

CES 2016 ANALYST & INVESTOR DAY

JANUARY 7, 2016

PARIS HOTEL - LAS VEGAS



Safe Harbor

This presentation includes "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. These statements are based upon the current beliefs and expectations of Zagg's management and are subject to significant risks and uncertainties. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements. Risks and uncertainties include but are not limited to general industry conditions and competition; general economic factors; timely introduction of product solutions required to retain existing customers and attract new customers; achieving meaningful international market share for our products; challenges inherent in new product development including the ability to respond quickly with appropriate products after new mobile devices launches by major manufacturers like Samsung and Apple; manufacturing difficulties or delays; a shift in product mix to lower margin products; inventory management; and the failure of information systems or technology solutions or the effect of cyber-attacks or similar incidents. Zagg undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in Zagg's 2014 Annual Report on Form 10-K and the company's other filings with the Securities and Exchange Commission (SEC) available at the SEC's Internet site (www.sec.gov).

RANDY HALES, CEO LEADERSHIP & OUTLOOK

RANDY HALES



LOOKING BACK

- Joined ZAGG as President & COO in December 2012
- Developed company Objectives and Values
- Accepted CEO role three years ago
- Implemented the turn around strategy
- Upgraded the senior team to strengthen and grow the business
- Improved profitability through cost reductions and operational efficiencies
- Exceeded financial expectations for seven consecutive quarters
- Improved shareholder value over past two years
- Pleased with the progress, but focused on continuous improvement

ZAGG'S OBJECTIVES AND VALUES



GOING FORWARD

- Keys to driving long term organic growth
 - Execute against the corporate objectives
 - Further empower the executive team
 - Improve profitability
 - Leverage cash flow
- Create strategic long term growth through acquisitions

LONG TERM ORGANIC GROWTH

- ***Creative Product Solutions*** – strong product pipeline
 - Screen protection - recurring revenue, high margin
 - Keyboards - strong product pipeline
 - Audio & Power – new products and growing distribution
 - Social Tech – new category introduced this week
- ***The Preferred Brand***
 - Focus on becoming the trusted brand
 - Strengthen with in-store merchandising and customer service
- ***Targeted Global Distribution***
 - Product category expansion with existing customers
 - New customer opportunities both domestic and international

LONG TERM STRATEGIC GROWTH

- Augment organic growth
- Leverage liquidity and access to capital
- Discerning (my starting point is always “no”)
- Must support the company’s objectives:
 - Support ***Creative Product Solutions***
 - Strengthen existing product categories
 - Diversify into new product categories
 - ***Targeted Global Distribution***
 - Continue to advance ***The Preferred Brand***

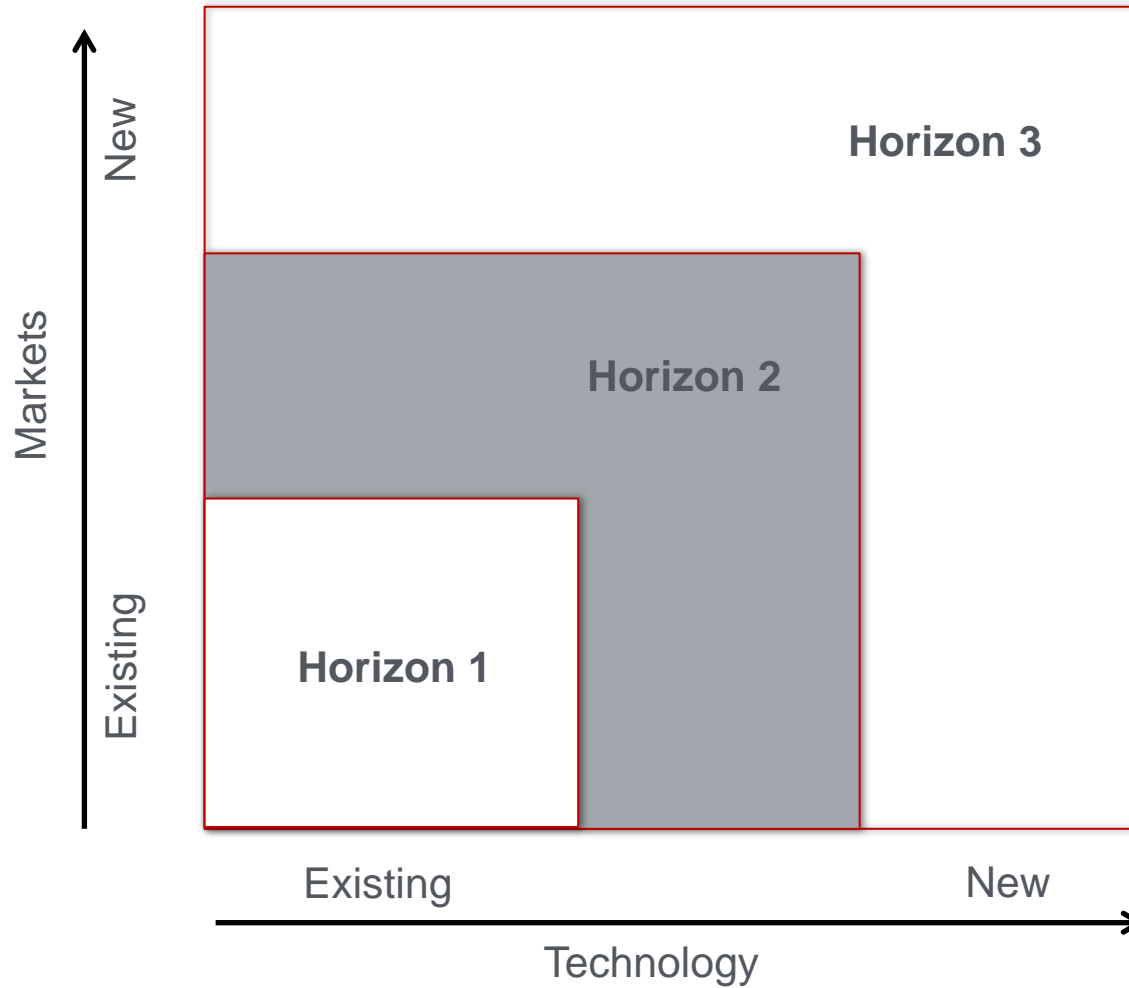
ZAGG EXECUTIVE TEAM PRESENTING TODAY

- Chris Paterson, EVP of Product – Creative Product Solutions
- Brian Stech, EVP of Global Sales and Marketing – Targeted Global Distribution / Preferred Brand
- Steve Tarr, COO – Improved profitability through continuous improvement and operational efficiencies
- Brad Holiday, CFO – S&OP and ZAGG's long range plan

CHRIS PATERSON, EVP PRODUCT DEVELOPMENT



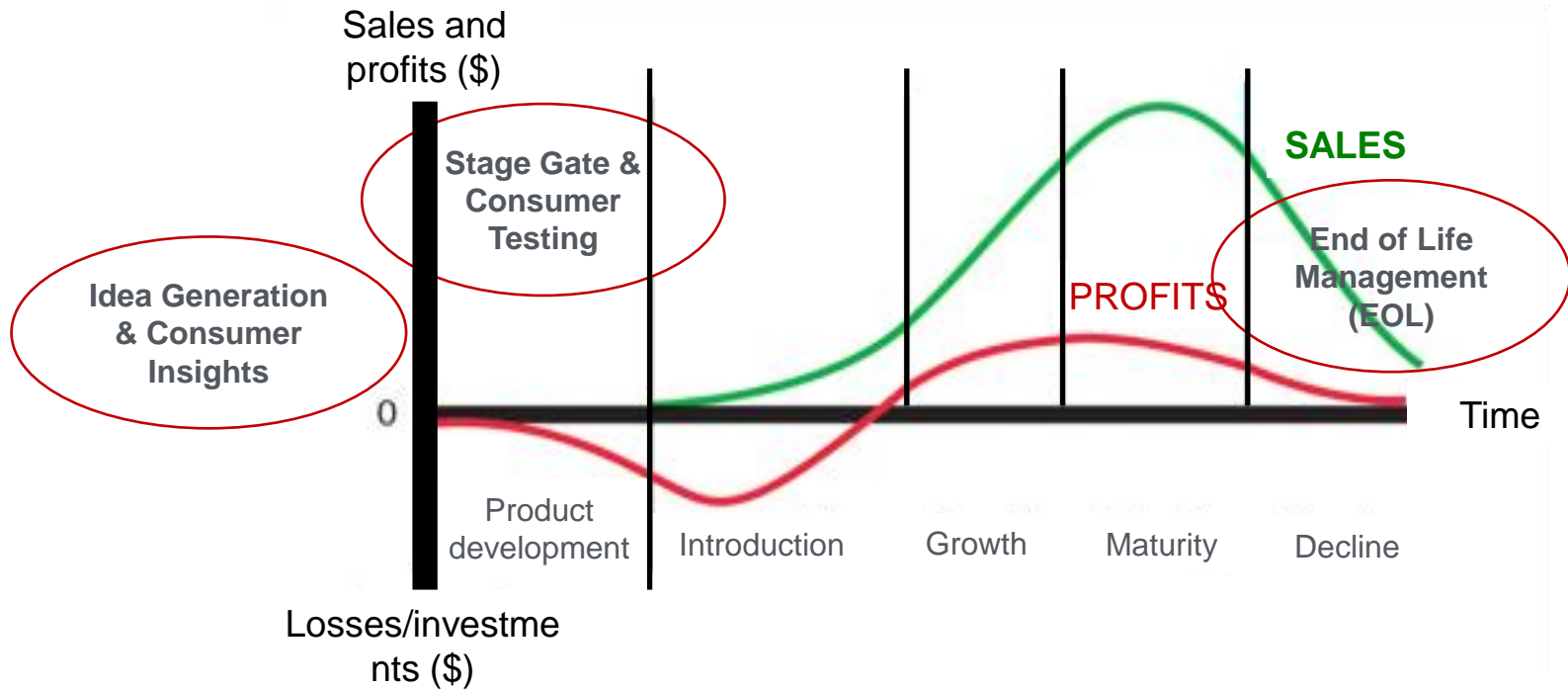
PRODUCT STRATEGY- HORIZONS MODEL



DISCIPLINED PRODUCT MANAGEMENT

- Focused, disciplined approach
 - Cradle-to-grave planning
- Idea pipeline
 - Disciplined approach to idea generation and filtering
- Leverage Suppliers
 - 24/7 product development cycle
 - ZAGG China office
- Voice of the Consumer
 - Qualitative and Quantitative tools
- Stage Gate[®]

MANAGING THE PRODUCT LIFE CYCLE



BRIAN STECH, EVP GLOBAL SALES & MARKETING



2015 SALES AND MARKETING INITIATIVES

- Grow with existing customers
- Add domestic distribution
- Expand international distribution
- Optimize ZAGG.com and iFrogz.com
- Increase channel marketing efforts

2015 SALES ACCOMPLISHMENTS

- Expanded distribution of InvisibleShield, iFrogz and ZAGG lines
- Growth with existing customers
- Added targeted domestic distribution
- Launched numerous international customers in wireless and retail
 - ISOD success in Europe – expansion continues
 - Opened distribution in India and China
- Increased distribution has driven market share growth
 - #1 in screen protection market share
 - #1 in tablet folio keyboard market share
 - Top 5 in portable power and audio

2015 MARKETING ACCOMPLISHMENTS

- Combined ZAGG.com and iFrogz.com for optimization
 - Increased traffic, page visits, time on site, AOV while reducing bounce
 - Launched UK, French and German ZAGG.com sites
 - Increased ZAGG.com revenue YOY
- Executed numerous channel marketing initiatives with our retail partners
- PR impressions, customer satisfaction, likely to recommend at all-time highs

HOW WE DRIVE FUTURE GROWTH

- Further penetrate and grow with existing customers
- Add targeted domestic distribution
 - Wireless dealers, strategic channels, B2B
- Expand international distribution
 - Europe, Canada, Asia
- Build out channel teams for international, wireless dealers, B2B
- Best-in-class category management, channel marketing and sales training
- Continuous cross-functional improvements in process and execution
 - S&OP, Stage Gate[®]

ZAGG CES 2016 Q&A SESSION



STEVE TARR, COO
INFRASTRUCTURE SOLUTIONS

OPERATIONS – 2015 ACHIEVEMENTS

Manufacturing & Supply Chain Management

- Negotiated price reductions across supply chain for COGS savings
- Consolidated suppliers and moved to higher performing partners
- Renegotiated consignment inventory contracts with largest suppliers
- Improved factory terms

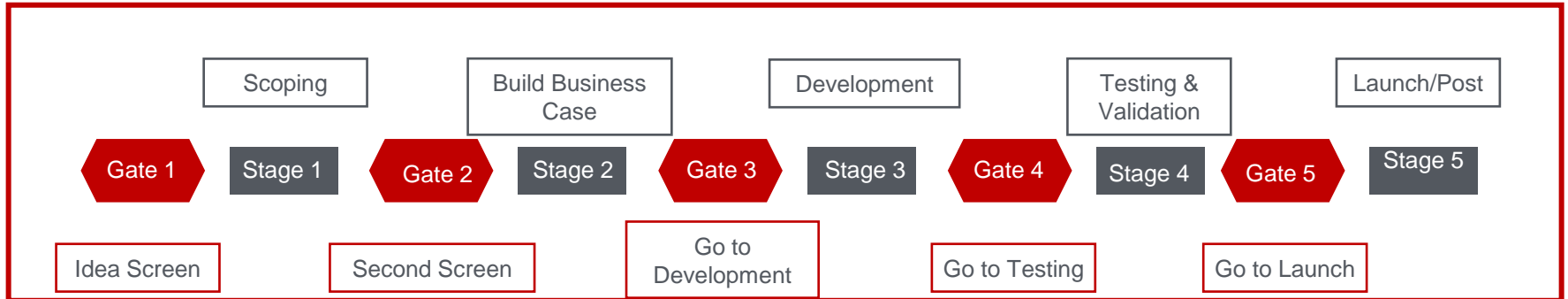
Distribution & Logistics

- Optimized warehouse utilization
- Improved cash flow with new FOB destination freight (CIF) contracts
- Launched Stage Gate[®] processes

PRODUCT DEVELOPMENT: STAGE GATE® PROCESS

An improved product launch cycle improves inventory health and benefits margins.

Stage Gate® Process



CONTINUOUS IMPROVEMENT

Improve retail customer service levels through

- Inventory management (S&OP)
- Higher accuracy and timely forecasts (S&OP)
- On-time delivery and measuring to customer's scorecard
- Ultimately improve margins and working capital

Continued focus on cost savings

- Lower freight costs
- Reducing fines, and returns
- Healthier inventory

SUPPLY CHAIN MANAGEMENT

Supplier selection, qualification and rationalization

- Introduced supplier score cards
- Developed pre-required checklist for new suppliers
- Initiated quality score cards for factory rollup/consolidations
- Expanded corporate social responsibility (CSR) program

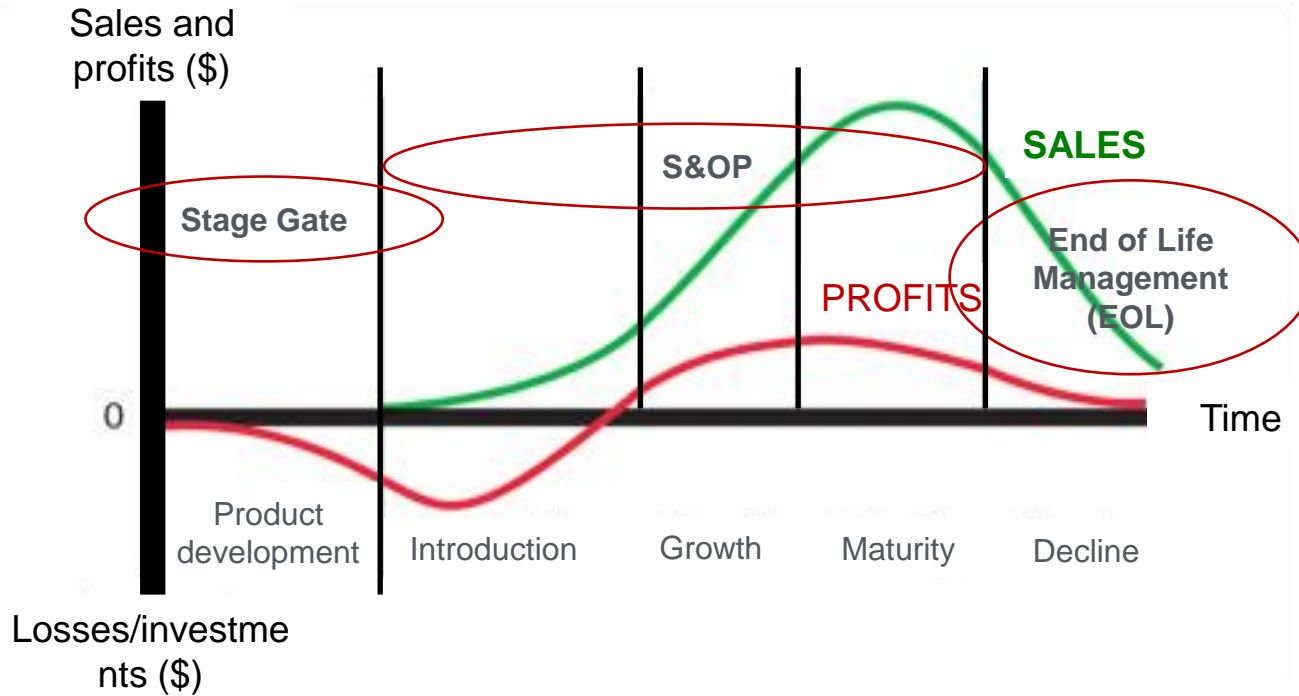
Manufacturing

- Improved supplier quality
- Shifted to factories with higher engineering capabilities

Better product roadmaps

- Life cycle management for on-time launches
- Better inventory management and EOL

MANAGING THE INVENTORY LIFE CYCLE

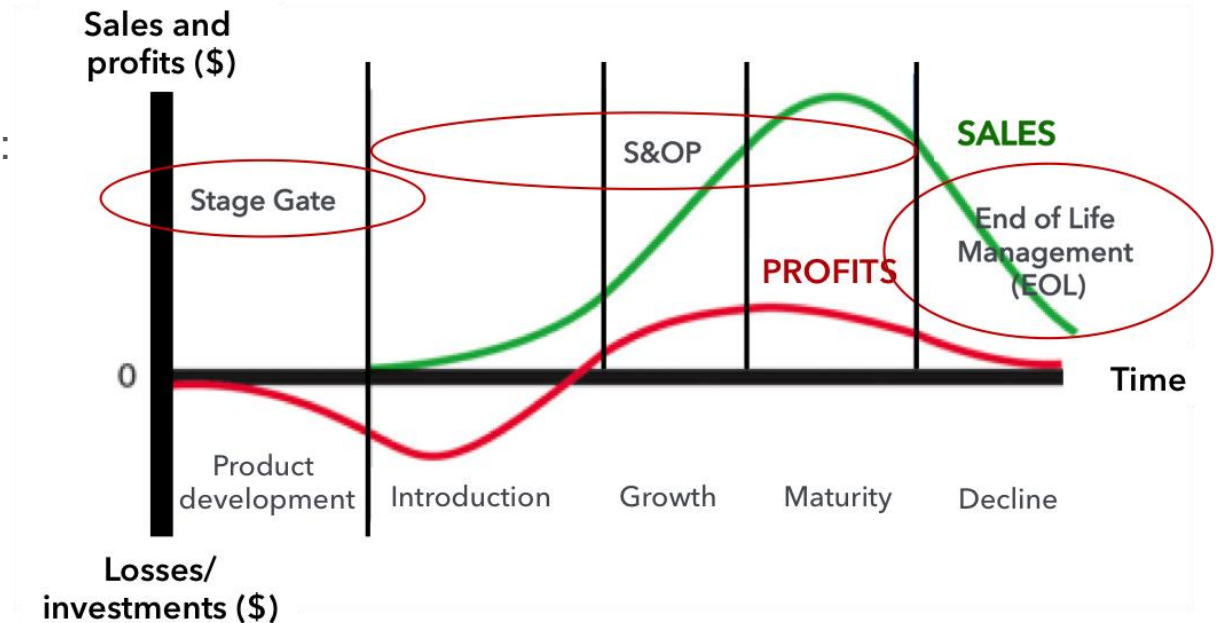


BRAD HOLIDAY, CFO FINANCIAL OVERVIEW

PRODUCT LIFE CYCLE MANAGEMENT

Coordinating efforts among:

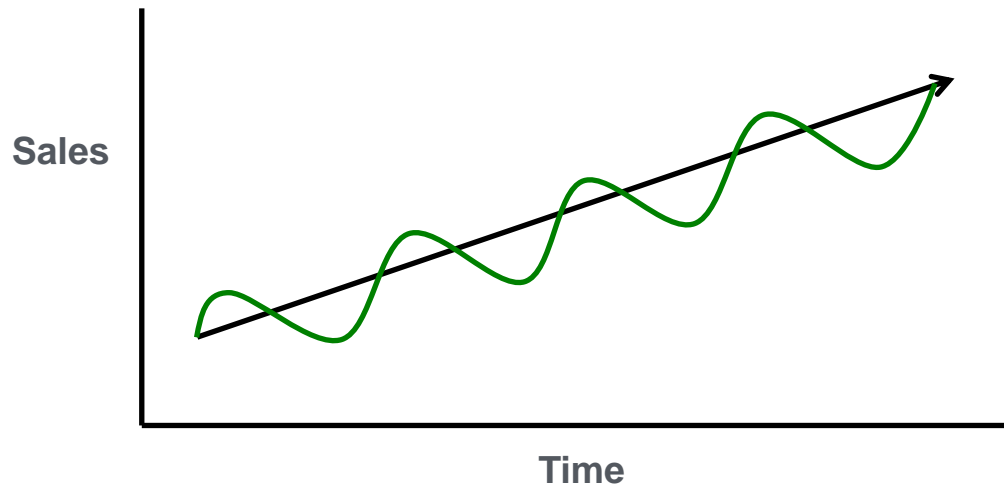
- Product development
- Sales
- Supply chain
- Finance/Accounting



Results in improvements in:

- New product development
 - Robust product launches
 - Defined life cycle management
- Sales
 - Better & more frequent forecasts
- Supply chain
 - Better & more frequent data
 - Lead time to react
 - Manage to EOL

GROWTH COMPANY WITH IMPROVING PROFITABILITY



Key revenue drivers

- International growth
- Further domestic growth
- Broadening product placement
- New products / expanding market share
- Brand strength

Key profitability drivers

- Supply chain efficiencies
- Inventory management
- Leverage SG&A / lower % of sales
- Lower corporate tax rate

LONG TERM GROWTH

	(\$MM)	2015*	2018	3 year CAGR
Assumptions:				
• Annual sales growth: 8%				
• Gross margin %: 38% +/-	GM%	38%	38%	
• SG&A % of sales: 25% +/-	SGA %	28%	25%	
• Tax rate – 2018 (37%)				
	Operating Margin (\$)	\$29	\$44	15%
	Operating Margin (%)	10%	13%	
	Tax rate	40%	37%	
	Net Income	\$17	\$28	18%
	EPS	\$0.60	\$1.00	19%
	Shares outstanding (MM)	29	28	

*Thomson One First Call 2015 consensus estimates rounded to whole numbers.

VALUATION POTENTIAL

Implied stock prices at various multiples (as of 12/31/15)

2015 ZAGG multiples	Ratio	<u>2015*</u>	<u>2018</u>
Sales	1.2	\$10.94	\$13.78
EBITDA	6.8	\$10.42	\$13.21
PE	18.2	<u>\$10.94</u>	<u>\$18.32</u>
Average		\$10.77	\$15.16
2015 Peer multiples**	Ratio	<u>2015*</u>	<u>2018</u>
Sales	1.6	\$15.42	\$19.43
EBITDA	9.6	\$14.70	\$18.52
PE	19.1	<u>\$11.43</u>	<u>\$19.14</u>
Average		\$14.09	\$19.31

Other considerations:

- Strong balance sheet – no outstanding debt
- Strong cash generation
 - Paid off over \$46 million in debt since 12/31/2012
 - 2013 – 2015 repurchased \$33 million or 5.5 million shares
- Active business development process in place

* Thomson One First Call 2015 consensus estimates.

** Peer group used: Fitbit, Garmin, GoPro, iRobot, Logitech, Plantronics, Skullcandy and United Electronics.

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