LOGITECH: DEFY(ING) THE LOGIC OF THE PAST



BRACKEN DARRELL

MARCH 2021

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FORWARD-LOOKING STATEMENTS & NON-GAAP MEASURES

This presentation includes forward-looking statements within the meaning of the U.S. federal securities laws, including, without limitation, statements regarding: long-term structural trends and growth potential, our major category market growth, and our capabilities, innovation, growth opportunities, ability to achieve sustainable and profitable growth, investments for growth, marketing strategy, global expansion, capital allocation, sustainability goals, long-term financial model, fiscal year 2021 outlook, fiscal year 2022 outlook and related assumptions, and headwinds and tailwinds. 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; the COVID-19 pandemic and its potential impact; 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 its Annual Report on Form 10-K for the fiscal year ended March 31, 2020 and its Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2020, 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, acquisition-related costs, change in fair value of contingent consideration for business acquisition, restructuring charges (credits), loss (gain) on investments, 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, 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.

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WE ENABLE PEOPLE TO PURSUE THEIR PASSIONS AND CONNECT TO THE WORLD
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LOGITECH GROWING BEHIND SECULAR TRENDS

- Work spreads from the office to everywhere
- Video calls replace audio calls
- Gaming moves from a niche to becoming the largest spectator and participant sport in the world
- Entertainment shifts from “by big companies” to “by each other” … democratizing content creation



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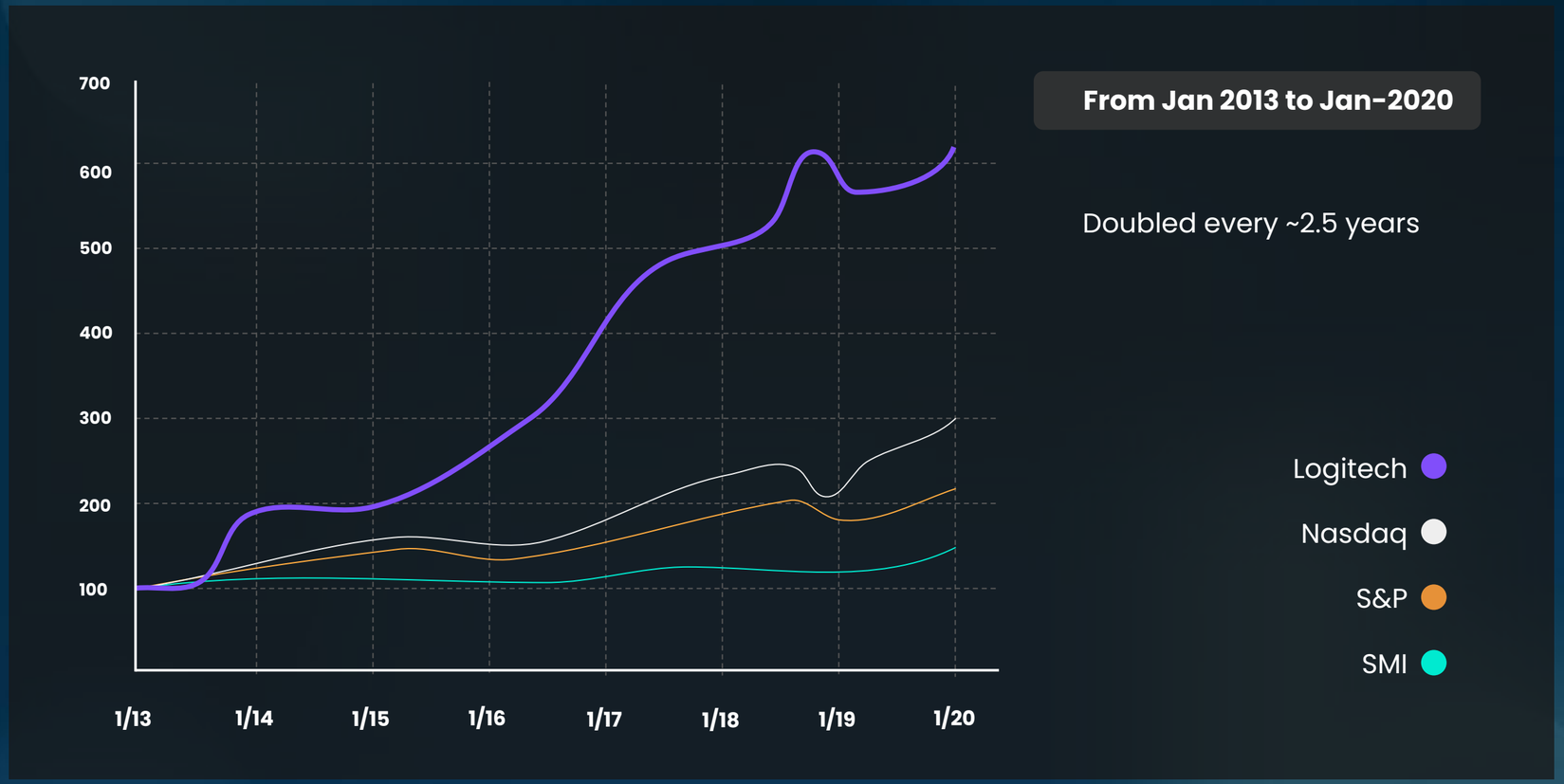
LOGITECH HAS OUTPERFORMED PRIOR TO COVID-19 ...



Note: Chart indexed to 100, with closing prices from Jan 2013 to Jan 2020.

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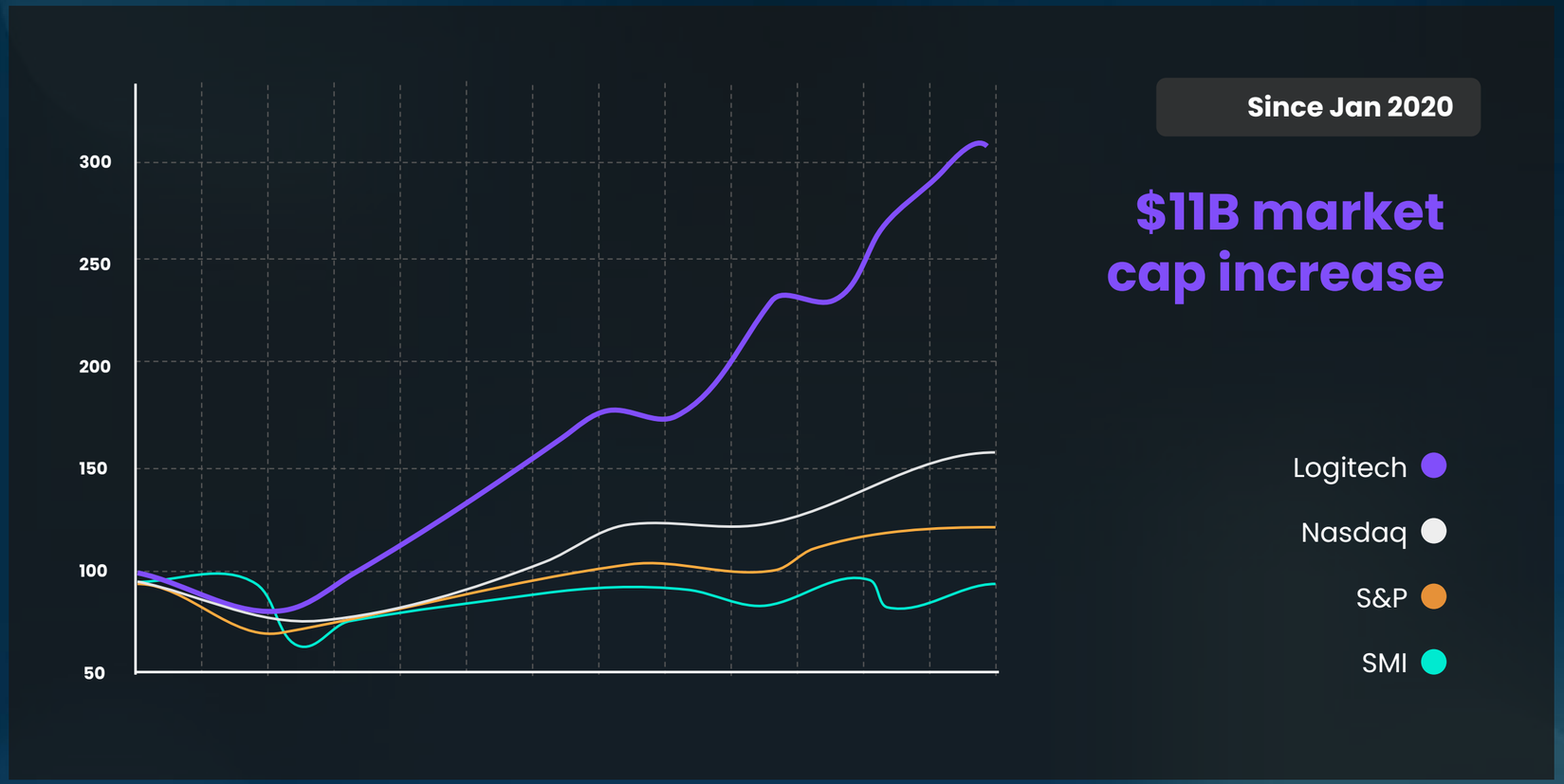
… AND HAS CONTINUED TO OUTPERFORM SINCE COVID-19



Note: Chart indexed to 100, with closing prices from Jan 2020 to February 19, 2021.

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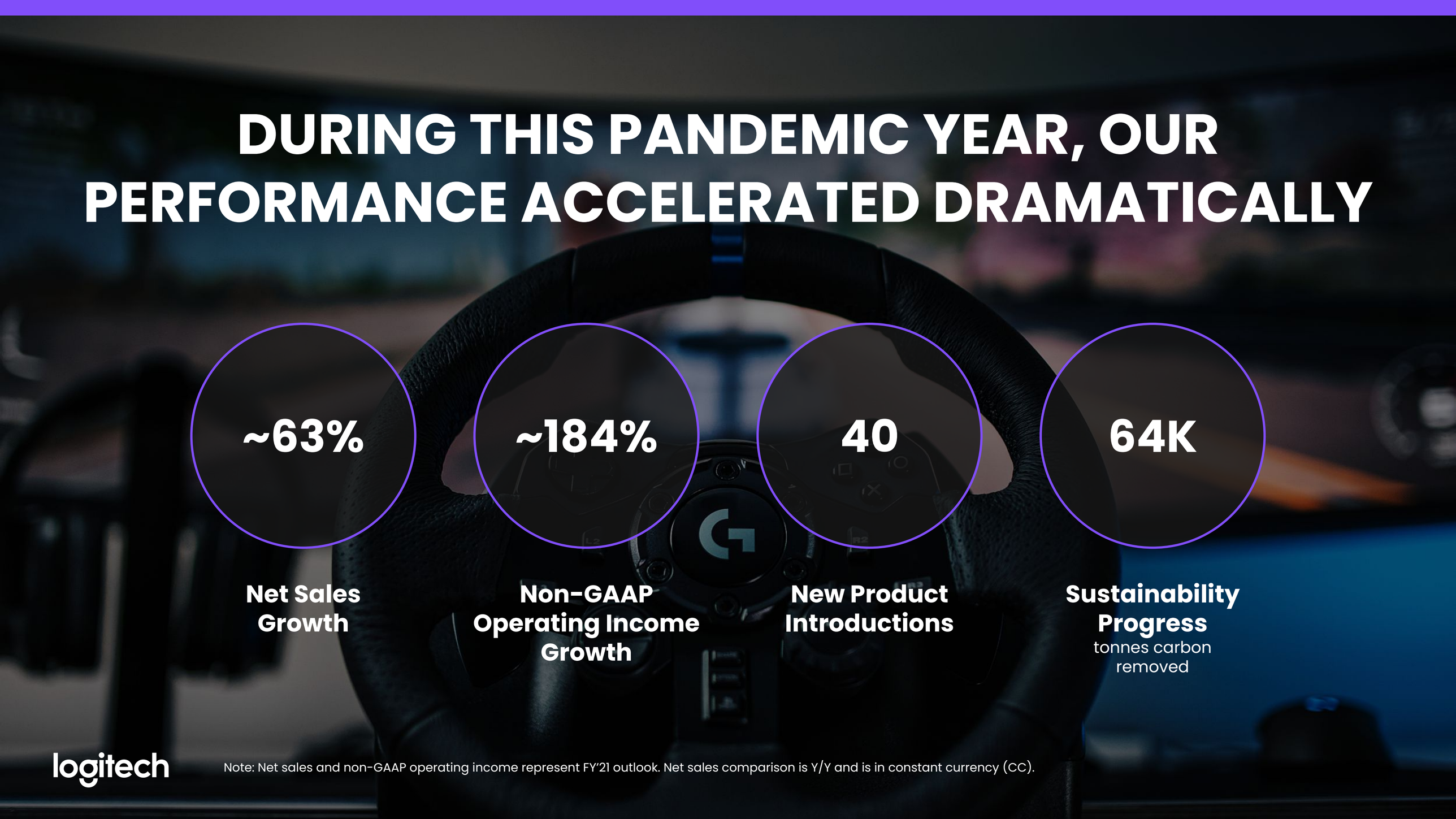
DURING THIS PANDEMIC YEAR, OUR PERFORMANCE ACCELERATED DRAMATICALLY



~63%

Net Sales Growth

~184%

Non-GAAP Operating Income Growth

40

New Product Introductions

64K

Sustainability Progress
tonnes carbon removed

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Note: Net sales and non-GAAP operating income represent FY'21 outlook. Net sales comparison is Y/Y and is in constant currency (CC).


CATEGORIES
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Categories

COVID INCREASED THE LONG-TERM VALUE OF THOSE SECULAR TRENDS

	Pre-COVID	Post-COVID
C&P	Refresh purchase	Upgrade A LOT more workspaces Accelerate upgrade cycle?
Video Collaboration		
Gaming		
Streaming		

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Categories

MOST PEOPLE WILL BECOME HYBRID WORKERS



Avg. percentage of employees WFH 2x/week pre & post COVID-19

+3X	+2X	+3X
23%	26%	17%
67%	57%	51%

Before COVID-19

After COVID-19

Source: Internal Logitech survey (as of July 2020).

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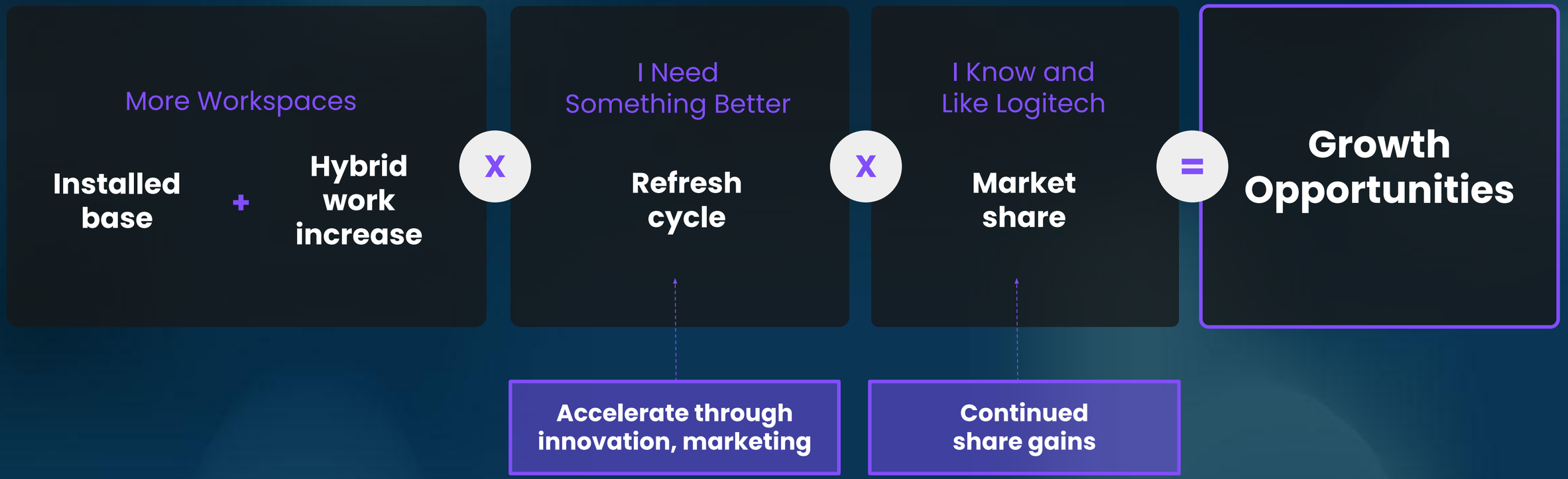
Categories

OUR C&P BUSINESS HAS MULTIPLE GROWTH LEVERS AHEAD



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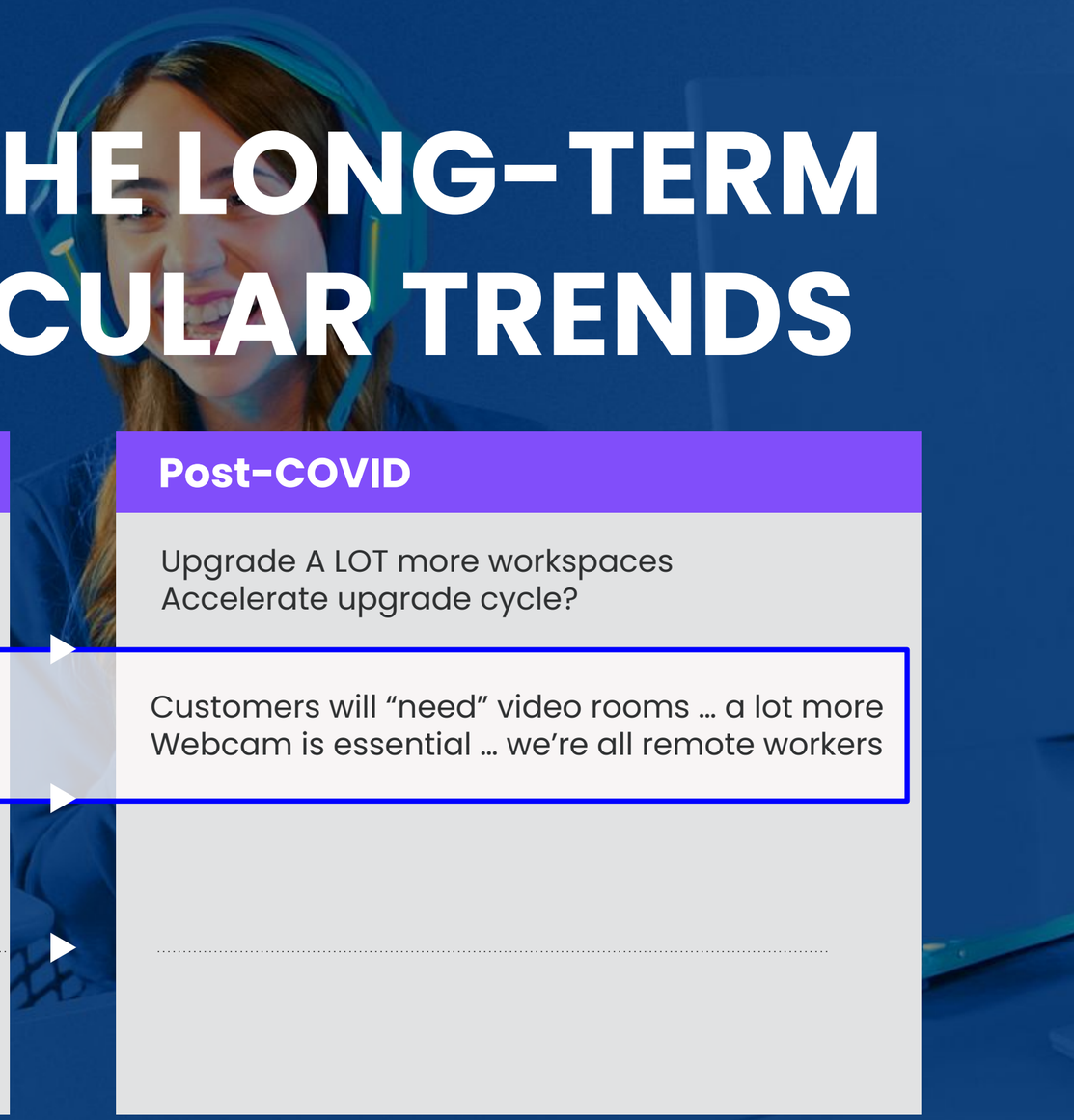

	Pre-COVID	Post-COVID
C&P	Refresh purchase	Upgrade A LOT more workspaces Accelerate upgrade cycle?
Video Collaboration	Customers “wanted” more video rooms Webcam is a niche for the remote worker	Customers will “need” video rooms … a lot more Webcam is essential … we’re all remote workers
Gaming		
Streaming		

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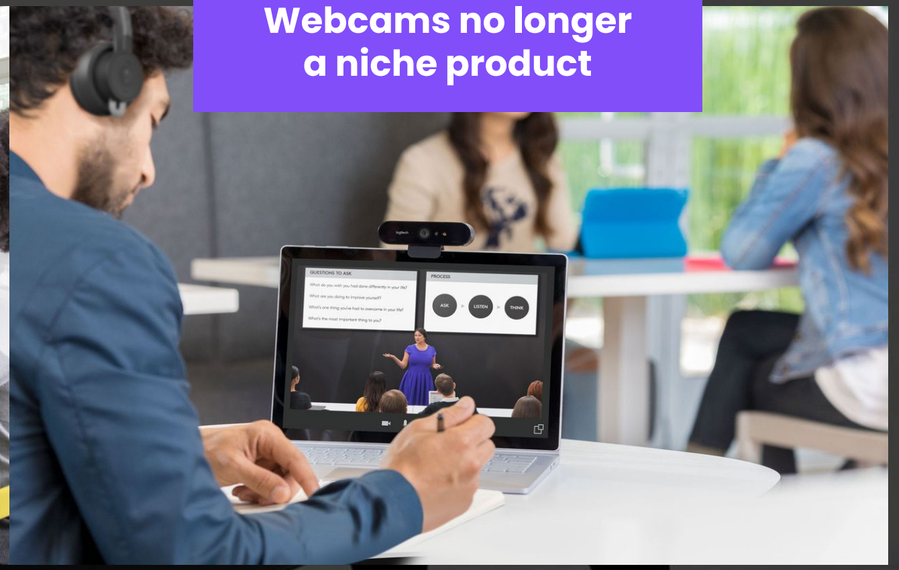
Categories

VIDEO PENETRATION IS JUST GETTING STARTED

More conference rooms video enabled



Webcams no longer a niche product



ZOOM >4x

YTD FY'21 SALES

TEAMS +260%

INCREASE IN TEAMS
DAILY ACTIVE USERS

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Note: Zoom quarterly financials. Microsoft Teams DAU data from March 2020 to October 2020.

Categories

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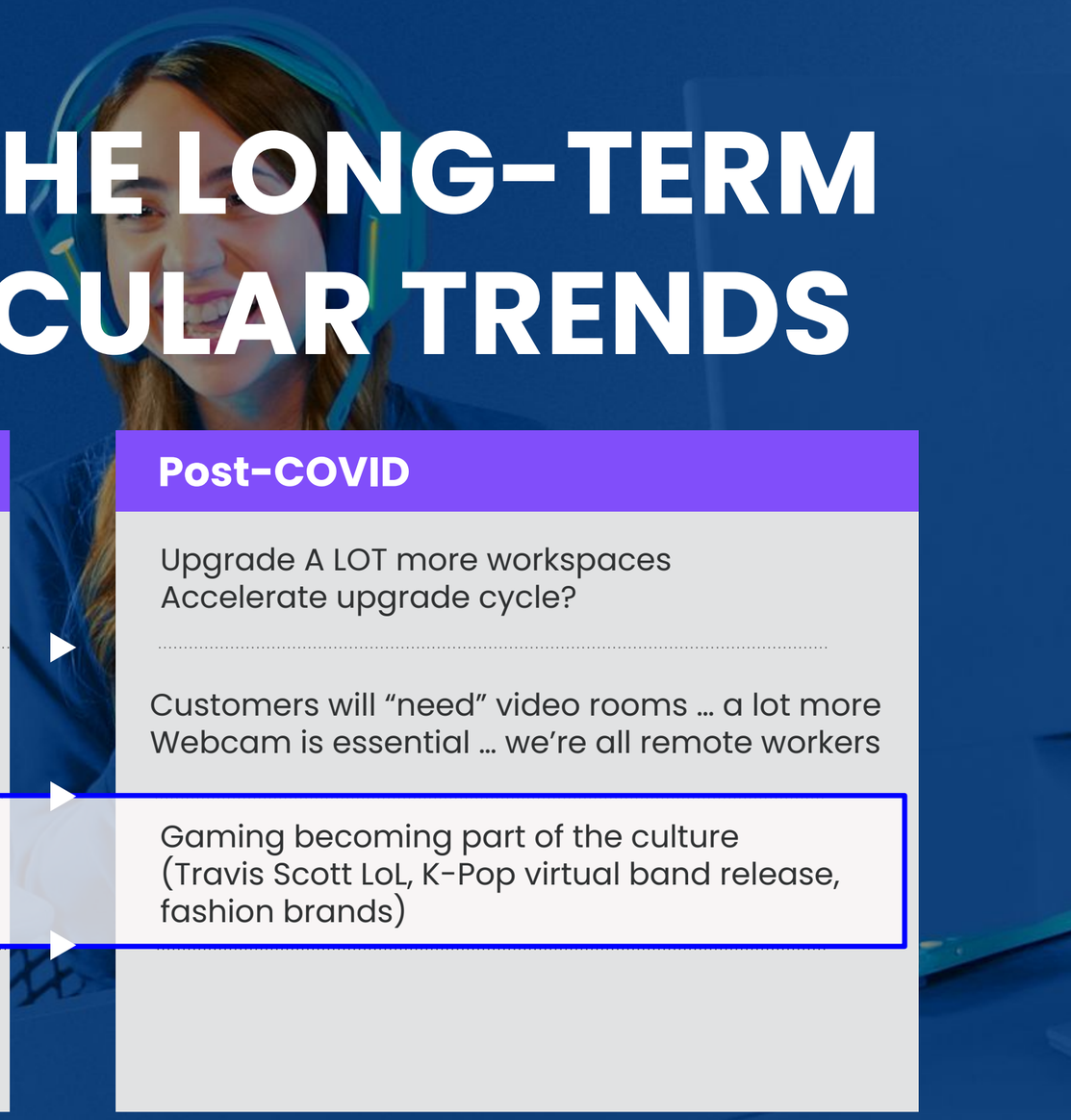

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Streaming		

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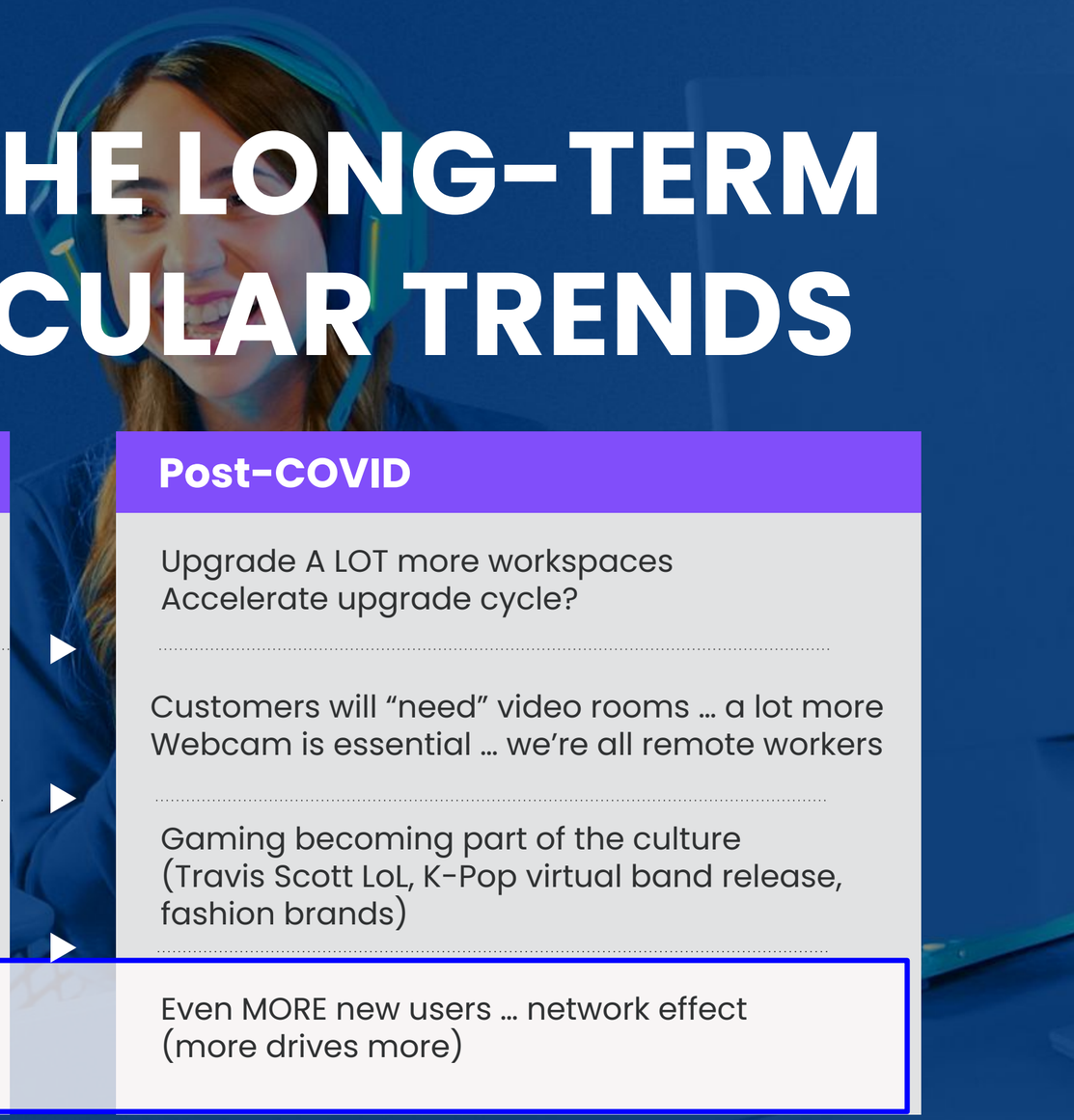

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Streaming	New users	Even MORE new users … network effect (more drives more)

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CAPABILITIES

Capabilities

Multi-Category
Multi-Brand

- Design
- Engineering
- Go-to-Market
- Marketing

Operations



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Capabilities: Operations

OPERATIONS VITAL TO SUCCESS

- Sustainability
- Navigating unexpected headwinds
- Cost savings
- Flexibility and scalability
- Time to market



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Capabilities: Design

INFUSING DESIGN 3.0 ACROSS LOGITECH

- 125 design awards in the past 3 years
- Transitioning from Design 1.0 to Design 3.0
- Design for Experience combined with Design for Cost and Design for Sustainability strategic expansion



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Capabilities: Engineering

INNOVATION DRIVEN BY ENGINEERING, HARDWARE AND SOFTWARE

- Strong hardware and firmware engineering
- Expertise in sensors, optics, acoustics, wireless, and power management
- Growing software capabilities



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Capabilities: Go-To-Market

EXPANDING OUR COMMERCIAL CAPABILITIES

- Video collaboration poised for long-term growth
- Expanding and deepening portfolio
- Vision of service organization
- Leveraging strong channel partnerships
- Globalizing consumer sales
- Adopting best practices worldwide



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Capabilities: Marketing

MARKETING, GROWING IMPORTANCE

- Celebrate our users, authenticity
- Push to pull model shift
- Strengthening brand equity
- Becoming more top of mind amongst consumers
- Marketing from top of funnel to local activations



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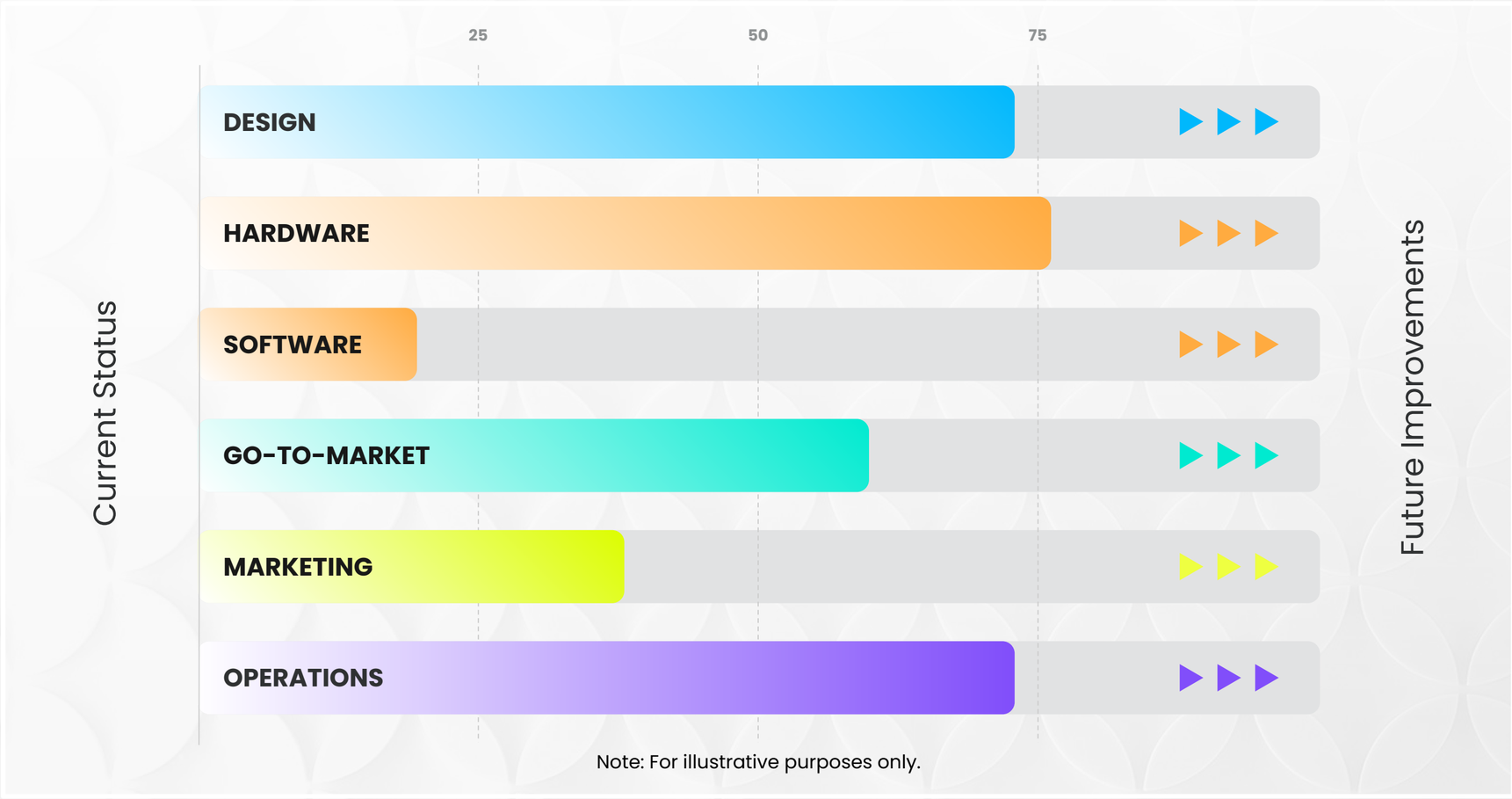
BUT WE STILL HAVE ROOM FOR IMPROVEMENTS ...



Note: For illustrative purposes only.

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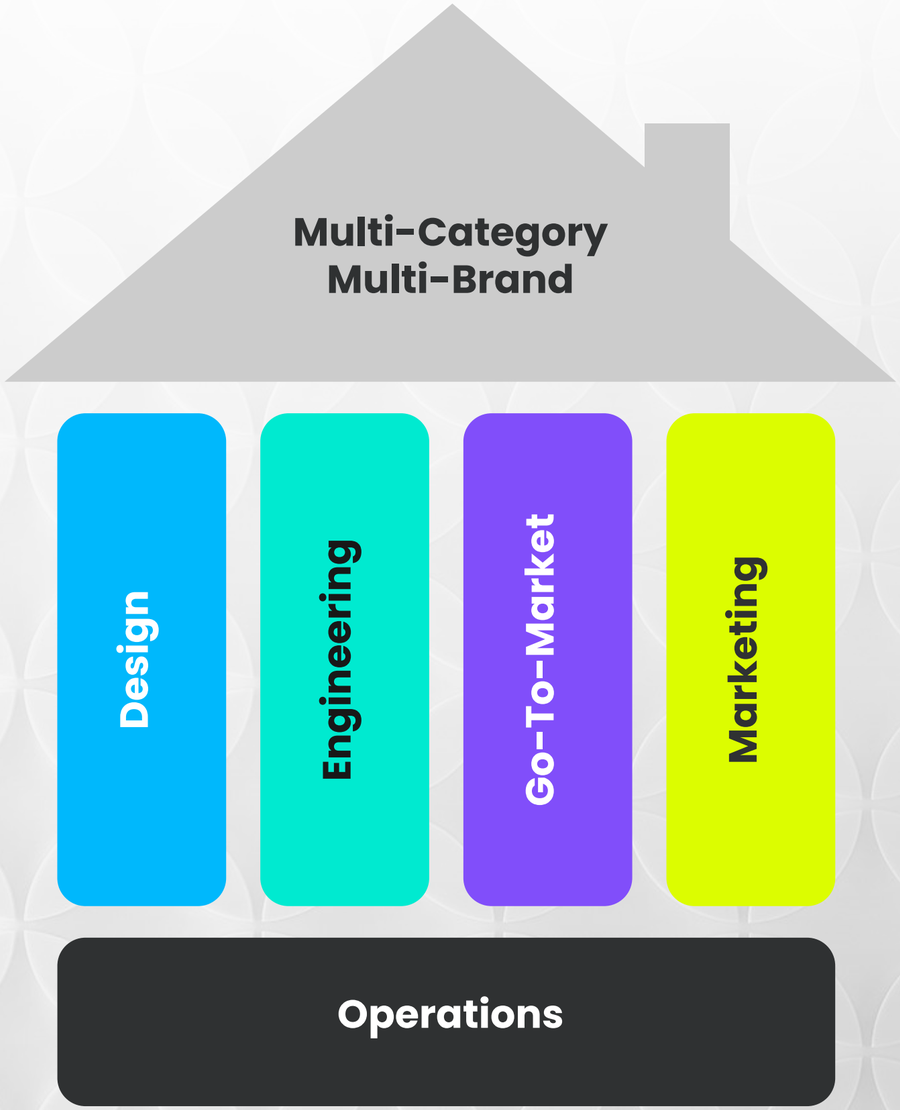
… WITH A FOCUS ON SUSTAINABILITY



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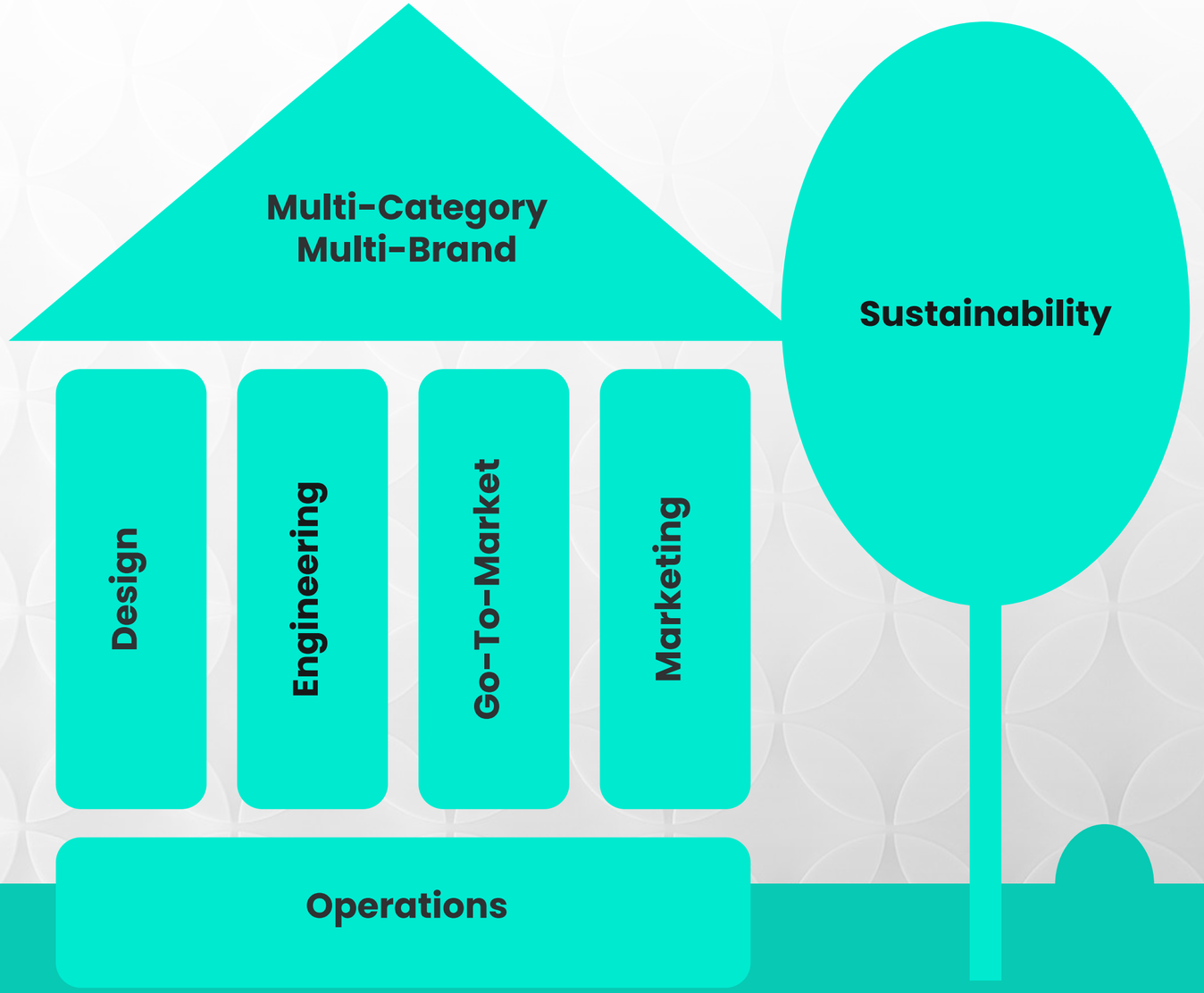

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PEOPLE & SOCIETY

This year we made a Diversity Pledge setting out seven key commitments to diversity action, from our products, to our employees, to our procurement practices, to our suppliers. We believe our supply base should be reflective of the diversity of the communities and markets that we serve

- **We Will Speak Up, Speak Out**
- **We Will Support Other Activists**
- **We Will Support Our Communities**
- **We Will Support Supplier And Partner Diversity**
- **We Will Transparently Measure And Report Our Improvement**
- **We Will Support Education at Every Level**
- **We Will Never Stop. We Will Make Mistakes, And We Will Learn**

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… WITH A FOCUS ON SUSTAINABILITY AND EQUALITY



Multi-Category
Multi-Brand

Design

Engineering

Go-To-Market

Marketing

Operations

Sustainability



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OUR POTENTIAL IS MUCH GREATER IN THE COMING YEARS ...

- Our consistent strategy and focus has not wavered pre and post-COVID-19
- COVID-19 has accelerated and expanded our long-term growth potential
- In FY'22 we will further strengthen the capabilities underpinning our growth, including the continued shift from a push to a pull model

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… AND WITH A FOCUS ON SUSTAINABILITY AND PEOPLE

- We exist to help people realize their passions and engage with the world through the products and experiences we create
- We know we will be more successful in pursuit of that purpose when we enable ALL people, by being diverse and inclusive inside Logitech and serving the diverse world outside
- As we do that we commit to being a leader in making the environment sustainable and circular through our commitment to pervasive sustainability

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