Q3 Fiscal Year 2022
Financial Results
January 24, 2022

logitech®

FORWARD-LOOKING STATEMENTS

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 and nine months ended December 31, 2021, future growth, trends and opportunities in our product categories, our innovation engine, product offerings, sustainability commitments, non-GAAP gross margin, expected headwinds, our long-term growth plan, supply chain challenges, competitive advantage, share count drivers, and Fiscal Year 2022 outlook for sales growth and non-GAAP operating income, 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 demand variability, supply shortages, and other supply chain challenges; 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 we are not able to maintain and enhance our brands; if our products and marketing strategies fail to separate our products from competitors' products; the COVID-19 pandemic and its impact; if we do not efficiently manage our spending; 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 regulations, policies and agreements and the imposition of tariffs that affect our products or operations and our ability to mitigate; risks associated with acquisitions; and the effect of changes to our effective income tax rates. A detailed discussion of these and other risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in Logitech's periodic filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the fiscal year ended March 31, 2021, our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2021, and our subsequent reports filed with the SEC, 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 earnings press release and posted to our website at http://ir.logitech.com. 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.

WHAT’S NEW FROM LOGITECH

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Logitech was recognized the second consecutive year for leadership by retaining its status as a member of the Dow Jones Sustainability Europe Index (DJSI), a widely recognized standard for measuring and advancing Environmental, Social, and Governance (ESG) criteria.

Company ranked #12 worldwide in the computer peripherals and office electronics industry for ESG rating.

CREATIVITY & PRODUCTIVITY

M650 Mouse

In the quarter introduced the new M650 Wireless Mouse, a comfortable and personalized mouse with two different sizes and a left-handed option, offering a better experience for more people.

The wireless mouse is designed to upgrade any desk setup and improve the overall work experience with features like SmartWheel scrolling, nearly silent clicks and a contoured comfort design that enables faster, more comfortable work than ever before.

GAMING

Shroud – Logitech G303 Wireless Gaming Mouse

In partnership with one of the world's most popular gaming streamers and former pro player, Michael "Shroud" Grzesiek, introduced a fully redesigned version of Shroud’s favorite mouse, the Logitech G303 Wireless Gaming Mouse. The new mouse is designed and engineered to meet Shroud’s exact specifications and performance demands.

LOGITECH
FOR CREATORS

Litra Glow

Logitech for Creators introduces Litra Glow, a premium streaming light with TrueSoft technology. TrueSoft delivers balanced, full-spectrum LED light with cinematic color accuracy for a natural, radiant look across all skin tones.

FINANCIAL RESULTS

FINANCIAL KEY MESSAGES – Q3 FY 2022

Q3'22 net sales declined 2% (CC) to $1.63B, nearly sustaining last year's record Q3 sales which grew 80 percent in constant currency. In Q3'22 we had double-digit growth in Keyboards & Combos, high single-digit year-over-year growth in Pointing Devices and Gaming, and double-digit sequential growth in Video Collaboration. Industry-wide supply headwinds negatively impacted our top line growth by about 3 to 4 points year-over-year.

Gross margin was 40.6%, within our long-term gross margin range of 39% to 44%.

Operating profit was $302M, down 37% year-over-year. The year-over-year decline in profits reflects the Company's planned, strategic investments in marketing and innovation to drive long-term growth.

Cash flow from operations was $377M, and we returned $116M of cash to shareholders through share repurchases in the quarter. Year-to-date, we have returned $450 million to shareholders through dividends and share repurchases, more than double the amount during the same period last year.

Note: Results are non-GAAP, except for cash flow from operations. Comparisons are Y/Y and in constant currency unless otherwise specified.

NEARLY SUSTAINING HIGHER SALES LEVELS OF LAST YEAR

	Q3'22	Q3'21	Y/Y
Net sales	**$1,633**	**$1,667**	**(35)**
Y/Y % chg	*(2%)*	*85%*	
Y/Y % chg (CC)	*(2%)*	*80%*	
Gross profit	663	754	(91)
% margin	*40.6%*	*45.2%*	*(4.6) ppts*
Operating expense	361	278	83
% of sales	*22.1%*	*16.7%*	*5.4 ppts*
Operating income	**302**	**476**	**(174)**
% margin	*18.5%*	*28.6%*	*(10.1) ppts*
Net income	263	423	(160)
% margin	*16.1%*	*25.4%*	*(9.3) ppts*
Earnings per share	**$1.55**	**$2.45**	**(37%)**
Diluted shares	170	173	(3)

Note: Numbers in $ millions except EPS and percentages. Diluted share count in millions. Results are non-GAAP. Comparisons are Y/Y and in US$ unless otherwise specified.

Net sales -2% (CC) to $1.63B, with strong growth in Pointing Devices, Keyboards & Combos and Gaming, and share gains in the majority of key categories.

Gross margin was 40.6%, down as anticipated from last year's elevated levels and remained within our target range.

Continued to strategically invest in OPEX to support sustainable, long-term growth.

Operating income of $302M, down as expected versus the prior year due to lower gross margins and planned, strategic investments to drive long-term growth.

…AS SECULAR GROWTH TRENDS CONTINUED

	Q3'22	Q3'21	Y/Y	Y/Y (CC)
Pointing Devices	231	214	8%	8%
Keyboards & Combos	282	218	29%	29%
PC Webcams	115	132	(13%)	(12%)
Tablet & Accessories	83	138	(40%)	(37%)
Video Collaboration	287	293	(2%)	(1%)
Gaming	470	436	8%	8%
Mobile Speakers	57	73	(22%)	(22%)
Audio & Wearables	104	153	(32%)	(32%)
Smart Home	5	11	(57%)	(57%)
Net sales	**$1,633**	**$1,667**	**(2%)**	**(2%)**

Pointing Devices +8% (CC) and Keyboards +29% (CC) and saw saw strong growth in our B2B channel and high-end MX product lines.

Gaming +8% (CC), on top of our 73% growth last year, and delivered impressive share gains in PC Gaming and Console Headsets.

Video Collaboration sales -1% (CC), and increased by 24% quarter-over-quarter. Sales are up more than 200% versus two years ago.

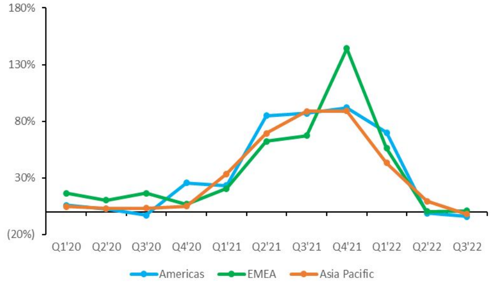
PC Webcams -12% (CC) from record sales levels a year ago, but increased market share more than 10 points in past three months.

Note: Net sales in $ millions. Comparisons are Y/Y and in US$ unless otherwise specified.

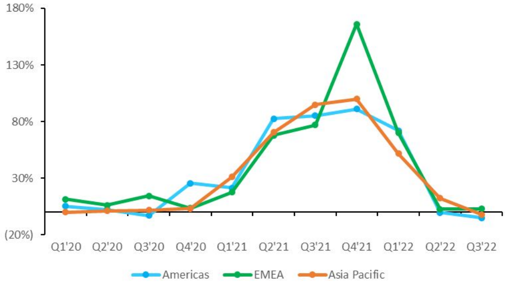
SELL-THROUGH & SELL-OUT WELL ALIGNED ACROSS REGIONS

	Q3'22	Q3'21	Y/Y (CC)	Y/Y (US$)	Sell-through (US$)
Americas	674	705	(4%)	(5%)	(1%)
EMEA	552	547	1%	3%	(1%)
Asia Pacific	406	416	(2%)	(2%)	2%
Net sales	**$1,633**	**$1,667**	**(2%)**	**(2%)**	**(0%)**

Sales growth Y/Y % (CC)



Sales growth Y/Y % (US$)



Sell-through growth was flat against a record prior year.

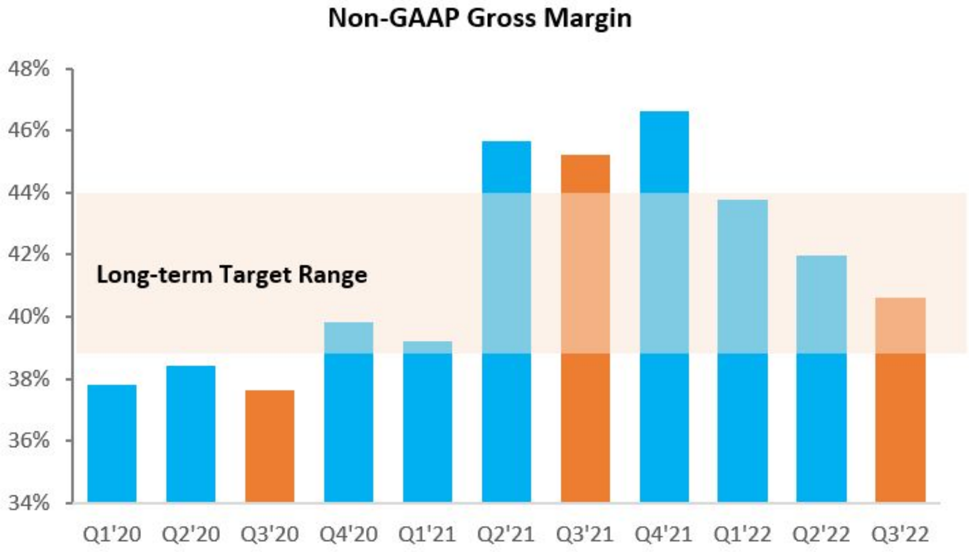
Sales and sell-through performance was balanced across all three regions.

EMEA delivered record Q3 net sales and Asia Pacific grew double digits, excluding a large Tablet Accessories deal in Japan a year ago.

All three regions are benefitting from our secular growth drivers and each delivered Q3 net sales more than 75% greater than Q3 of two years ago.

Note: Sales in $ millions and are net sales. Comparisons are Y/Y unless otherwise specified. See Appendix regarding sell-through data.

GROSS MARGIN WITHIN TARGET RANGE DESPITE INDUSTRY COST HEADWINDS



Gross margin was 40.6%, down year-over-year, as anticipated from last year's elevated levels and remained within our target range. Margins are up 3pts versus Q3'20.

Results were as expected, with industry-wide freight cost increases reducing gross margins approximately 2pts versus Q2'22 and Q3'21.

INVESTING FOR LONG-TERM BUSINESS GROWTH

	Q3'22	Q3'21	Y/Y
Sales & marketing	259	196	32%
% of sales	*15.9%*	*11.8%*	*4.1 ppts*
Research & development	71	50	41%
% of sales	*4.3%*	*3.0%*	*1.3 ppts*
General & administrative	31	31	(2%)
% of sales	*1.9%*	*1.9%*	*0 ppts*
Operating expenses	**$361**	**$278**	**30%**
% of sales	*22.1%*	*16.7%*	*5.4 ppts*

Strategically investing in the business as we shift our model to be more marketing and innovation-led versus promotion-led.

S&M expenses up 32% as our investments in marketing are expected to help drive enhanced consumer awareness and consideration over the long-term.

R&D increased 41%, with focus on innovations in both hardware and software.

G&A decreased 2% and held flat as a percent of sales.

Note: Numbers in $ millions except percentages. Results are non-GAAP. Comparisons are Y/Y unless otherwise specified.

STRONG CASH FLOW FROM OPERATIONS

	Q3'22	Q3'21	Y/Y	Q/Q
Cash from operations	377	530	(153)	439
Ending cash balance	1,364	1,389	(24)	227
Inventory	835	477	75%	1%
Inventory turns	*4.7*	*7.7*	*(3)*	*1*
DOI	*77*	*47*	*30*	*(20)*
Accounts receivable	846	895	(5%)	16%
DSO	*47*	*48*	*(1)*	*(3)*
Accounts payable	739	812	(9%)	12%
DPO	*68*	*80*	*(12)*	*(10)*
Cash conversion cycle	**56 days**	**15 days**	**41 days**	**(13 days)**

Ending cash balance of $1.4B and
Q3 cash flow from operations of $377M.

Spent $116M on share repurchases in Q3. Year-to-date, have returned $450M to shareholders through share repurchases and dividends, more than double the amount of the same period from last year.

Continued strategic use of the balance sheet to secure long lead time components for key product categories.

Note: Numbers in $ millions except turns, days figures and percentages. Comparisons are Y/Y unless otherwise specified.

INCREASING FISCAL YEAR 2022 OUTLOOK

FY 2022 OUTLOOK	NEW	OLD
Sales growth (CC)	**+2% to +5%**	-5% to +5%
Non-GAAP operating income	**$850M to $900M**	$800M to $850M

ADDITIONAL ASSUMPTIONS	
Currency exchange rates	YTD FY’22 actuals and Q4’22 projections[1]
Non-GAAP effective tax rate	12% – 13%
Cash from operations	~0.5x non-GAAP operating income
Capex	$80M - $90M

Note: Sales growth is Y/Y and in constant currency unless otherwise specified.
(1) Q4’22 projections are based on average Q3’22 currency exchange rates.

GAAP TO NON-GAAP RECONCILIATIONS

LOGITECH INTERNATIONAL S.A.

PRELIMINARY RESULTS*

(In thousands, except per share amounts) - unaudited

SUPPLEMENTAL FINANCIAL INFORMATION	**Three Months Ended December 31,**		**Nine Months Ended December 31,**	
GAAP TO NON GAAP RECONCILIATION (A)	**2021**	**2020**	**2021**	**2020**
Gross profit - GAAP	$658,010	$749,010	$1,769,099	$1,624,466
Share-based compensation expense	1,782	1,747	5,253	4,919
Amortization of intangible assets	3,126	3,441	11,028	9,800
Gross profit - Non-GAAP	$662,918	$754,198	$1,785,380	$1,639,185
Gross margin - GAAP	40.3 %	44.9 %	41.6 %	43.7 %
Gross margin - Non-GAAP	40.6 %	45.2 %	42.0 %	44.1 %
Operating expenses - GAAP	$395,259	$300,947	$1,123,856	$771,423
Less: Share-based compensation expense	23,010	18,067	67,212	59,795
Less: Amortization of intangible assets and acquisition-related costs	3,662	4,946	13,986	13,886
Less: Impairment of intangible assets	7,000	—	7,000	—
Less: Change in fair value of contingent consideration for business acquisition	(1,110)	—	(3,509)	5,716
Less: Restructuring charges (credits), net	1,759	—	1,770	(54)
Operating expenses - Non-GAAP	$360,938	$277,934	$1,037,397	$692,080
% of net sales - GAAP	24.2 %	18.0 %	26.4 %	20.8 %
% of net sales - Non - GAAP	22.1 %	16.7 %	24.4 %	18.6 %

GAAP TO NON-GAAP RECONCILIATIONS

LOGITECH INTERNATIONAL S.A.
PRELIMINARY RESULTS*
(In thousands, except per share amounts) - unaudited

SUPPLEMENTAL FINANCIAL INFORMATION	**Three Months Ended December 31,**		**Nine Months Ended December 31,**	
GAAP TO NON GAAP RECONCILIATION (A)	**2021**	**2020**	**2021**	**2020**
Operating income - GAAP	$262,751	$448,063	$645,243	$853,043
Share-based compensation expense	24,792	19,814	72,465	64,714
Amortization of intangible assets and acquisition-related costs	6,788	8,387	25,014	23,686
Impairment of intangible assets	7,000	—	7,000	—
Change in fair value of contingent consideration for business acquisition	(1,110)	—	(3,509)	5,716
Restructuring charges (credits), net	1,759	—	1,770	(54)
Operating income - Non - GAAP	$301,980	$476,264	$747,983	$947,105
% of net sales - GAAP	16.1 %	26.9 %	15.2 %	23.0 %
% of net sales - Non - GAAP	18.5 %	28.6 %	17.6 %	25.5 %
Net income - GAAP	$210,011	$382,523	$536,308	$721,510
Share-based compensation expense	24,792	19,814	72,465	64,714
Amortization of intangible assets and acquisition-related costs	6,788	8,387	25,014	23,686
Impairment of intangible assets	7,000	—	7,000	—
Change in fair value of contingent consideration for business acquisition	(1,110)	—	(3,509)	5,716
Restructuring charges (credits), net	1,759	—	1,770	(54)
Loss on investments	460	2,173	1,421	4,692
Non-GAAP income tax adjustment	13,054	10,165	12,463	31,564
Net income - Non - GAAP	$262,754	$423,062	$652,932	$851,828
Net income per share:				
Diluted - GAAP	$ 1.24	$ 2.22	$ 3.14	$ 4.21
Diluted - Non - GAAP	$ 1.55	$ 2.45	$ 3.82	$ 4.97
Shares used to compute net income per share:				
Diluted - GAAP and Non - GAAP	169,707	172,587	171,027	171,378

APPENDIX

GAAP TO NON-GAAP RECONCILIATION NOTES

Note: These preliminary results for the three and nine months ended December 31, 2021 are subject to adjustments, including subsequent events that may occur through the date of filing our Quarterly Report on Form 10-Q.

(A) Non-GAAP Financial Measures

To supplement our condensed consolidated financial results prepared in accordance with GAAP, we use a number of financial measures, both GAAP and non-GAAP, in analyzing and assessing our overall business performance, for making operating decisions and for forecasting and planning future periods. We consider the use of non-GAAP financial measures helpful in assessing our current financial performance, ongoing operations and prospects for the future as well as understanding financial and business trends relating to our financial condition and results of operations. For full GAAP to non-GAAP reconciliation information and cautionary information regarding the use of non-GAAP measures, please refer to “Supplemental Financial Information” in our earnings press release posted to our website under “Quarterly Results” at http://ir.logitech.com.

SELL-THROUGH DATA

- Measures sales of our products by retailer customers to consumers and by our distributor customers to their customers
- Compiled by Logitech from data supplied by our customers
- Customers supplying sell-through data vary by geographic region and from period to period, but typically represent a majority of our retail sales

- Data is subject to limitations and possible error sources and may not be an entirely accurate indicator of actual consumer demand for our products. Limitations and possible error sources include the following:

- Data supplied by our customers may not be indicative of sell-through experienced by our customers as a whole
- Reliability of the data depends on accuracy and timeliness of information supplied to us by our customers, and the processes by which they collect their sell-through data are largely outside our control
- In the U.S., Canada, and to a lesser extent Asia Pacific, and a still lesser extent, EMEA, sell-through data is based on Point of Sale electronic data. Where POS data is not available, the data is collected largely through manual processes, including the exchange of spreadsheets or other non-automated methods of data transmission, which are subject to typical human errors, including errors in data entry, transmission and interpretation