logitech®

SUPPLEMENTAL FINANCIAL INFORMATION

Q1 FISCAL YEAR 2020 (QUARTER ENDED JUN 30, 2019)

Q1 FY 2020 FINANCIAL HIGHLIGHTS

$644	million	Revenue
9%		YoY Sales Growth
37.8%		Non-GAAP Gross Margin
$67	million	Non-GAAP Operating Income
$0.39	per share	Non-GAAP Diluted EPS
$37	million	Cash Flow from Operations

Results listed in non-GAAP. Sales are net sales. Comparisons are YoY and on a constant currency basis.

Quarterly Financial Trends

*Preliminary results **

In $ millions except per share and %

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20
GAAP Results									
Net Sales	530	632	812	592	608	691	864	624	**644**
Gross Margin	36.5%	36.0%	33.9%	35.8%	36.8%	37.1%	37.5%	37.3%	**37.1%**
Operating Expenses	162	169	175	173	191	191	201	191	**192**
Operating Income	31	59	100	39	32	65	123	42	**47**
Operating Margin	5.9%	9.3%	12.3%	6.6%	5.3%	9.4%	14.3%	6.8%	**7.4%**
Net Income	37	56	81	34	38	64	113	42	**45**
Diluted EPS	$0.22	$0.33	$0.48	$0.20	$0.23	$0.38	$0.67	$0.25	**$0.27**
Avg. Diluted Shares Outstanding	168	169	169	169	169	169	169	169	**169**
Non-GAAP Results									
Net Sales	530	632	812	592	608	691	864	624	**644**
Gross Margin	37.0%	36.5%	34.4%	36.4%	37.4%	37.6%	38.1%	38.0%	**37.8%**
Operating Expenses	153	159	162	161	167	175	186	173	**176**
Operating Income	43	71	117	55	61	85	143	64	**67**
Operating Margin	8.1%	11.3%	14.4%	9.3%	9.9%	12.2%	16.6%	10.3%	**10.4%**
Net Income	40	66	111	55	57	83	134	65	**66**
Diluted EPS	$0.24	$0.39	$0.65	$0.32	$0.34	$0.49	$0.79	$0.38	**$0.39**
Net Sales by Product Category									
Pointing Devices	122	124	141	130	128	128	149	132	**122**
Keyboards & Combos	116	119	126	137	128	132	144	132	**129**
PC Wecams	26	27	27	32	30	28	33	30	**28**
Tablet & Other Accessories	23	31	27	27	32	37	36	23	**38**
Video Collaboration	36	46	46	55	59	57	74	69	**73**
Mobile Speakers	63	91	147	14	34	77	96	23	**50**
Audio & Wearables	50	62	84	55	52	62	99	65	**59**
Gaming	78	114	174	127	136	161	214	138	**135**
Smart Home	16	18	39	16	9	9	20	12	**10**
Other	0	0	0	0	0	0	0	0	**0**
Total Net Sales	530	632	812	592	608	691	864	624	**644**

Cash Flow and Operational Trends [1,2]

*Preliminary results **

In $ millions except working capital metrics

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20
Balance Sheet									
Cash and ST Investments	528	406	565	642	604	426	586	605	**598**
Debt	0	0	0	0	0	0	0	0	**0**
Accounts Receivable	221	278	352	215	386 [2]	460 [2]	484 [2]	383 [2]	**419** [2]
Inventory	279	330	279	260	273	359	342	293	**297**
Accounts Payable	313	387	429	294	344	441	436	284	**339**
Net Working Capital [1]	188	221	202	181	315	378	390	393	**377**
Working Capital Metrics									
Days Sales Outstanding	38	40	39	33	57 [2]	60 [2]	50 [2]	55 [2]	**59** [2]
Days Inventory Outstanding	75	73	47	62	64	74	57	67	**66**
Days Payables Outstanding	84	86	72	70	80	91	73	65	**75**
Cash Conversion Cycle	29	27	14	25	41 [2]	43 [2]	34 [2]	57 [2]	**50** [2]
Cash Flow from Operations	(1)	68	189	90	12	85	176	32	**37**
Capital Return									
Dividends Paid	0	104	0	0	0	114	0	0	**0**
Shares Repurchased	1	10	10	10	10	10	3	10	**15**
Total Capital Return	1	114	10	10	10	124	3	10	**15**
LTM Capital Return	153	156	145	135	144	154	147	147	**152**

1. Net Working Capital is defined here as Accounts Receivables + Inventory - Accounts Payable.
2. Q1'19, Q2'19, Q3'19, and Q4'19 accounts receivables, DSO, and cash conversion cycle include the implementation of ASC 606.

GAAP to Non-GAAP Reconciliations

*Preliminary results **

In $ millions except per share and %

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q1'20
Gross Profit - GAAP	194	228	276	212	224	239
Share-based compensation expense	1	1	1	1	1	1
Amortization of intangible assets and purchase accounting efffect on inventory	2	2	3	3	2	3
Gross Profit - Non-GAAP	196	231	279	216	227	243
Operating Expenses - GAAP	162	169	175	173	191	192
Share-based compensation expense	10	10	11	10	12	11
Amortization of intangible assets and acquistion-related costs	1	2	2	3	3	4
Change in fair value of contingent consideration for business acquisition	(2)	(3)	0	0	0	0
Restructuring charges (credits), net	(0)	(0)	0	0	10	0
Investigation and related expenses	0	0	0	0	0	0
Operating Expenses - Non-GAAP	153	160	162	161	167	176
Operating Income - GAAP	31	59	100	39	32	47
Share-based compensation expense	11	11	12	11	13	12
Amortization of intangible assets	3	4	4	5	5	7
Purchase accounting effect on inventory	0	0	1	0	0	0
Acquistion-related costs	0	1	0	0	0	0
Change in fair value of contingent consideration for business acquisition	(2)	(3)	0	0	0	0
Restructuring charges (credits), net	(0)	(0)	0	0	10	0
Investigation and related expenses	0	0	0	0	0	0
Operating Income - Non-GAAP	43	71	117	55	61	67
Net Income From Continuing Operations - GAAP	37	56	81	34	38	45
Share-based compensation expense	11	11	12	11	13	12
Amortization of intangible assets	3	4	4	5	5	7
Purchase accounting effect on inventory	0	0	1	0	0	0
Acquistion-related costs	0	1	0	0	0	0
Change in fair value of contingent consideration for business acquisition	(2)	(3)	0	0	0	0
Restructuring charges (credits), net	(0)	(0)	0	0	10	0
Investigation and related expenses	0	0	0	0	0	0
Investment impairment (recovery)	0	0	0	0	0	0
Loss (gain) on investments in privately held companies	0	(1)	(0)	(0)	0	(0)
Non-GAAP tax adjustment	(9)	(2)	13	4	(9)	1
Net Income From Continuing Operations - Non-GAAP	40	66	111	55	57	66
Net Income from Continuing Operations Per Share						
Diluted- GAAP	$0.22	$0.33	$0.48	$0.20	$0.23	$0.27
Diluted - Non-GAAP	$0.24	$0.39	$0.65	$0.32	$0.34	$0.39

GAAP TO NON-GAAP RECONCILIATION NOTES

Note: These preliminary results for the three months ended June 30, 2019 are subject to adjustments, including subsequent events that may occur through the date of filing our Quarterly Report on Form 10-Q.

Non-GAAP Financial Measures

This presentation includes **forward-looking statements** within the meaning of the U.S. federal securities laws, including, without limitation, statements regarding: our preliminary financial results for the three months ended June 30, 2019, objectives, innovation, momentum, opportunities, product portfolio, product features and capabilities, new product introductions, their timing and their effect, product investments, product mix, trends, growth and outlook in our product categories, secular trends, software capabilities, long-term gross margin target range and operating expenses model, growth and new category investments, shift to a pull-driven marketing model, tariffs, tariff mitigation, quarterly volatility, seasonality, cash flows, sales growth, profit growth, currency exchange rates, and outlook for Fiscal Year 2020 results, sales growth, operating income, effective tax rate, cash from operations, capital expenditures 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; 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, 2019, 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, 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.