

Vincent Pilette

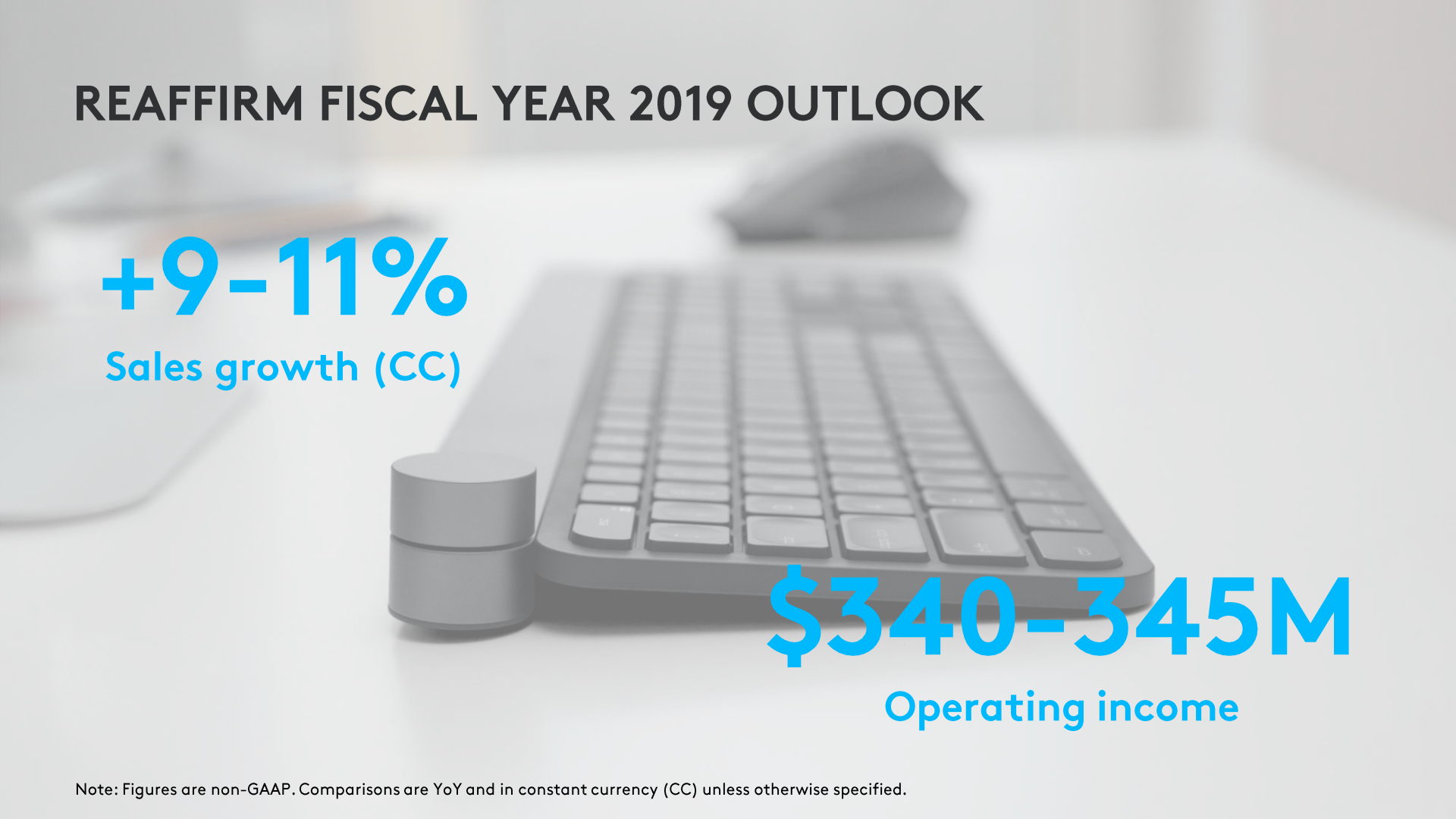
CFO

FORWARD-LOOKING STATEMENTS & NON-GAAP REPORTING

This presentation includes **forward-looking statements** within the meaning of the U.S. federal securities laws, including, without limitation, statements regarding: fiscal year 2019 sales growth and operating income outlook, retail sales growth, operating margin expansion, operating income growth, gross profit, operating expenses, investments in our business, funding sources for investments, operating income, operating margin, growth expectations by product category, fiscal year 2020 sales growth and operating income outlook and related assumptions, long-term financial model and strategies, capital allocation, acquisitions, dividends, share buybacks, acquisition criteria and strategy, potential by product category, and growth opportunities. 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; changes in trade policies and agreements and the imposition of tariffs that affect our products or operations and our ability to mitigate; risks associated with acquisitions; 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, 2018 and our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2018, 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), loss (gain) 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.

REAFFIRM FISCAL YEAR 2019 OUTLOOK



+9-11%

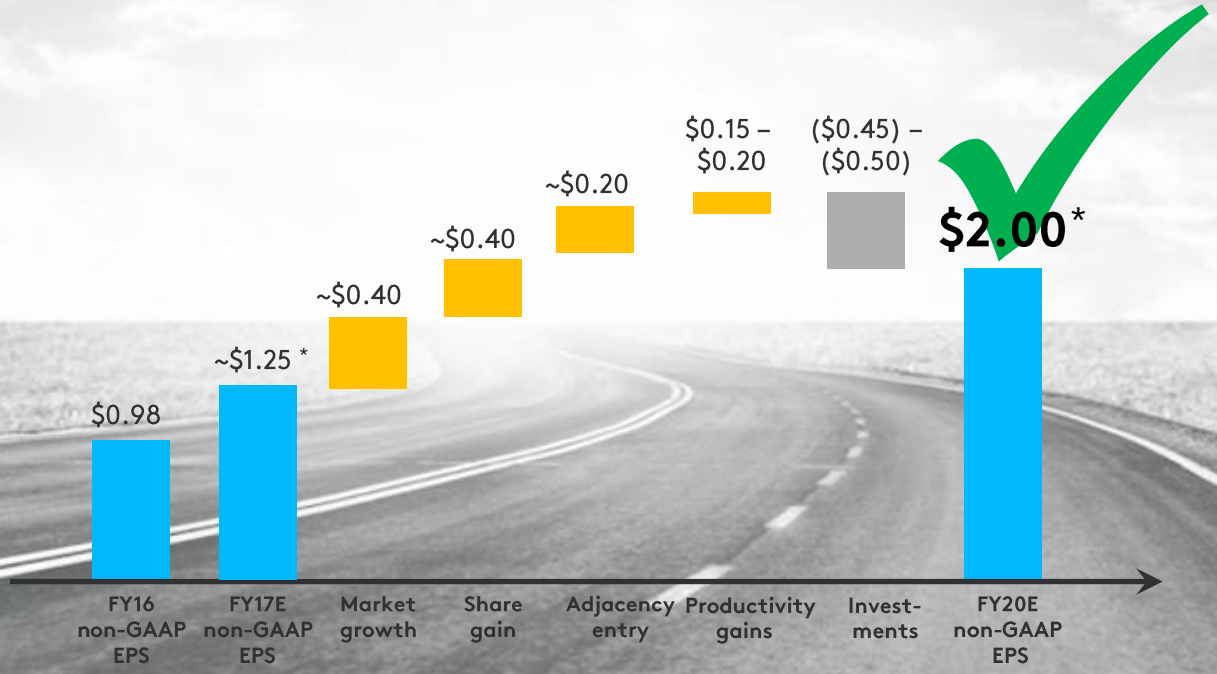
Sales growth (CC)

$340-345M

Operating income

Note: Figures are non-GAAP. Comparisons are YoY and in constant currency (CC) unless otherwise specified.

REMEMBER THIS FROM MARCH 2017?



* Entire EPS bridge given in March 2017, using mid-point of FY17 non-GAAP outlook .
Note: For illustration purposes only

COMPOUNDED THREE YEAR PERFORMANCE



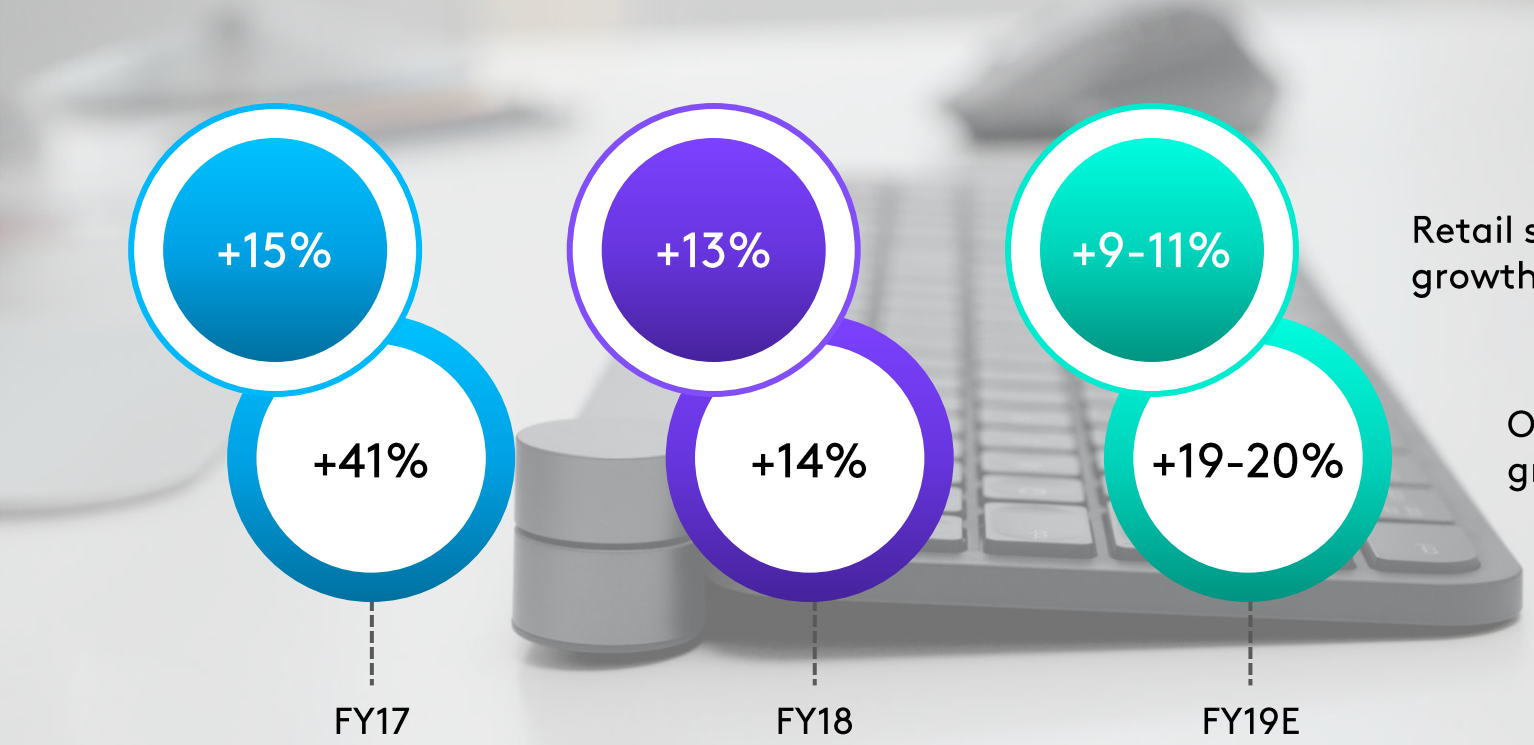
Retail sales
avg CC

Operating margin
expansion

Operating income
CAGR

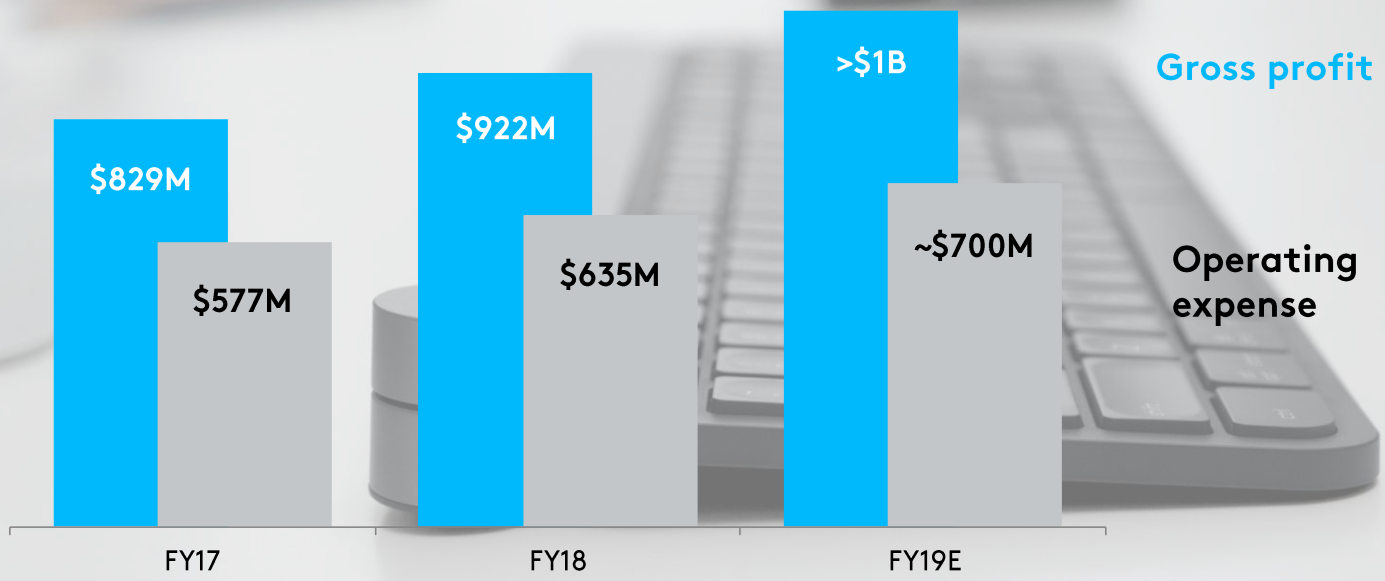
Note: Figures are non-GAAP. Comparisons are YoY and in constant currency unless otherwise specified. Growth is based on a 3-year period ending FY19E. FY19E figures are based on mid-point of guidance.

GROWTH WITH CONSISTENT OPERATING LEVERAGE



Note: Figures are non-GAAP. Comparisons are YoY and in constant currency (CC) unless otherwise specified. FY19E figures are based on current guidance.

GROSS PROFIT OUTGROWING OPEX SPEND



Gross profit CAGR ~15%

Operating expense CAGR ~11%

Non-GAAP gross profit and operating expense

Note: CAGR is based on a 3-year period ending FY19E. FY19E figures are based on mid-point of guidance.

GROSS PROFIT FUNDING INVESTMENTS

Funding sources

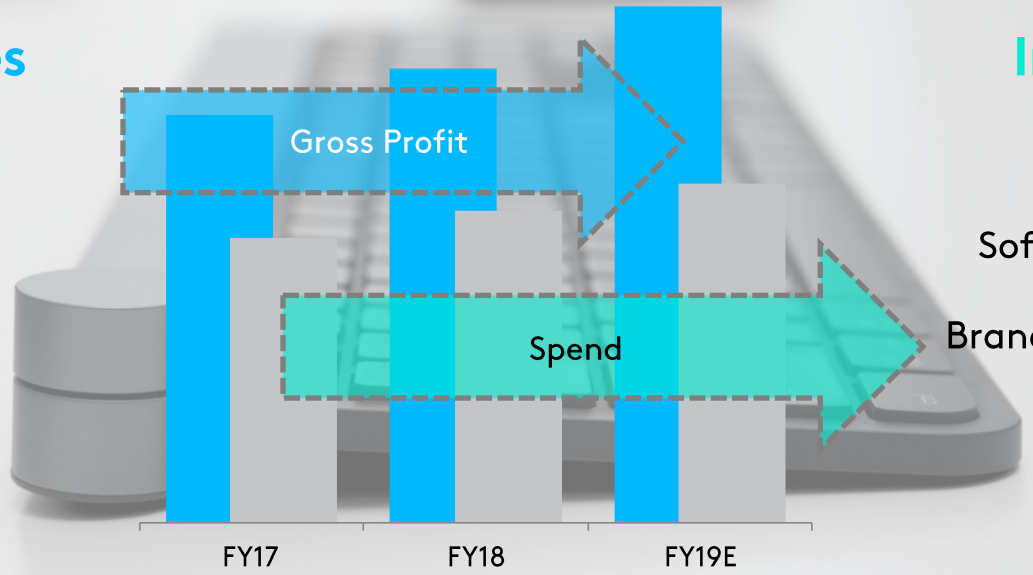
Design for cost

Disciplined promos

Scale and mix

Lower logistics costs

G&A efficiencies



Investments

New products

Software innovation

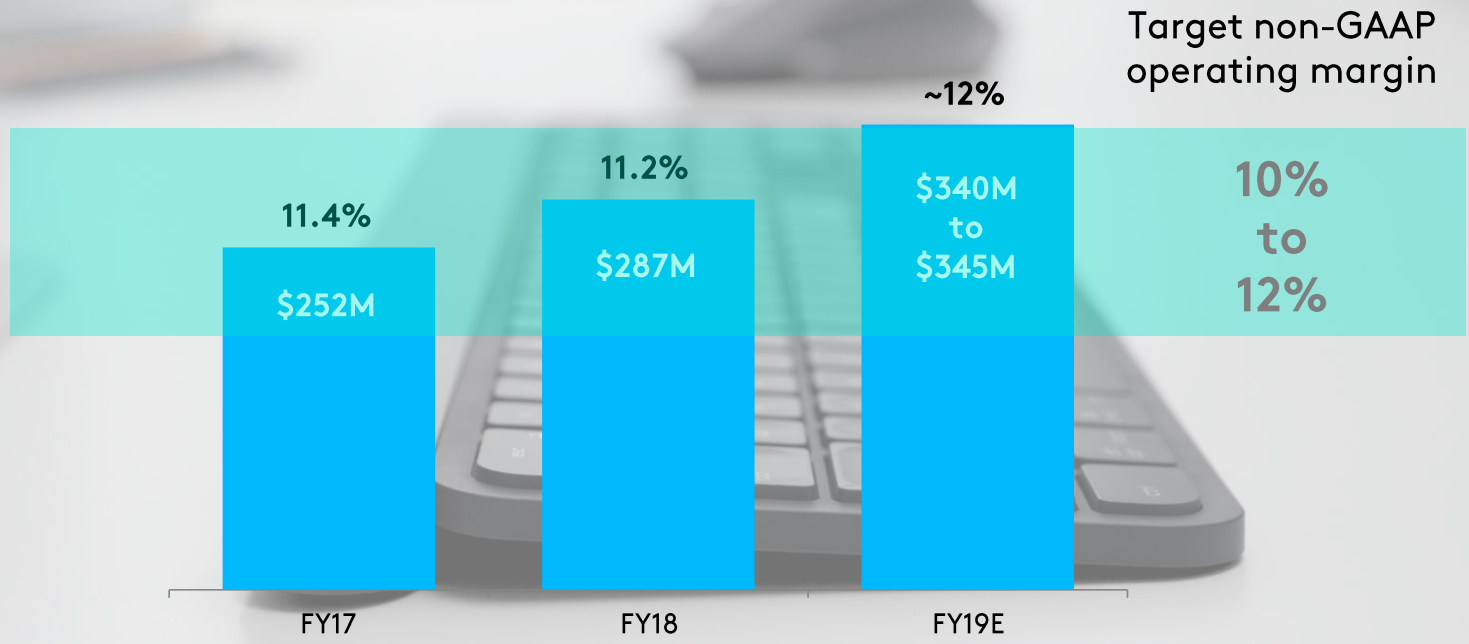
Branding & marketing

Direct sales force

New capabilities

Note: CAGR is based on a 3-year period ending FY19E. FY19E figures are based on mid-point of guidance. Chart is for illustrative purposes only.

OPERATING MARGIN GROWTH



Non-GAAP operating income and margin

Note: FY19E figures are based on mid-point of guidance.



FINANCIAL OUTLOOK

FISCAL YEAR 2020 OUTLOOK

FY 2020 OUTLOOK	
Sales growth (CC)	**Mid- to high-single digits**
Non-GAAP operating income	**$375 – 385M**

ASSUMPTIONS	
Currency	FY 2019 average rates
Non-GAAP effective tax rate	7 - 8%
Cash from operations	1x non-GAAP operating income
Capex	$40 - 50M

Note: CC = constant currency.

FY 2020 GROWTH EXPECTATIONS BY MARKET

CATEGORY OUTLOOK	GROWTH (CC)
Creativity & Productivity	**Low-single digits**
Video Collaboration	**25 - 30%**
Gaming	**15 - 20%**
Music	**Flat to down single digits**
Smart Home	**Too small**

Note: CC = constant currency.

LONG-TERM FINANCIAL MODEL

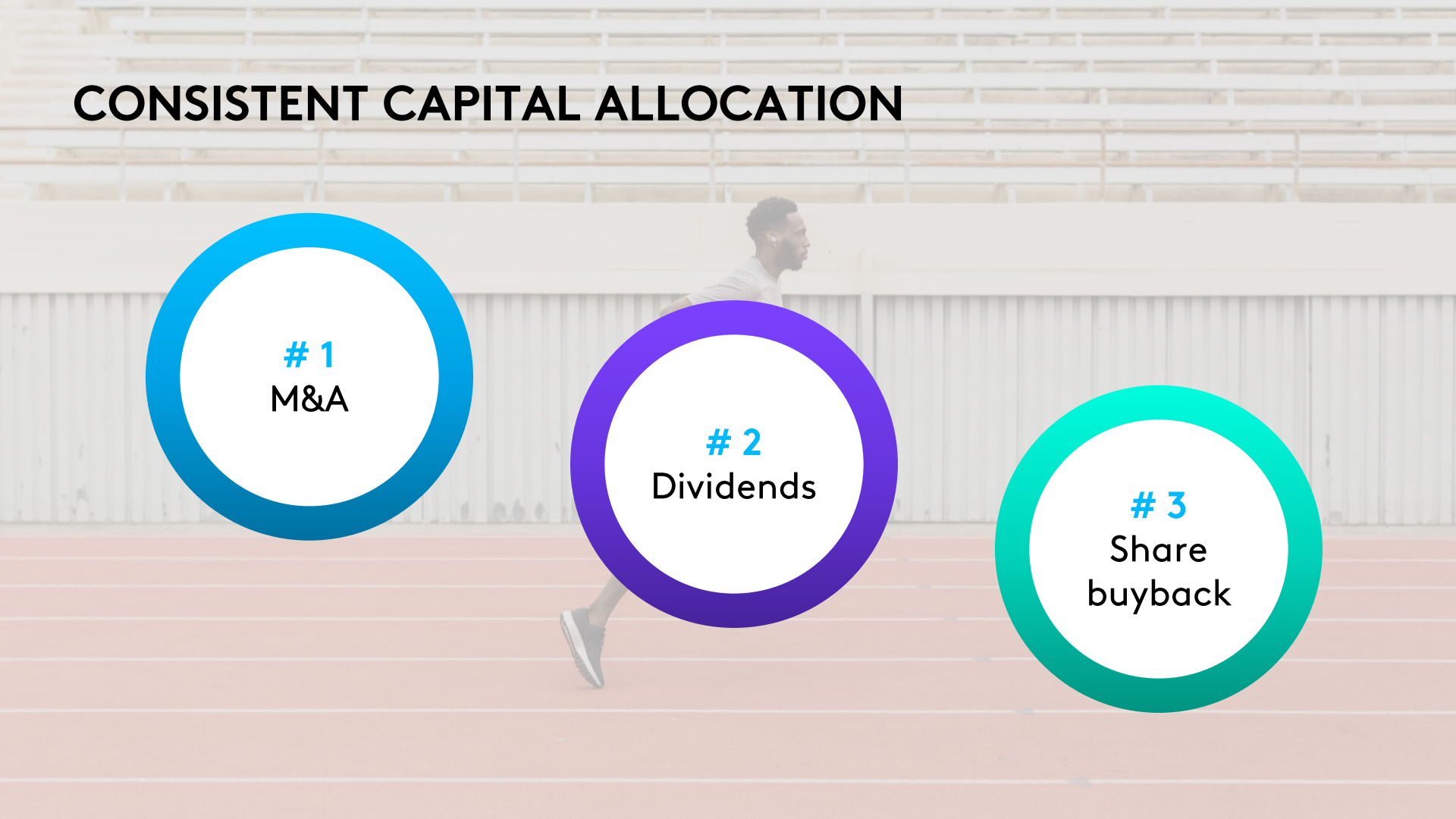
	PRIOR	NEW
Revenues	High-single digits (CC) growth	High-single digits (CC) growth
Gross margin	35 to 37%	36 to 40%
Operating margin	10 to 12%	11 to 14%

Long-term growth prioritized over margin expansion

Brand-driven demand (opex) over promos (GM)

Note: Figures are non-GAAP. CC = constant currency.

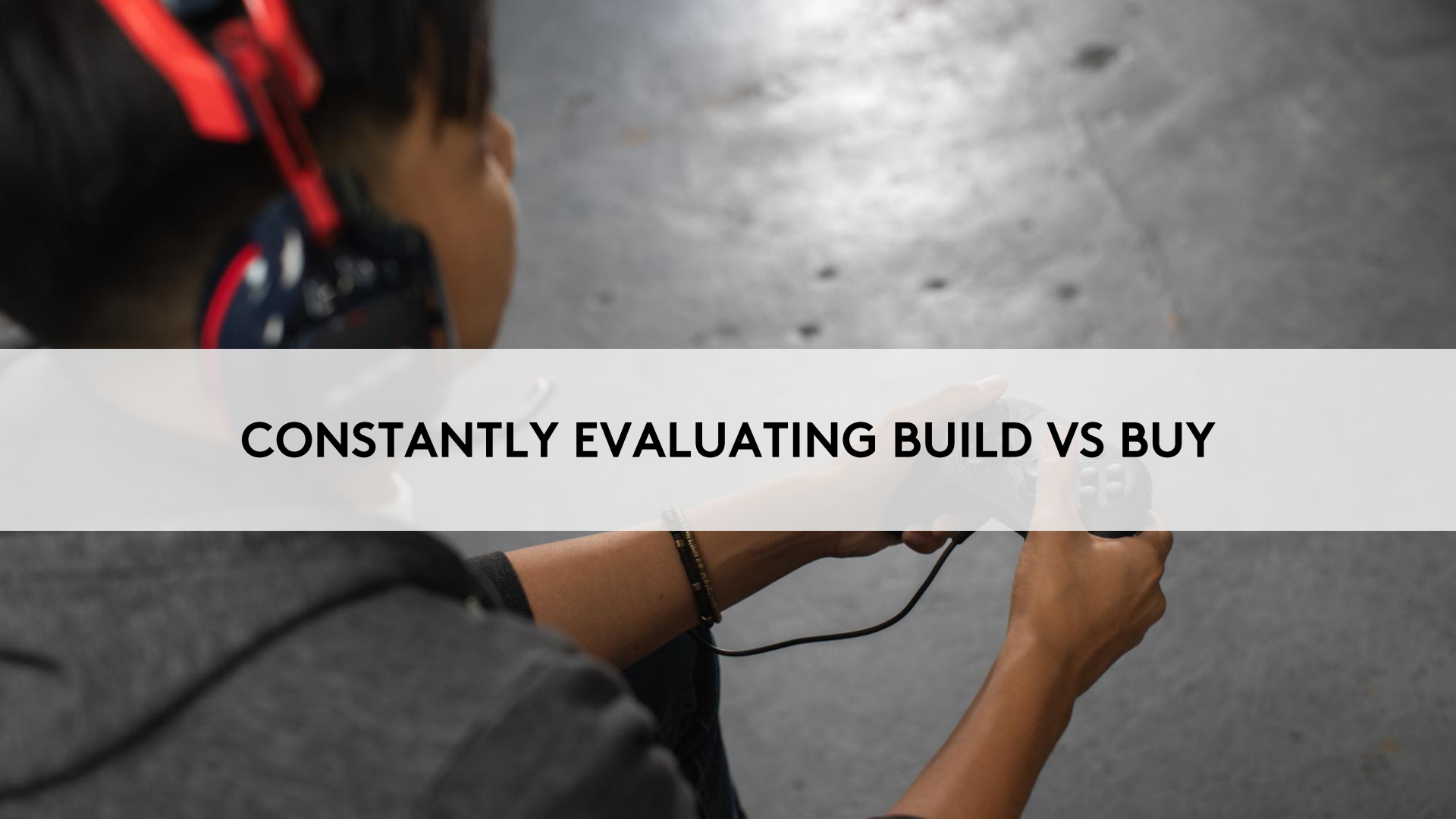
CONSISTENT CAPITAL ALLOCATION



 # 1
M&A

 # 2
Dividends

 # 3
Share buyback

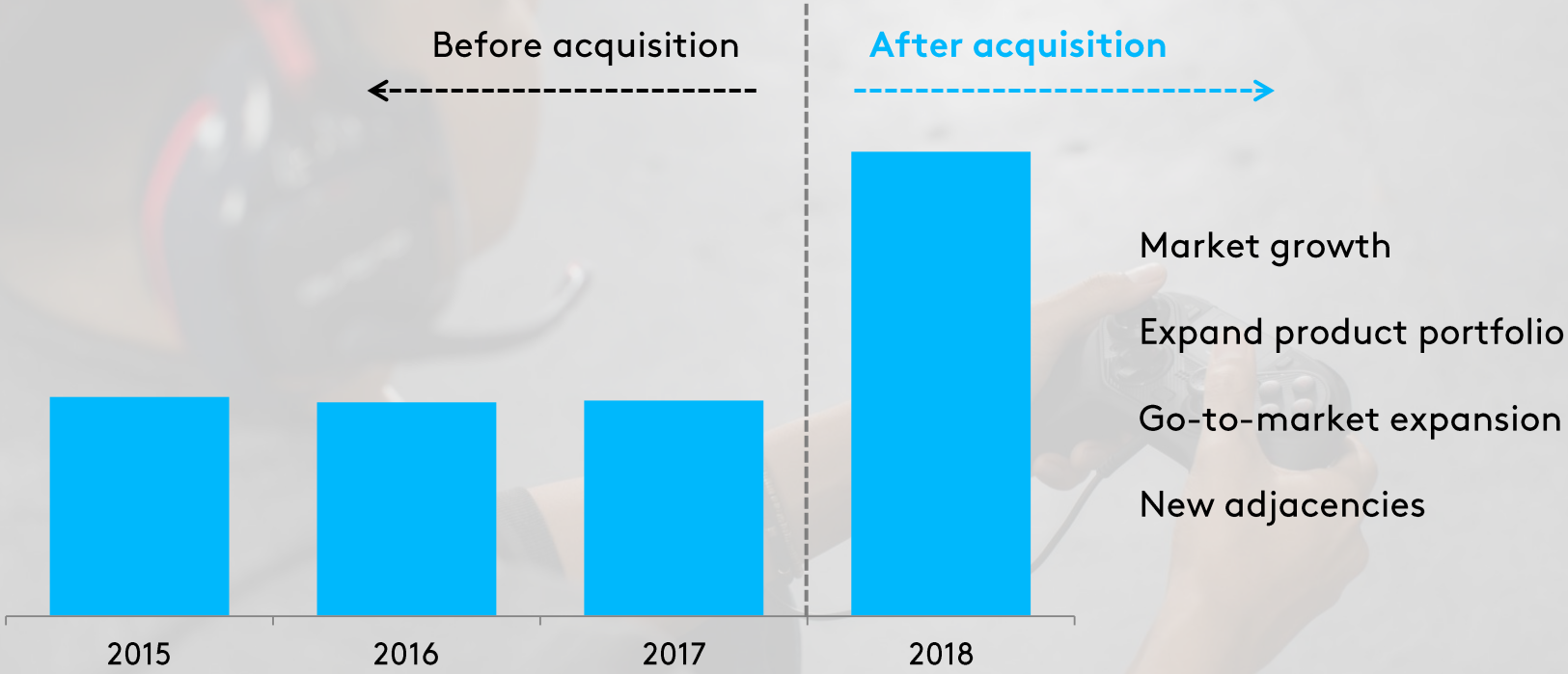


CONSTANTLY EVALUATING BUILD VS BUY

ASTRO GAMING – CASE STUDY

BUILD	BUY
Slower time to market	Faster time to market
Longer time to profitability	Immediately accretive
G not well known in console market	Strong console brand recognition
No need for integration	Time needed for integration
Extend current G brand	Manage another brand
Higher R&D and marketing expenses	Higher upfront capital

RAMPING UP ASTRO SALES



Market growth

Expand product portfolio

Go-to-market expansion

New adjacencies

ACQUISITION CRITERIA

1. **Secular growth**
   Adjacent ponds with secular growth trends

2. **Creates leading cloud peripherals player**
   Serving the user whether they are at home, at work, or on the go

3. **Enhances and leverages key capabilities**
   Core capabilities across Design, Engineering, Go-to-Market, Marketing, and Operations

4. **Scale and synergies to fund growth**
   Reinvest for growth through properly optimizing and achieving cost synergies

5. **Tuck-ins ~~only~~ and large**

What is our potential now?

1

C&P



~$1.5 B

net sales

High-end of range

gross margin

2

gaming



>$1 B

net sales

Within range

gross margin

3

video collaboration



>$1 B

net sales

Above range

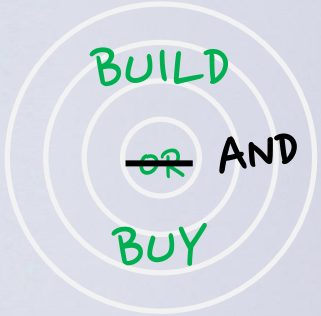
gross margin

4

music

smart home

other cloud-based peripherals



logitech