

The evolution of our Mobile business

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President of Motorola

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Lenovo

Our Mobile journey over the last year ...

Invested in
our core
markets;
reset EM

Aligned
expense
structure

Reduced
complexity

Continued
strategic
innovation we
can monetize

Reinvigorated
focus
on the
consumer

North America geo highlights

Invested in our core markets; reset EM

+48%

growth in activations YoY

#4

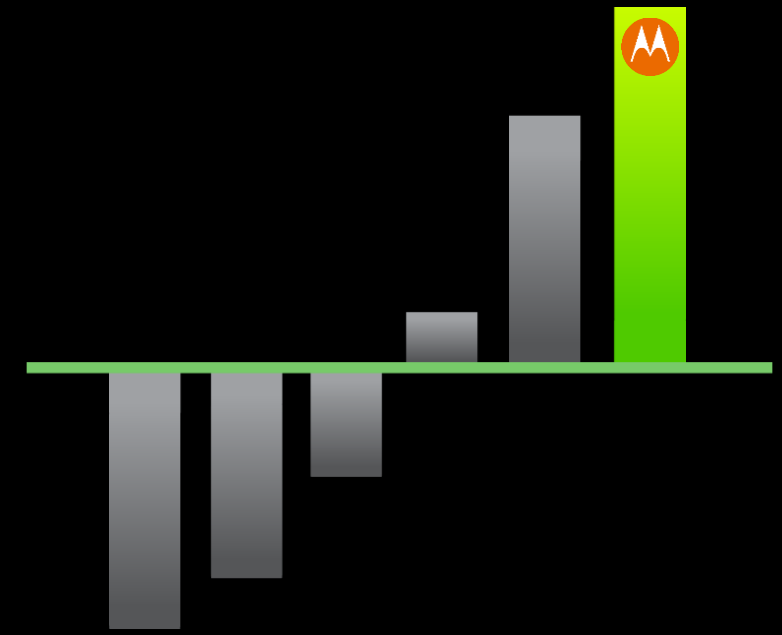
OEM in NA

+60%

growth in premium to market shipments
(1st 3 quarters of FY18)



Fastest-growing OEM in 2018
Last 4 quarters versus previous 4 quarters



Latin America geo highlights

Invested in our core markets; reset EM



#2 in LA

17%

market share

2 pts improvement over prior year



#2 for the past 5 years



57% YoY shipment growth



27% YoY shipment growth



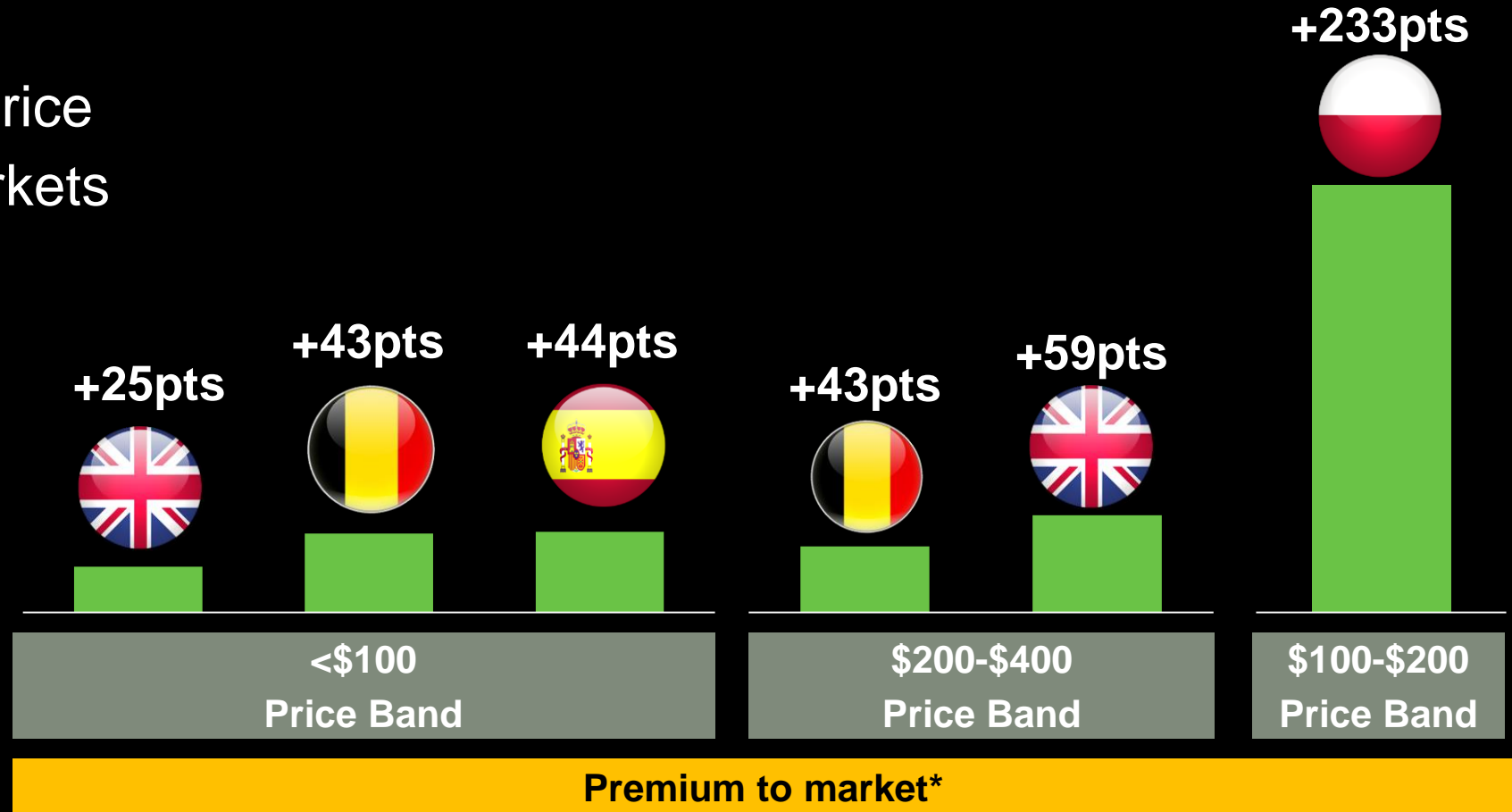
25% YoY shipment growth

Europe geo highlights

Invested in our core markets; reset EM

10%

share in mid-tier price points in focus markets



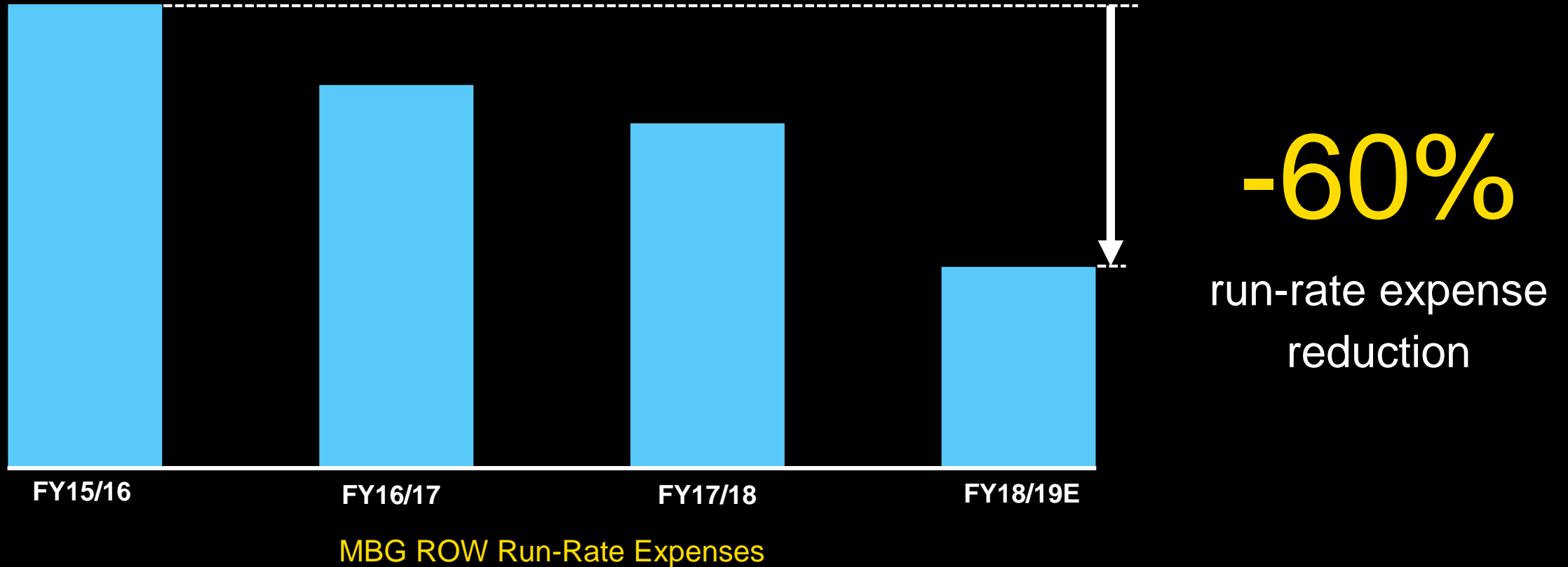
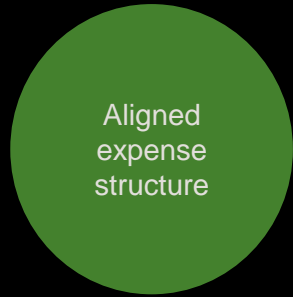
Re-set Emerging markets for success

Invested in
our core
markets;
reset EM

- ✓ Cleaned channels; reduced aged inventory in channels by **~90%**
- ✓ Reduced number of unprofitable markets by **68%**



Reduced run-rate expenses



Simplified the business

-32%

reduction in products

-48%

reduction in SKUs

+60%

increase in volume per
sales model

Reduced
complexity



Drove consumer-centric actions

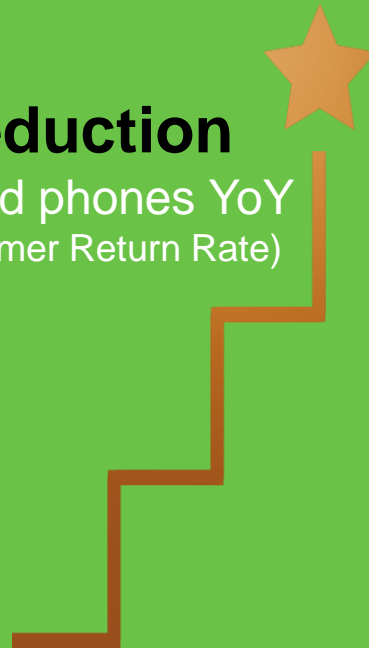
Reinvigorated
focus on the
consumer

Customer satisfaction

Embedded Net Promoter Score (NPS) measures in everything we do across product life cycle

Quality

15% reduction
in returned phones YoY
(Total Customer Return Rate)



Service



30% improvement
in our ability to solve
issues in first attempt
by technical support
YoY (First-time resolution)

Retention



15% improvement
in monthly active
users

MBG's turnaround: record-setting performance

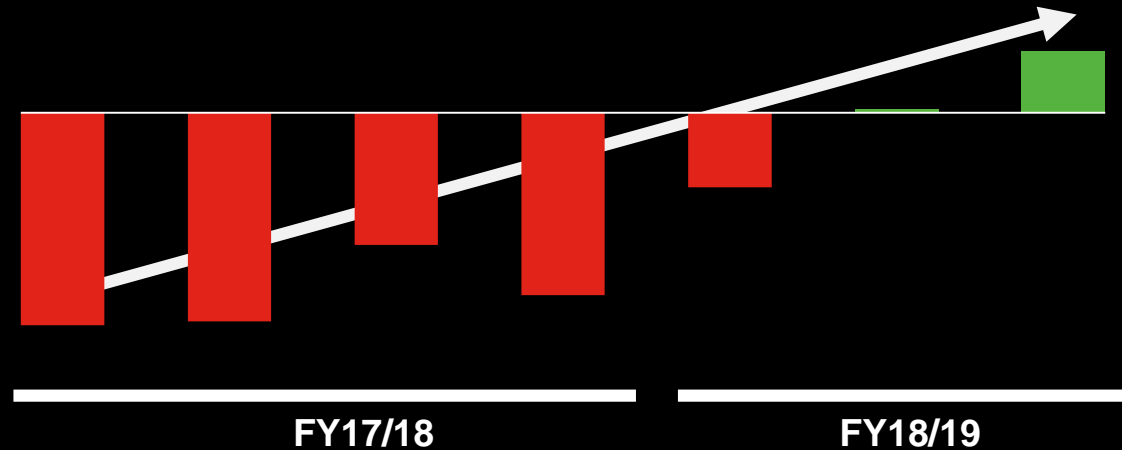


2 consecutive quarters of profitability in ROW



Profitable worldwide for the 1st time since 2015

MBG operational profitability by Quarter



We are ready to drive profitable growth

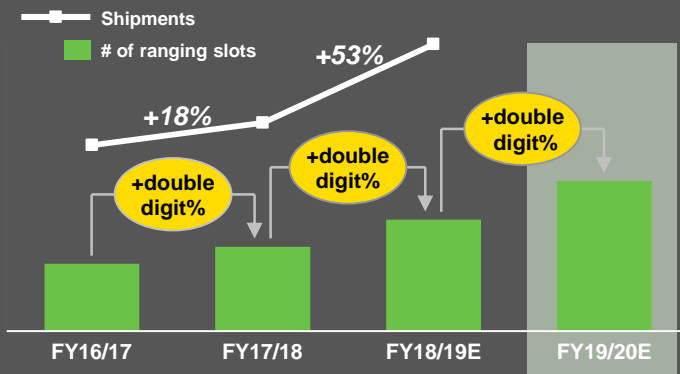
- 1 Protect & strengthen our core markets; reignite growth in emerging markets
- 2 Strengthen & broaden position with 2019 portfolio
- 3 Further capture Group synergies to expand RTM and increase cost benefits
- 4 Expand non-device monetization & underleveraged channels
- 5 Lead in next wave of innovation with 5G

Protect & strengthen our core markets

North America

-  Continue expanded ranging
-  Focus on NPI execution
-  Drive innovation we can monetize

Shipments and ranging in NA



Latin America

-  Protect strong position in core/large markets against new entrants
-  Expand footprint in smaller, fragmented markets
-  Invest to grow while protecting profitability

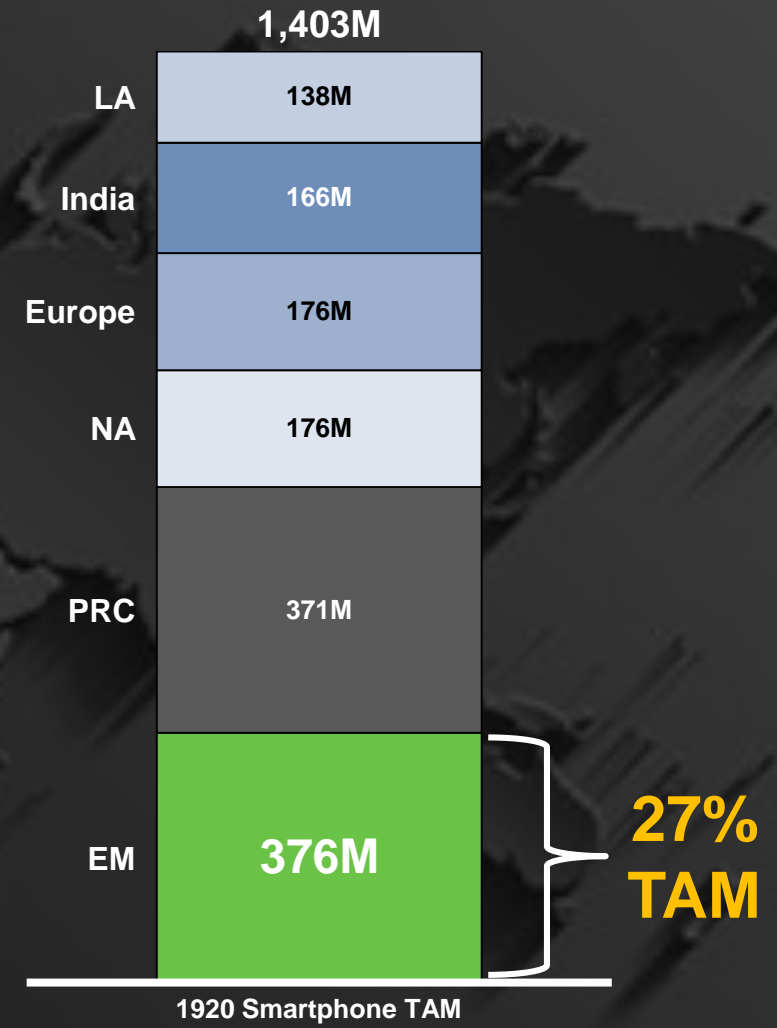
Europe

-  Focused investment in select markets
-  Play heavily in mid-tier; leveraging halo products
-  Accelerate e-commerce and b2b opportunities

Reignite growth in emerging markets

- Focus on targeted EM countries
- Use new product approaches
- Leverage scope of PC business
- Leverage the strengths of Lenovo and Motorola brands

Lenovo™



Strengthen & broaden position with 2019 portfolio

Product franchises to address consumer needs


consumer
needs


value
proposition

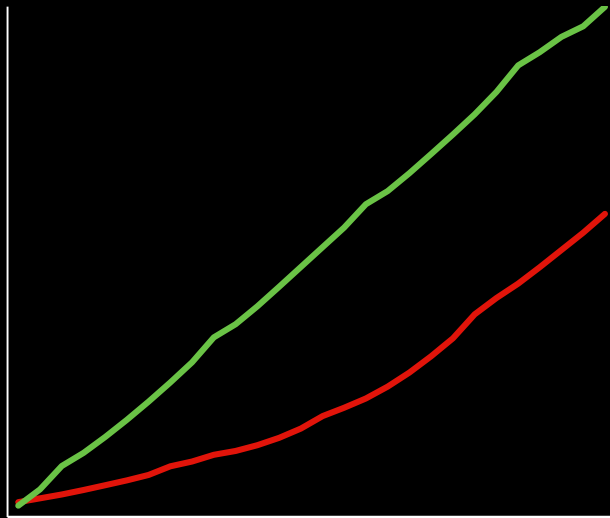
	motoz	motorolaone	motog	Lenovo	motoe
consumer needs	Latest innovations Performance Advanced features	Unique design Innovative features Performance	Premium features at an affordable price Design Performance	High specs in the tier Performance	Performance Essential features at a low price
value proposition	Flagship experience and innovation	Unexpected combination of style and leading technology	Premium for all	Smart way to connect with your vibrant world	Quality and trusted essentials

Strengthen & broaden position with 2019 portfolio

Strong momentum in moto g franchise

motog⁷
FAMILY

Global moto g7 activations versus g6



— 6th Gen — 7th Gen

Note: First 30 days of launch



Strengthen & broaden position with 2019 portfolio

a new product family



motorolaone

New platform to address time to market for latest technology

Address unique consumer segments

Positive feedback for upcoming launches

androidone

Strengthen & broaden position with 2019 portfolio

Leading in innovation

motoZ³

world's 1st 5G-upgradable
smartphone

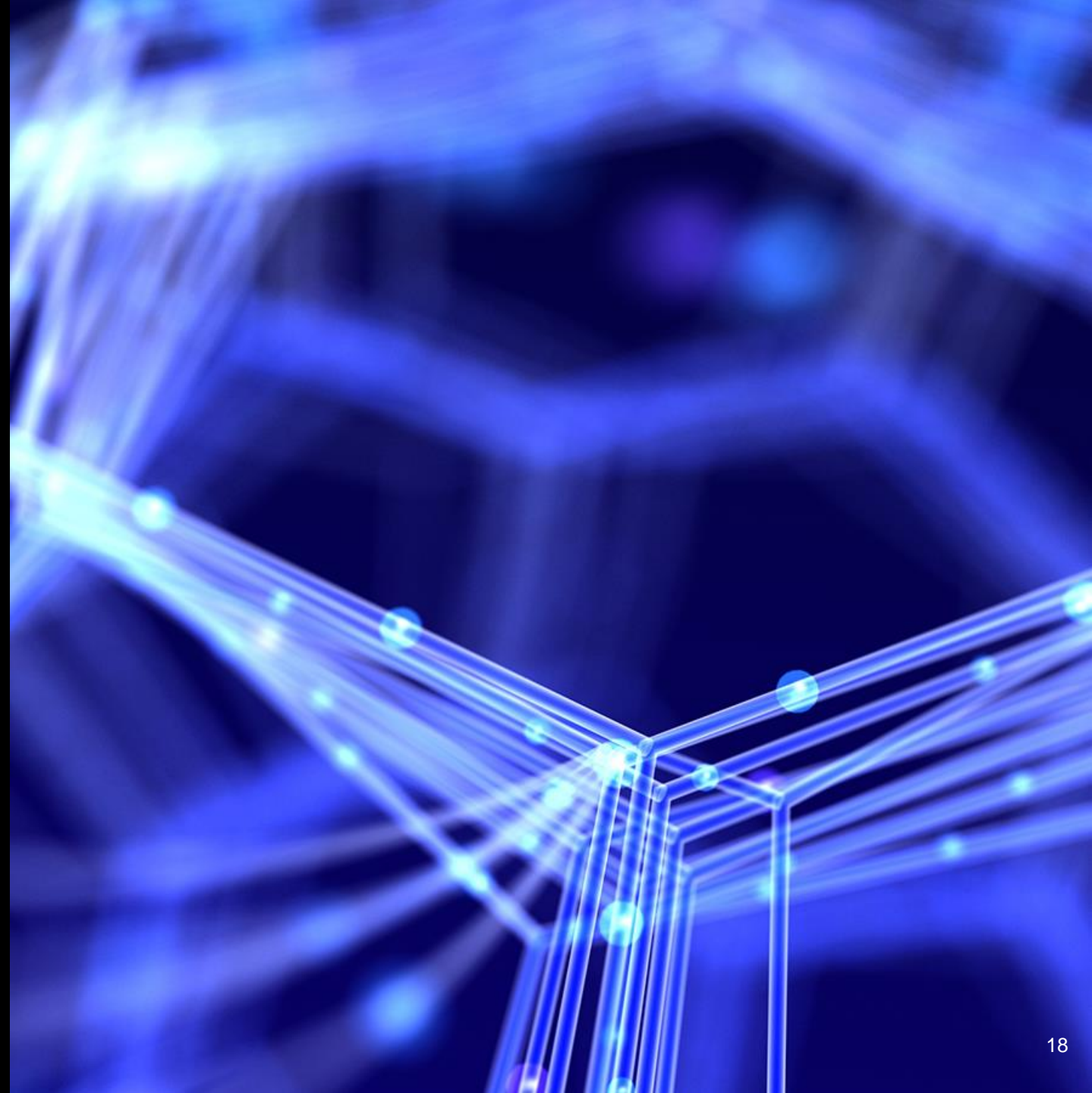
5G mod available on pre-sale!



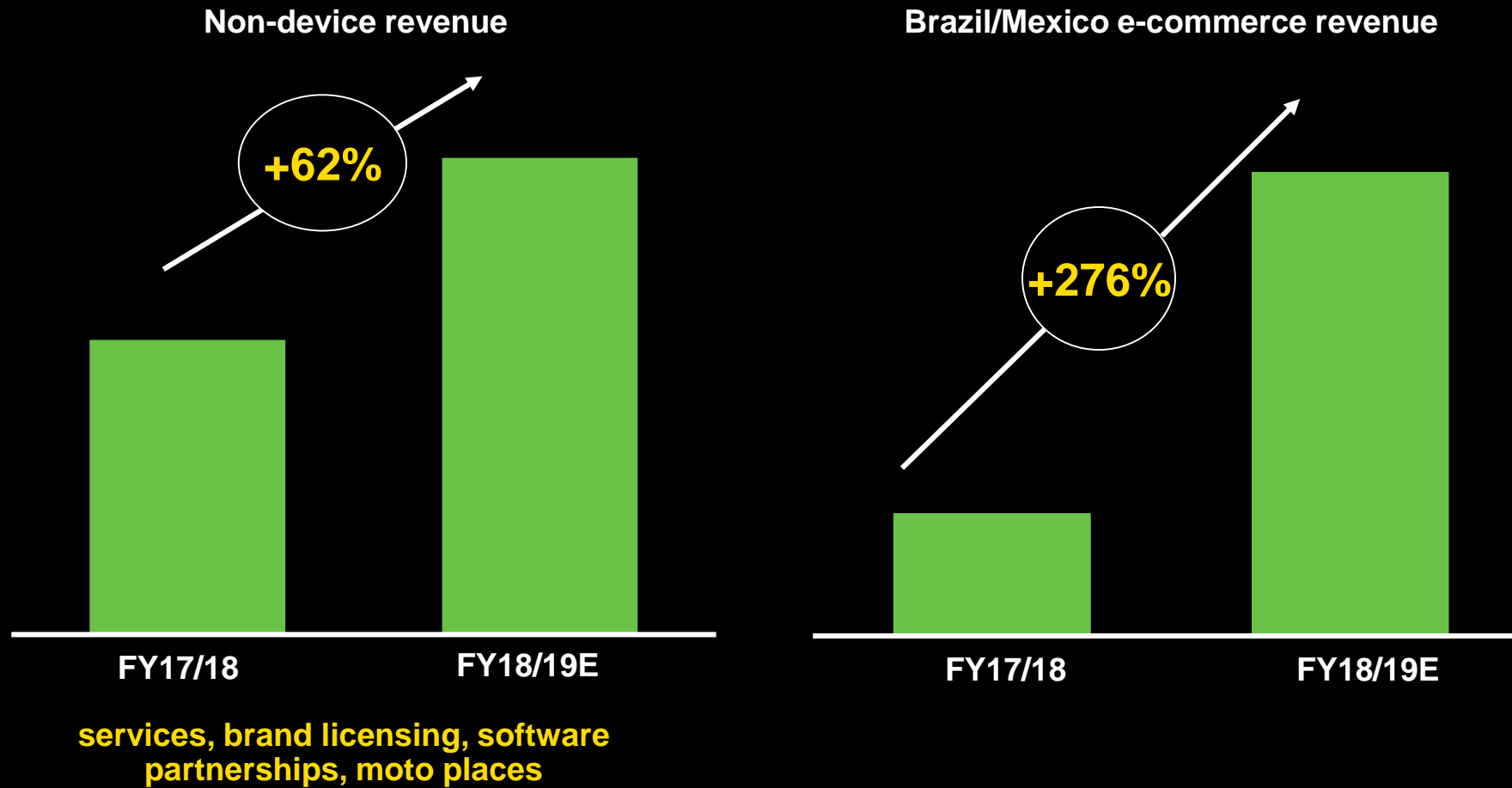
Further capture synergies

Capture more cost benefits from supply chain

Expand routes to markets: B2B and PC consumer channel



Expand non-device monetization & under-leveraged channels



Lead in next wave of innovation

1st in the 5G race

1st 5G product with FCC approval!

1st 5G phone to be sold in the market!

Strong partnerships with Verizon,
Qualcomm & more

We are a technical leader with outstanding
antenna engineers who have led industry shifts
from 1G to 5G



We are ready to drive profitable growth...

continue our strong momentum

build growth in core markets & reignite growth in emerging markets

expand non-device monetization & under-leveraged channels

further capture Group synergies to expand routes to market & increase cost benefits from supply chain

be a leader in the next wave of innovation

thanks.

