. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by the Reviewing Party. The terms of the Trust shall provide that (i) the Trust shall not be revoked or the principal thereof invaded without the written consent of the Indemnatee, (ii) the trustee of the Trust (the "Trustee") shall advance as soon as reasonably practicable, but in no event later than twenty (20) days after a request by the Indemnatee, any and all Expenses to the Indemnatee (and the Indemnatee hereby agrees to reimburse the Trust under the same circumstances for which the Indemnatee would be required to reimburse the Company under Section 2(c) of this Agreement), (iii) the Trust shall continue to be

funded by the Company in accordance with the funding obligation set forth above, (iv) the Trustee shall promptly pay to the Indemnitee all amounts for which the Indemnitee shall be entitled to indemnification pursuant to this Agreement or otherwise no later than thirty (30) days after notice pursuant to Section 4(a) and (v) all unexpended funds in the Trust shall revert to the Company upon a final determination by the Independent Counsel or a court of competent jurisdiction, as the case may be, that the Indemnitee has been fully indemnified under the terms of this Agreement. The Trustee shall be chosen by the Indemnitee. Nothing in this Section 7 shall relieve the Company of any of its obligations under this Agreement. All income earned on the assets held in the Trust shall be reported as income by the Company for federal, state, local and foreign tax purposes. The Company shall pay all costs of establishing and maintaining the Trust and shall indemnify the Trustee against any and all expenses (including attorneys' fees), claims, liabilities, loss and damages arising out of or relating to this Agreement or the establishment and maintenance of the Trust.

8. Non-Exclusivity. The rights of Indemnitee hereunder shall be in addition to any other rights Indemnitee may have under the Company's Certificate of Incorporation, Bylaws, applicable law or otherwise; provided, however, that this Agreement shall supersede any prior indemnification agreement between the Company and the Indemnitee. To the extent that a change in applicable law (whether by statute or judicial decision) permits greater indemnification than would be afforded currently under the Company's Certificate of Incorporation, Bylaws, applicable law or this Agreement, it is the intent of the parties that Indemnitee enjoy by this Agreement the greater benefits so afforded by such change.

9. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid or to be paid in settlement, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the events and transactions giving rise to such Proceeding; and (ii) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions.

10. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Company's certificate of incorporation and bylaws and applicable law.

11. Liability Insurance. To the extent the Company maintains an insurance policy or policies providing general and/or directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

12. Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or on behalf of the Company or any Affiliate of the Company against Indemnitee, Indemnitee's spouse, heirs, executors or personal or legal representatives after the

expiration of two (2) years from the date of accrual of such cause of action or such longer period as may be required by state law under the circumstances. Any claim or cause of action of the Company or its Affiliate shall be extinguished and deemed released unless asserted by the timely filing and notice of a legal action within such period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action, the shorter period shall govern.

13. Amendment of this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless in the form of a writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

14. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

15. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment in connection with any claim made against Indemnitee to the extent Indemnitee has otherwise received payment (under any insurance policy, Bylaw or otherwise) of the amounts otherwise indemnifiable hereunder.

16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company), assigns, spouses, heirs and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. The indemnification provided under this Agreement shall continue as to Indemnitee for any action taken or not taken while serving in an indemnified capacity pertaining to an Indemnifiable Event even though he may have ceased to serve in such capacity at the time of any Proceeding.

17. Severability. If any provision (or portion thereof) of this Agreement shall be held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, void or unenforceable.

18. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such State without giving effect to its principles of conflicts of laws. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, The Corporation Trust Company, Wilmington, Delaware as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

19. Notices. All notices, demands and other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand, against receipt or mailed, postage prepaid, certified or registered mail, return receipt requested and addressed to the Company at:

Dolby Laboratories, Inc.
1275 Market Street
San Francisco, California 94103
Attention: General Counsel
Email: GeneralCounsel@dolby.com

and to Indemnitee at the address specified on the signature page hereto.

Notice of change of address shall be effective only when given in accordance with this Section. All notices complying with this Section shall be deemed to have been received on the date of hand delivery or on the third business day after mailing.

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

* * * * *

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the day specified above.

DOLBY LABORATORIES, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

INDEMNITEE,
an individual

By: _____

Name: _____

Address: _____

CERTIFICATION

I, Kevin J. Yeaman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dolby Laboratories, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2026

/s/ KEVIN J. YEAMAN

Kevin J. Yeaman
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Robert Park, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dolby Laboratories, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2026

/s/ ROBERT PARK

Robert Park
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Dolby Laboratories, Inc. (the "Company"), on Form 10-Q for the fiscal quarter ended June 26, 2026, as filed with the Securities and Exchange Commission (the "Report"), Kevin J. Yeaman, President and Chief Executive Officer of the Company and Robert Park, Senior Vice President and Chief Financial Officer of the Company, respectively, do each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 30, 2026

/s/ KEVIN J. YEAMAN

Kevin J. Yeaman
President and Chief Executive Officer
(Principal Executive Officer)

/s/ ROBERT PARK

Robert Park
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)