

# VIDEO COLLABORATION

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GM, Video Collaboration

# FORWARD-LOOKING STATEMENTS

This presentation includes **forward-looking statements** within the meaning of the U.S. federal securities laws, including, without limitation, statements regarding: projected fiscal year 2018 sales, sales growth, strategic growth, operating income, gross profit, gross margin, operating expenses, earnings growth, acquisitions, dividends and stock buybacks, product market trends, opportunities and potential growth, product category strategies, projected fiscal year 2018 sales, sales growth and annual run rate by product category, product category market share and leadership, competitive advantages, product innovation, earnings per share roadmap, operating margin target, new market opportunities, new channels, stock price, value creation, long term business model (including sales growth, sales growth by product category, gross margin, operating expenses, operating margin, cash from operations and capital allocation), product category expectations, resource allocation and investments, and fiscal year 2019 sales growth and operating income outlook and related assumptions. These statements are subject to risks and uncertainties that may cause actual results and events to differ materially, including without limitation: if our product offerings, marketing activities and investment prioritization decisions do not result in the sales, profitability or profitability growth we expect, or when we expect it; if we fail to innovate and develop new products in a timely and cost-effective manner for our new and existing product categories; if we do not successfully execute on our growth opportunities or our growth opportunities are more limited than we expect; the effect of pricing, product, marketing and other initiatives by our competitors, and our reaction to them, on our sales, gross margins and profitability; if our products and marketing strategies fail to separate our products from competitors' products; if we are not able to maintain and enhance our brands; if we do not fully realize our goals to lower our costs and improve our operating leverage; if there is a deterioration of business and economic conditions in one or more of our sales regions or product categories, or significant fluctuations in exchange rates; the effect of changes to our effective income tax rates. These and other risks and uncertainties are detailed in Logitech's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended March 31, 2017 and our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2017, available at www.sec.gov, under the caption Risk Factors and elsewhere. Logitech does not undertake any obligation to update any forward-looking statements to reflect new information or events or circumstances occurring after the date of this presentation.

To facilitate comparisons to Logitech's historical results, we have included **non-GAAP adjusted measures** in this presentation, which exclude primarily share-based compensation expense, amortization of intangible assets, purchase accounting effect on inventory, acquisition-related costs, change in fair value of contingent consideration for business acquisition, restructuring charges (credits), gain (loss) on investments in privately held companies, investigation and related expenses, non-GAAP income tax adjustment, and other items detailed under "Supplemental Financial Information" in our quarterly earnings press release and posted to our website at http://ir.logitech.com. Historical GAAP and corresponding non-GAAP measures are provided with our earnings releases and presentations in the Investors section of our website. We also present percentage sales growth in constant currency ("CC") to show performance unaffected by fluctuations in currency exchange rates. Percentage sales growth in constant currency is calculated by translating prior period sales in each local currency at the current period's average exchange rate for that currency and comparing that to current period sales. Logitech believes this information will help investors to evaluate its current period performance, outlook and trends in its business. For historical financials provided in this presentation, reconciliation between non-GAAP amounts and GAAP amounts is provided on the Investors page of our website, together with this presentation and with our earnings releases. With respect to financial outlook and projections, most of the excluded amounts pertain to events that have not yet occurred and are not currently possible to estimate with a reasonable degree of accuracy. Therefore, no reconciliation to GAAP amounts has been provided for non-GAAP outlook or projections.

# WHO WE ARE



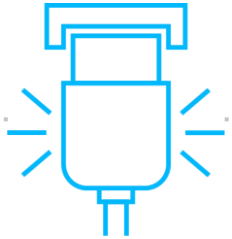

**#1 worldwide** market share in webcams




**#1 worldwide** market share in conference room cameras



**40+ partners** to provide complete solutions



**Plug-and-play** hardware

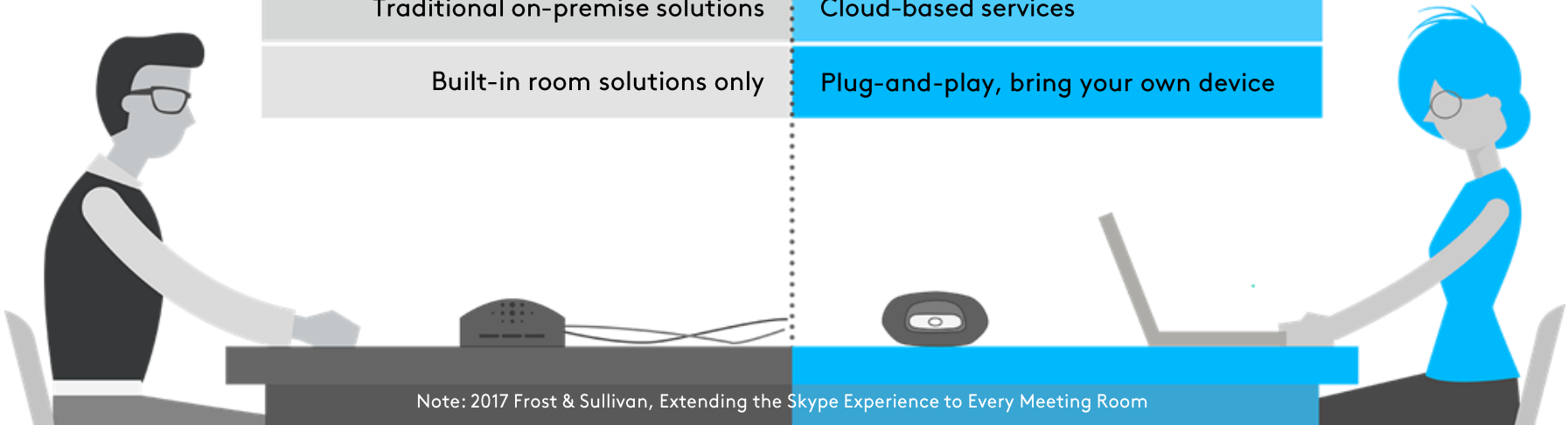


**Enterprise-class** products priced for mass deployment

Note: Market share data are from NPD, GfK, and Wainhouse.

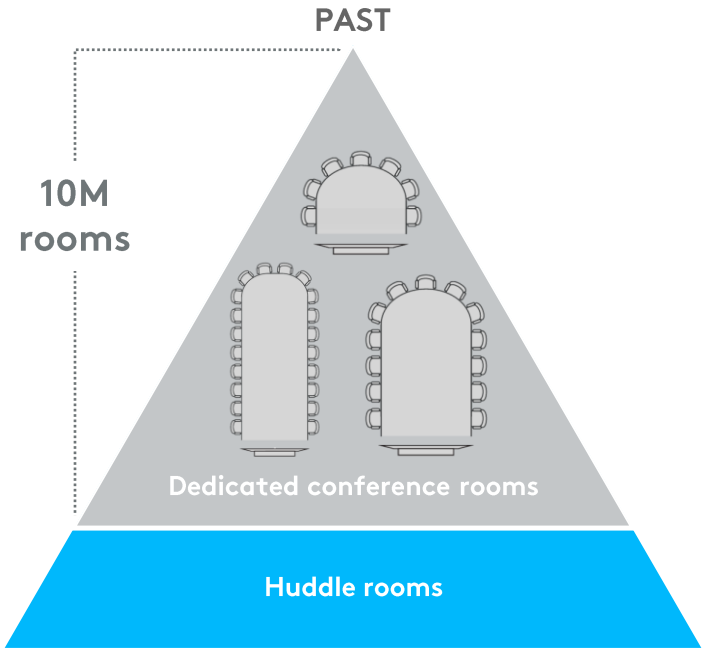
# COLLABORATION = CHANGING WORKSPACES

| BEFORE | NOW |
| --- | --- |
| Dedicated conference rooms | Huddle rooms and open spaces |
| Wait to get the team together | Anywhere, anytime video collaboration |
| Conventional communication platforms | Multimodal communication platforms |
| Traditional on-premise solutions | Cloud-based services |
| Built-in room solutions only | Plug-and-play, bring your own device |



Note: 2017 Frost & Sullivan, Extending the Skype Experience to Every Meeting Room

# MARKET MOVES TO HUDDLE ROOMS




Note: Frost & Sullivan June 2016

# MARKET MOVES TO HUDDLE ROOMS

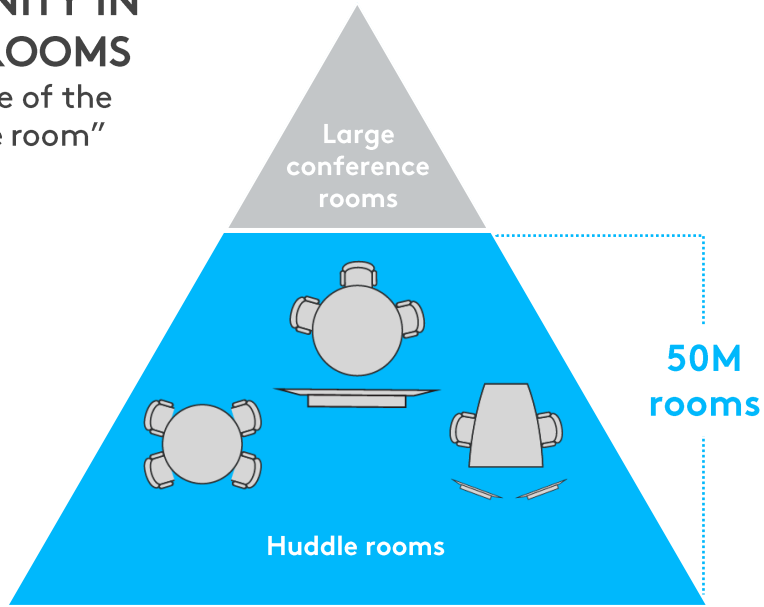
PAST

10M rooms

**GROWTH OPPORTUNITY IN HUDDLE ROOMS**

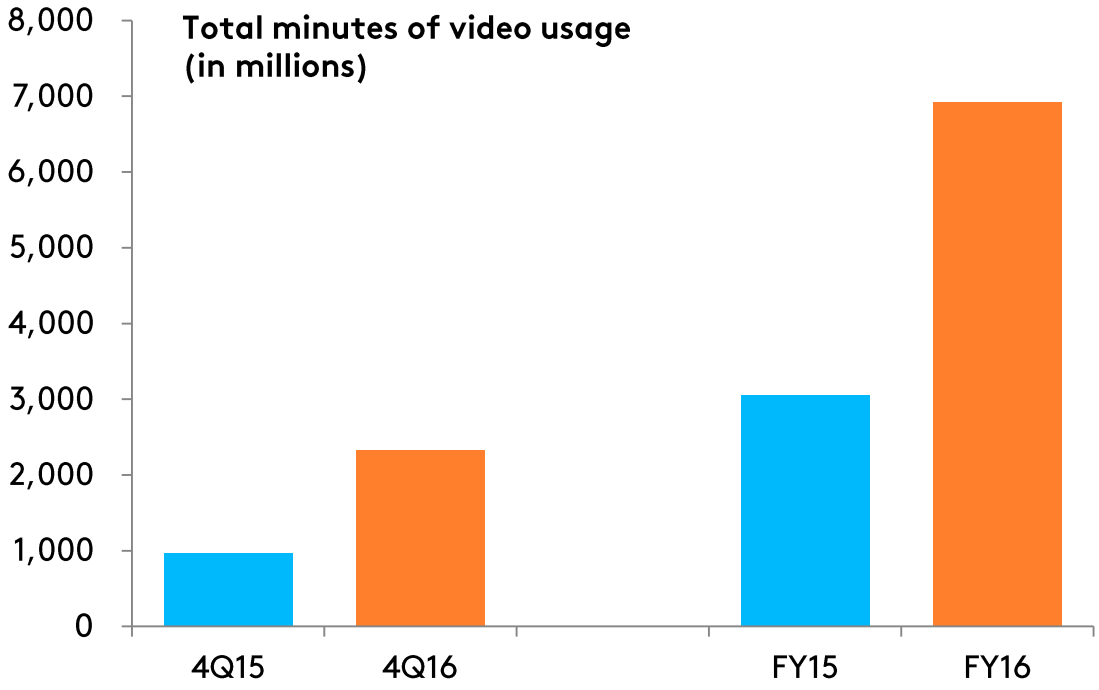
Think outside of the "conference room"

FUTURE




Note: Frost & Sullivan June 2016

# SIGNIFICANT GROWTH IN CLOUD VIDEO USAGE




**4Q16 YoY growth:**
**+140%**

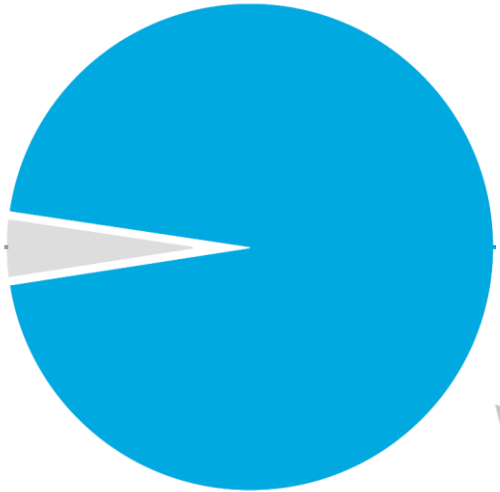
**FY16 YoY growth:**
**+127%**

Note: Wainhouse Research, VCaaS by the Numbers, March 2017

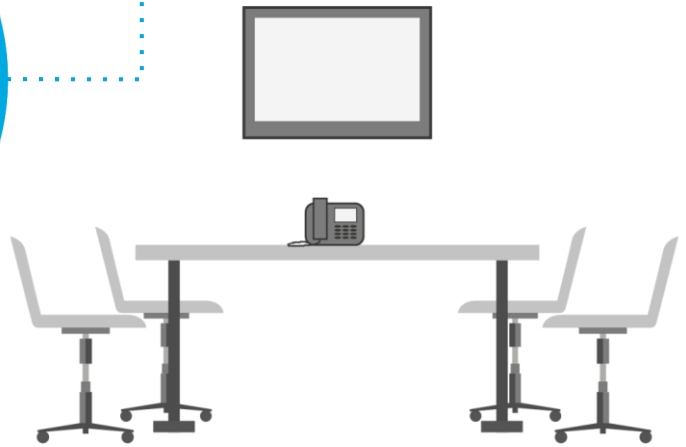
# GREAT POTENTIAL FOR MARKET GROWTH

**2.5%**
Video-equipped





**97.5%**
Display and/or voice-only



Note: Skype for Business



*“A computer on every desk and in every home.”*

Bill Gates
Microsoft chairman and CEO, 1980



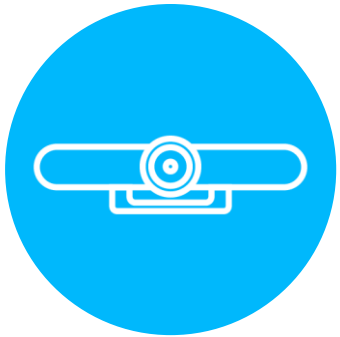
*“A camera and speakerphone in every conference room.”*

Scott Wharton
GM, Video Collaboration


is the first letter of the alphabet
there are twenty-five more
the chicago public library has all of them
in some very interesting combinations

# HOW WE WIN

# A WINNING STRATEGY



Focus on
core products



Align with
partners



Create
awareness



High-touch
sales & marketing

# A SOLUTION FOR EVERY ROOM

## HUDDLE/SMALL ROOMS





## MEDIUM-SIZED ROOMS





## LARGE/BOARDROOMS





# EXAMPLE – LOGITECH MEETUP







See everyone
in the room



Acoustics designed specifically
for small conference rooms



Easy to install with
an all-in-one design

# SEE EVERYONE – EVEN SEATS CLOSE TO THE SCREEN

78º field-of-view

90º field-of-view

120º field-of-view




**MeetUp**

# ENGAGING WITH NUMEROUS PARTNERS ...

## STRATEGIC PARTNERS

Microsoft zoom Google

## CLOUD VIDEO

BlueJeans

cisco broadsoft

fuze StarLeaf

Vidyo UNIFY

VSee

## PC ECOSYSTEM

hp DELL Lenovo

ais Subsidiary of Ennoconn intel

ASUS quicklaunch

## AV & DESIGN

BARCO biamp.

HermanMiller Extron

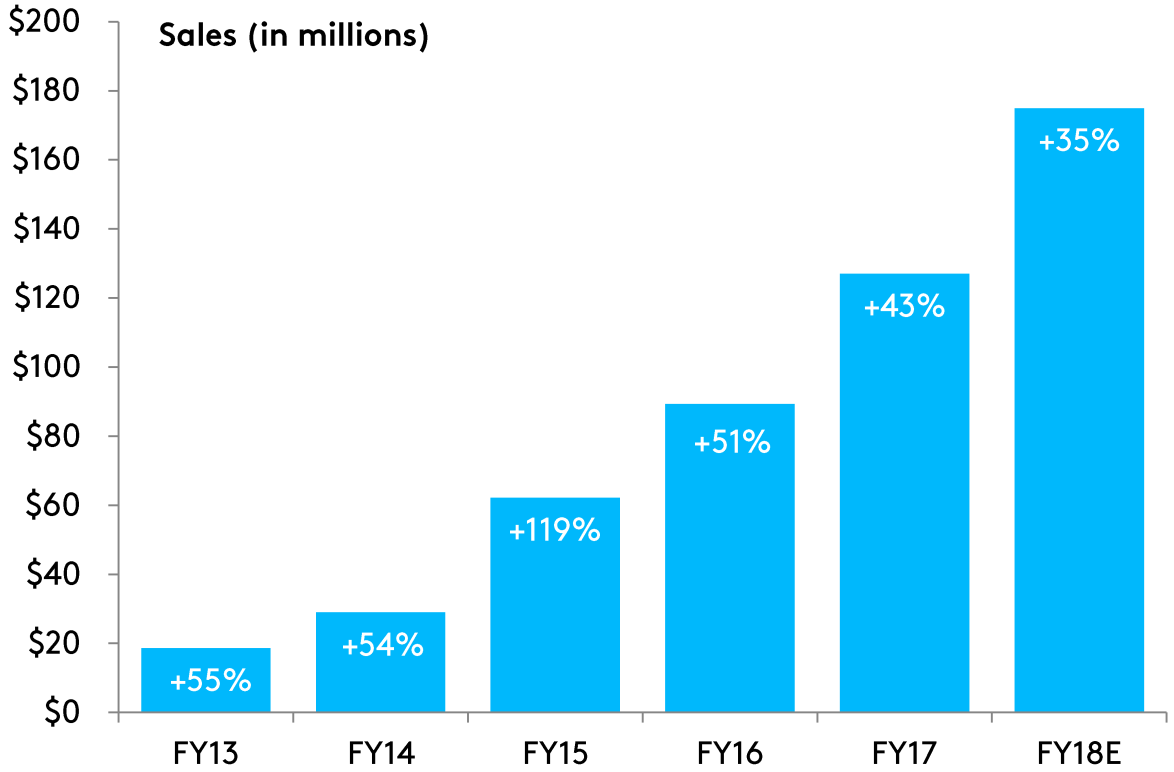
RICOH SMART

SHARP ViewSonic

# ... AND BUILDING ENTERPRISE SALES ...

| Startup | logitech | Conglomerate |
| --- | --- | --- |
|  |  |  |
| SMALL NUMBER OF VC SPECIALISTS | GLOBAL TEAM OF COLLABORATION SPECIALISTS | SALES GENERALISTS |

# … TO DRIVE VC SALES RUN-RATE TO NEARLY $200M




Note: Based on mid-point of FY18E non-GAAP outlook. Comparisons are YoY and in constant currency.

# LEADING A DYNAMIC GROWTH MARKET




Market leader



Best products,
priced for mass deployment



Partner-focused



Global availability


logitech