ZEBRA TECHNOLOGIES
THIRD-QUARTER 2017 RESULTS

NOVEMBER 7, 2017

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Safe Harbor Statement

Statements made in this presentation which are not statements of historical fact are forward-looking statements and are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. Actual results may differ from those expressed or implied in the company's forward-looking statements. Zebra may elect to update forward-looking statements but expressly disclaims any obligation to do so, even if the company's estimates change. These forward-looking statements are based on current expectations, forecasts and assumptions and are subject to the risks and uncertainties inherent in Zebra's industry, market conditions, general domestic and international economic conditions, and other factors. These factors include customer acceptance of Zebra's hardware and software products and competitors' product offerings, and the potential effects of technological changes. The continued uncertainty over future global economic conditions, the availability of credit, capital markets volatility, may have adverse effects on Zebra, its suppliers and its customers. In addition, a disruption in our ability to obtain products from vendors as a result of supply chain constraints, natural disasters or other circumstances could restrict sales and negatively affect customer relationships. Profits and profitability will be affected by Zebra's ability to control manufacturing and operating costs. Because of its debt, interest rates and financial market conditions will also have an impact on results. Foreign exchange rates will have an effect on financial results because of the large percentage of our international sales. The outcome of litigation in which Zebra may be involved is another factor. The success of integrating acquisitions could also affect profitability, reported results and the company's competitive position in it industry. These and other factors could have an adverse effect on Zebra's sales, gross profit margins and results of operations. Descriptions of the risks, uncertainties and other factors that could affect the company's future operations and results can be found in Zebra's filings with the Securities and Exchange Commission. In particular, please refer to Zebra's latest filing of its Form 10-K. This presentation includes certain non-GAAP financial measures and we refer to the reconciliations to the comparable GAAP financial measures and related information.

Anders Gustafsson
Chief Executive Officer

Olivier Leonetti
Chief Financial Officer

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Third-Quarter 2017 Highlights
Anders Gustafsson, CEO

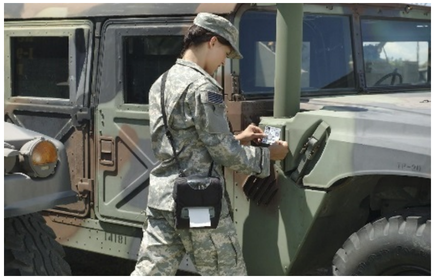
Third-Quarter 2017 Financials and Outlook
Olivier Leonetti, CFO

Progress on Strategic Priorities
Anders Gustafsson, CEO

Q&A
Anders Gustafsson, CEO | Olivier Leonetti, CFO | Joe Heel, SVP Global Sales

Third-Quarter 2017 Highlights

- Adjusted net sales of $936M, above our guidance range; organic net sales growth of 5.9%(1); growth across all regions and business lines
- Increased gross profit margin and reduced operating expenses
- Adjusted EBITDA of 19.2%, a 110 bps year-over-year improvement from 3Q16
- Non-GAAP diluted EPS of $1.87, up 31% from 3Q16
- Redeemed $750M 7.25% senior notes, utilizing a new lower-cost credit facility
- Completed the integration of the Enterprise business, exited all remaining Transition Service Agreements




(1) Excludes purchase accounting adjustments and sales from the divested wireless LAN business, and assumes constant FX to prior year period

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Third-Quarter P&L Summary[1]

In millions, except per share data	3Q17	3Q16	Growth
Adjusted Net Sales[2]	$936	$906	3.3%
Organic Net Sales Growth[2, 3, 4]			5.9%
Adjusted Gross Profit[2]	$431	$416	3.6%
Adj. Gross Margin[2]	46.0%	45.9%	10 bps
Adjusted EBITDA	$180	$164	9.8%
Adj. EBITDA Margin	19.2%	18.1%	110 bps
Non-GAAP diluted EPS	$1.87	$1.43	30.8%

- **5.9% Organic Net Sales Growth[2, 3, 4]**
  - Enterprise Segment up 5.5%
  - Legacy Zebra Segment up 6.6%
- **Regional Breakdown[4]**
  - North America up 5%
  - EMEA up 8%[3]
  - Asia Pacific up 2%[3,5]
  - Latin America up 9%
- **EBITDA improvement**
  - Higher gross profit and margin
  - Lower operating expense
- **Strong EPS Growth**

(1) Refer to the appendix of this presentation for reconciliations of GAAP to non-GAAP financial results
(2) Excludes purchase accounting adjustments
(3) Assumes constant FX to prior year period
(4) Excludes net sales from the divested wireless LAN business. Approximate adverse impacts: consolidated Zebra 4 percentage points (pps), Enterprise segment 6pps, North America 4pps, EMEA 4pps, APAC 5pps, Latin America 2pps
(5) 3Q16 negatively impacted by price concession to distributors related to duties imposed on printers imported into China

Comprehensive Debt Restructuring In Progress

Drives > $45 Million Annual Cash Interest Savings

Reduces Weighted Average Interest Rate by Two Percentage Points to < 4%

AMENDED CREDIT FACILTY

$687.5M Term Loan A (NEW)
- LIBOR + 2.0%
- Maturity July 2021

$500M Revolving Credit Facility
- Upsized Capacity from $250M
- LIBOR + 2.0%
- Maturity July 2021

RE-PRICED

$1.4B Term Loan B
- Reduced principal by $(75M)
- ↓50 bps to LIBOR + 2.0% on 7/26
- October 2021 Maturity

RETIRING

$1.05B 7.25% Senior Notes
- Redeemed $750M of $1.05B on Aug. 7
- Plan to Redeem Remaining $300M on Dec. 4

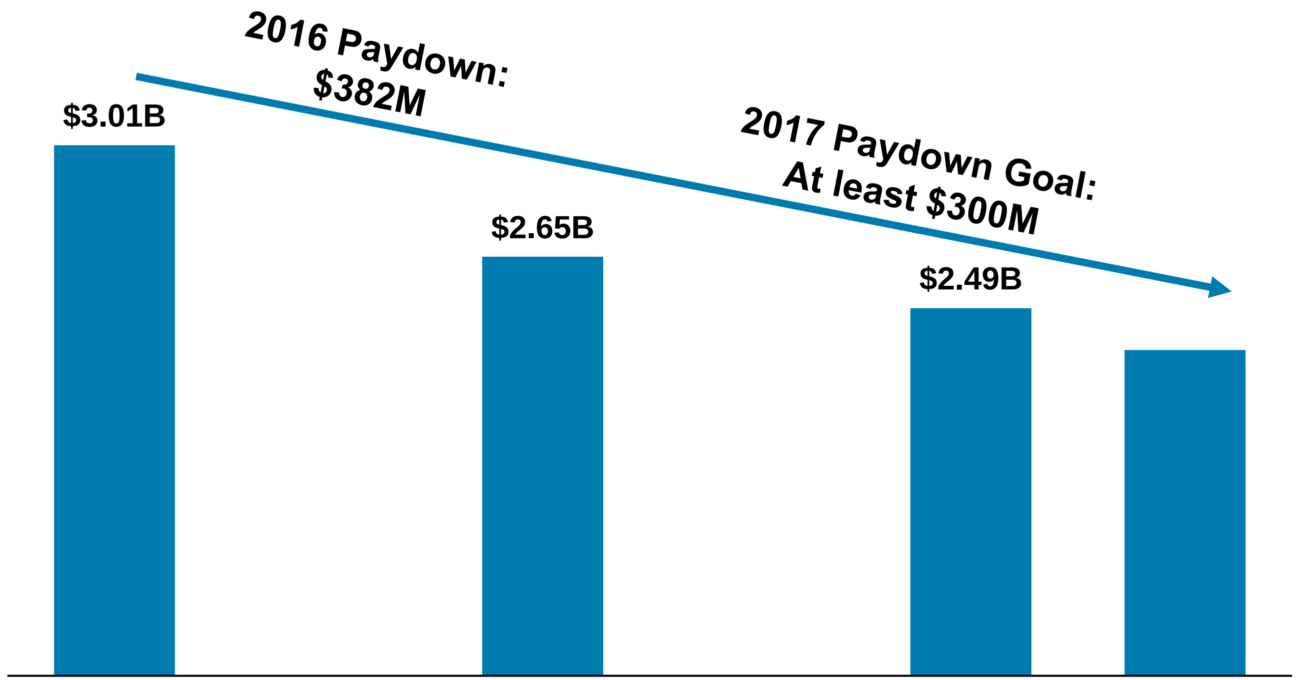
Balance Sheet and Cash Flow Highlights

Liquidity	• $88M in cash & cash equivalents as of the end of 3Q17 • $235M borrowed on $500M revolver

Debt	• $2.5B long-term debt on balance sheet at quarter-end
	• $187M in debt payments, net, through YTD 3Q17
	  o Payments of long-term debt of $1.4B
	  o Received proceeds from issuance of long-term debt of $1.2B
	  o Net-debt-to-adjusted-EBITDA ratio of 3.6x as of the end of 3Q17

Cash Flow	• $174M free cash flow for YTD 3Q17
	• Key drivers of $29M lower free cash flow for YTD 3Q17 vs. YTD 3Q16:
	  o Temporarily higher inventory levels as of end of Q3
	  o Partially offset by several favorable drivers:
	    ▪ Adjusted EBITDA improvement
	    ▪ Lower integration and restructuring expenses
	    ▪ Lower interest expense
	    ▪ Lower capital expenditures

Debt Reduction is Top Priority for Free Cash Flow



	YE15	YE16	3Q17	YE17
Cash & Cash Equivalents	$192M	$156M	$88M	
Net-Debt-to-Adjusted EBITDA Goal: < 3X	4.8x	4.1x	3.6x	

Financed October 2014 Enterprise acquisition with $3.25B of debt

Outlook

4Q17	• Adjusted net sales growth of 3-6% vs. LY; organic net sales growth of 2-5%; Excludes ~2 percentage point positive impact from FX and ~1 percentage point adverse impact from wireless LAN • Adjusted EBITDA margin range of 19-20% • Adjusted EPS range of $2.00 to $2.20
FY17 Assumptions	• Organic sales growth 5%+ (based on 4Q17 outlook) • Adjusted EBITDA margin range of 18-19% • Debt paydown, net, of at least $300M • Capital expenditures < 2% of sales • Depreciation and Amortization of $260-262M • Interest expense of $231-233M, including ~ $67M of redemption costs and transaction fees, and ~ $40M of non-cash amortization • Stock-based compensation expense of $35-37M • Non-GAAP tax rate in the low- to mid-20% range

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Strategic Focus

- Extend **leadership** and outpace the competition
- Advance **Enterprise Asset Intelligence** solutions
- ✓ **Integration** of Enterprise business
- Enhance **financial strength** and flexibility

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Zebra Enables Enterprise Asset Intelligence

SENSE	ANALYZE	ACT
What is it? Where is it? How is it?	Real-Time Analytics	Data Application Enables Mobile Workers' Best Next Move

Operational Visibility Services

ZEBRA SMARTPACK™ Trailer

ZEBRA SMARTLENS™ For Retail

Enabling Visibility Across Verticals

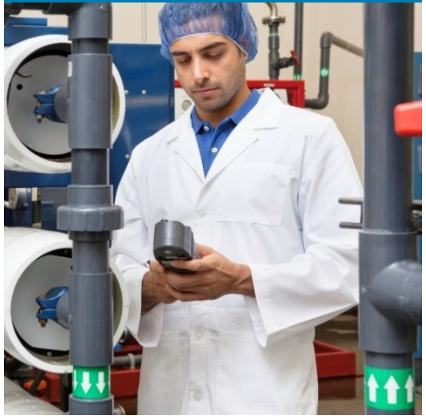
Zebra's solutions reduce friction in workflows for frontline employees

TRANSPORTATION & LOGISTICS

RETAIL/ E-COMMERCE

HEALTHCARE

MANUFACTURING



Simplify Operations and Comply with Regulations

Enhance Customer/Patient Experience

Track Inventory / Supply Chain Locationing

Empower Mobile Workers

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Retail Sector Is Not Declining, It's Transforming…Benefiting Zebra

MYTHS	FACTS
Retail Sector is in Decline	**Retail Model Evolving to Better Serve Shoppers** • Total retail sales show increasing trend (~3%) o Ecommerce growing fastest, gaining share of market o Traditional retail sales growth sustainable ▪ Increasing net store count (smaller format) ▪ More multi-channel fulfillment options ▪ Most sub-sectors growing
Retail Channel Shift Hurts Zebra	**Shift to Ecommerce and Omnichannel Benefits Zebra** • Total retail sales growing with a mix shift to more ecommerce/omnichannel sales volume • Zebra core business yields more revenue as the shift occurs, and new solutions offer upside • Zebra's retail customers are market leaders investing in their business, and using our technology

Source: Retail Transformation Study (IHL Services Group and Peerless Insights) commissioned by Zebra Technologies, October 2017

Most Retail Sub-Sectors Fostering Zebra Growth[(1)]

Retail Sub-Sector *(descending order by Zebra sales)*	**Sub-Sector Sales Growth vs Total**	**Zebra Sales Trend**
Mass Merchant / Superstore	Slightly Below	↗
Grocery / Supermarket	Slightly Below	↗
E-Tailer (limited store presence)	Well Above	↗
Specialty Store[(2)]	Slightly Below	↘
Department Store / Apparel[(2)]	Below	↘
Home Improvement	Above	↗
Drug / Pharmacy	In Line	↗
Electronics[(2)]	Decline	↘
Convenience / Restaurant / Gas	In Line	↗
Total Retail/Ecommerce	~ 3%	↗

~ 2/3rds of Zebra's retail vertical sales are in these sub-sectors

↗ Key Growth Drivers:

- Multi-Channel Retailing
- In-Store Technology
- Connected Store Associate
- Same-Day Delivery

Source: Retail Transformation Study (IHL Group and Peerless Insights) commissioned by Zebra Technologies, October 2017

[(1)]Study reflects expected sales trends for the retail sector and Zebra 2016-2021

[(2)]Net store footprint reduction driving weaker sales trends in these three sub-sectors

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APPENDIX

Use of Non-GAAP Financial Information

This presentation contains certain Non-GAAP financial measures, consisting of “adjusted net sales,” “adjusted gross profit,” “EBITDA,” “Adjusted EBITDA,” “Non-GAAP net income,” “Non-GAAP earnings per share,” “free cash flow,” “organic net sales growth,” and “adjusted operating expenses.” Management presents these measures to focus on the on-going operations and believes it is useful to investors because they enable them to perform meaningful comparisons of past and present operating results. The company believes it is useful to present Non-GAAP financial measures, which exclude certain significant items, as a means to understand the performance of its ongoing operations and how management views the business. Please see the “Reconciliation of GAAP to Non-GAAP Financial Measures” tables and accompanying disclosures at the end of this presentation for more detailed information regarding non-GAAP financial measures herein, including the items reflected in adjusted net earnings calculations. These measures, however, should not be construed as an alternative to any other measure of performance determined in accordance with GAAP.

The company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis (including the information under “Outlook” above) where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred, are out of the company’s control and/or cannot be reasonably predicted, and that would impact diluted net earnings per share, the most directly comparable forward-looking GAAP financial measure. For the same reasons, the company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

As a global company, Zebra's operating results reported in U.S. dollars are affected by foreign currency exchange rate fluctuations because the underlying foreign currencies in which the company transacts change in value over time compared to the U.S. dollar; accordingly, the company presents certain organic growth financial information, which includes impacts of foreign currency translation, to provide a framework to assess how the company’s businesses performed excluding the impact of foreign currency exchange rate fluctuations. Foreign currency impact represents the difference in results that are attributable to fluctuations in the currency exchange rates used to convert the results for businesses where the functional currency is not the U.S. dollar. This impact is calculated by translating, for certain currencies, current period results at the currency exchange rates used in the comparable period in the prior year, rather than the exchange rates in effect during the current period. In addition, the company excludes the impact of its foreign currency hedging program in both the current year and prior year periods The company believes these measures should be considered a supplement to and not in lieu of the company’s performance measures calculated in accordance with GAAP.

GAAP to Non-GAAP Reconciliation

ORGANIC NET SALES GROWTH

	Three Months Ended September 30, 2017		
	Legacy Zebra	Enterprise	Consolidated
Reported GAAP Consolidated Net sales growth	8.0 %	1.0 %	3.4 %
Adjustments:			
Impact of Wireless LAN Net sales(1)	—	6.0 %	4.0 %
Impact of foreign currency translation(2)	(1.4)%	(1.5)%	(1.3)%
Corporate, eliminations(3)	—	—	(0.2)%
Organic Net sales growth	6.6 %	5.5 %	5.9 %

	Nine Months Ended September 30, 2017		
	Legacy Zebra	Enterprise	Consolidated
Reported GAAP Consolidated Net sales growth	4.3 %	1.1 %	2.4 %
Adjustments:			
Impact of Wireless LAN Net sales(1)	—	6.2 %	4.0 %
Impact of foreign currency translation(2)	0.1 %	(0.2)%	(0.1)%
Corporate, eliminations(3)	—	—	(0.2)%
Organic Net sales growth	4.4 %	7.1 %	6.1 %

(1) The Company sold the wireless LAN business in October 2016. Net sales from this business are excluded in the prior year period when computing organic net sales growth.

(2) Operating results reported in U.S. dollars are affected by foreign currency exchange rate fluctuations. Foreign currency translation impact represents the difference in results that are attributable to fluctuations in the currency exchange rates used to convert the results for businesses where the functional currency is not the U.S. dollar. This impact is calculated by translating, for certain currencies, the current period results at the currency exchange rates used in the comparable prior year period, rather than the exchange rates in effect during the current period. In addition, we exclude the impact of the company's foreign currency hedging program in both the current and prior year periods.

(3) Amounts included in Corporate, eliminations consist of purchase accounting adjustments which are related to the Enterprise Acquisition in October 2014 and are not reported in segment results.

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GAAP to Non-GAAP Gross Margin Reconciliation

	Three Months Ended											
	September 30, 2017						October 1, 2016					
	Legacy Zebra		Enterprise		Consolidated		Legacy Zebra		Enterprise		Consolidated	
GAAP												
Reported Net sales [1]	$	325	$	611	$	935	$	301	$	605	$	904
Reported Gross profit		154		276		429		145		271		414
Gross Margin		47.4%		45.2%		45.9%		48.2%		44.8%		45.8%
Non-GAAP												
Adjusted Net sales	$	325	$	611	$	936	$	301	$	605	$	906
Adjusted Gross profit [2]		154		277		431		145		271		416
Adjusted Gross Margin		47.4%		45.3%		46.0%		48.2%		44.8%		45.9%

	Nine Months Ended											
	September 30, 2017						October 1, 2016					
	Legacy Zebra		Enterprise		Consolidated		Legacy Zebra		Enterprise		Consolidated	
GAAP												
Reported Net sales [1]	$	960	$	1,739	$	2,696	$	920	$	1,720	$	2,632
Reported Gross profit		471		773		1,241		463		756		1,210
Gross Margin		49.1%		44.5%		46.0%		50.3%		44.0%		46.0%
Non-GAAP												
Adjusted Net sales	$	960	$	1,739	$	2,699	$	920	$	1,720	$	2,640
Adjusted Gross profit [2]		472		774		1,246		464		757		1,221
Adjusted Gross Margin		49.2%		44.5%		46.2%		50.4%		44.0%		46.3%

(1) Segment Reported Net sales exclude purchase accounting adjustments related to the Enterprise acquisition and are reflected within Corporate, eliminations on a GAAP basis.

(2) Adjusted Gross profit excludes purchase accounting adjustments and share-based compensation expense.

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GAAP to Non-GAAP Net Income Reconciliation

	Three Months Ended		Nine Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net (loss) income	$ (12)	$ (83)	$ 13	$ (154)
Adjustments to Net sales[1]				
Purchase accounting adjustments	1	2	3	8
Total adjustment to Net sales	1	2	3	8
Adjustments to Cost of sales[1]				
Share-based compensation	1	—	2	1
Total adjustments to Cost of sales	1	—	2	1
Adjustments to Operating expenses[1]				
Amortization of intangible assets	49	59	151	178
Acquisition and integration costs	4	28	50	98
Impairment of goodwill and other intangibles	—	62	—	62
Share-based compensation	10	9	25	20
Exit and restructuring costs	5	7	10	17
Total adjustments to Operating expenses	68	165	236	375
Adjustments to Other expenses, net[1]				
Debt extinguishment costs	49	—	49	—
Amortization of debt issuance costs and discounts	20	5	30	16
Investment loss	—	5	—	5
Foreign exchange (gain) loss	(1)	1	(2)	4
Forward interest rate swaps gain	—	—	(1)	(2)
Total adjustments to Other expenses, net	68	11	76	23
Income tax effect of adjustments[2]				
Reported income tax expense (benefit)	5	6	(3)	5
Adjusted income tax expense	(30)	(26)	(74)	(67)
Total adjustments to income tax	(25)	(20)	(77)	(62)
Total adjustments	113	158	240	345
Non-GAAP Net income	$ 101	$ 75	$ 253	$ 191
GAAP (loss) earnings per share				
Basic	$ (0.23)	$ (1.61)	$ 0.25	$ (2.99)
Diluted	$ (0.23)	$ (1.61)	$ 0.25	$ (2.99)
Non-GAAP earnings per share				
Basic	$ 1.89	$ 1.45	$ 4.78	$ 3.71
Diluted	$ 1.87	$ 1.43	$ 4.72	$ 3.66
Non-GAAP weighted average shares outstanding [3]				
Basic	53,143,914	51,690,204	52,964,066	51,449,447
Diluted	53,791,541	52,304,522	53,631,499	52,139,772

(1) Presented on a pre-tax basis.

(2) Represents the adjustment to the GAAP basis tax provision commensurate with non-GAAP adjustments.

(3) In periods of loss, Non-GAAP weighted-average shares exclude restricted stock awards and performance stock awards within basic and dilutive weighted-average share computations. Share-based compensation awards that are dilutive in nature are included within weighted-average dilutive share computations.

GAAP to Non-GAAP EBITDA Reconciliation

	Three Months Ended		Nine Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net (loss) income	$ (12)	$ (83)	$ 13	$ (154)
Add back:				
Depreciation	19	21	58	56
Amortization of intangible assets	49	59	151	178
Total Other expenses, net	98	53	179	158
Income tax expense (benefit)	5	6	(3)	5
EBITDA (Non-GAAP)	159	56	398	243
Adjustments to Net sales				
Purchase accounting adjustments	1	2	3	8
Total adjustments to Net sales	1	2	3	8
Adjustments to Cost of sales				
Share-based compensation	1	—	2	1
Total adjustments to Cost of sales	1	—	2	1
Adjustments to Operating expenses				
Acquisition and integration costs	4	28	50	98
Impairment of goodwill and other intangibles	—	62	—	62
Share-based compensation	10	9	25	20
Exit and restructuring costs	5	7	10	17
Total adjustments to Operating expenses	19	106	85	197
Total adjustments to EBITDA	21	108	90	206
Adjusted EBITDA (Non-GAAP)	$ 180	$ 164	$ 488	$ 449
Adjusted EBITDA % of Adjusted Net Sales	19.2%	18.1%	18.1%	17.0%

GAAP to Non-GAAP Reconciliation

FREE CASH FLOW

	Nine Months Ended	
	September 30, 2017	October 1, 2016
Net cash provided by operating activities (GAAP)	$ 210	$ 252
Less: Purchases of property, plant and equipment	(36)	(49)
Free cash flow (Non-GAAP)(1)	$ 174	$ 203

(1) Free cash flow is defined as Net cash provided by operating activities in a period minus purchases of property, plant and equipment (capital expenditures) made in that period. This measure does not represent residual cash flows available for discretionary expenditures as the measure does not deduct the payments required for debt service and other contractual obligations or payments for future business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our entire statements of cash flows.