Q4 and Fiscal Year 2022 Financial Results

May 2, 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 months and full fiscal year ended March 31, 2022, future growth, trends and opportunities in our product categories, product development, product offerings, sustainability commitments, non-GAAP gross margin, expected headwinds and challenges, our long-term growth plan, supply chain challenges, competitive advantage, share count drivers, and Fiscal Year 2023 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 impact of global events, such as COVID-19 pandemic and Russia's military operations in Ukraine, and any associated economic downturn and political instability; changes in inflation levels and in the Federal Reserve's monetary policy; if we do not successfully execute on strategic acquisitions and investments;f 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 December 31, 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?

VIDEO COLLABORATION

RightSight 2

Logitech launched a new software feature, RightSight 2, to create a more equitable meeting experience between those participating in the room and those attending virtually.

This software provides two views of the participants - a view of the speaker, and of the entire group - allowing virtual attendees to better understand context throughout the meeting.

MARKETING

Lizzo and Logitech Launch Next Chapter of Branded Campaign

In the quarter we launched the next chapter of “DEFY LOGIC” with pop sensation Lizzo. The campaign encourages us to embrace our individuality and pursue our passions.

This campaign is part of Logitech’s continued focus on increasing consumer brand awareness and consideration for purchase.

SUSTAINABILITY

Logitech announced that it has exceeded its commitment to incorporate post-consumer recycled (PCR) plastic into products, reducing its carbon impact and increasing the circularity of consumer product materials and ingredients.

Logitech’s Creativity and Productivity portfolio, the company’s largest product portfolio, uses PCR at scale with 65% of all mice and keyboard units including PCR plastic, surpassing its 50% commitment made in 2020.

In April, Logitech was #1 on *The Financial Times* list of European climate leaders.

FINANCIAL RESULTS

KEY MESSAGES – Q4 FY 2022

Q4'22 net sales declined 17% (CC) to $1.23B, after growing more than 100% in Q4'21. In Q4'22 we had continued growth in Pointing Devices, Keyboards & Combos and Gaming despite supply challenges. We gained market share in all three categories and in Video Collaboration.

Gross margin was 40.5%, flat sequentially, and a positive result given ongoing logistic cost pressures and unfavorable currency movements.

Operating profit was $156M, down 52% year-over-year, reflecting our continued strategic investments in marketing, design and engineering to support our expanded long-term market opportunities.

Cash flow from operations was $100M, and we returned $121M to shareholders through share repurchases in the quarter.

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

KEY MESSAGES – FISCAL YEAR 2022

Ninth consecutive year of growth, with **FY'22 net sales up 4% (CC) over the prior year to $5.48B.** Net sales in Gaming (+17%) and C&P[1] (+8%) continued their impressive growth building off of FY'21, where they grew 77% and 64%, respectively.

Gross margin was 41.7%, within our long-term gross margin range of 39% to 44%, and down year-over-year as expected as a result of increased promotional spend and higher component and freight costs.

Operating profit was $904M, and while down 29% year-over-year, exceeded original guidance of $750M - $800M - and continues to support investment in our marketing and innovation initiatives.

Cash flow from operations was $298M, and we returned a record $571M of cash to shareholders through share repurchases and dividends throughout the year.

Note: Results are non-GAAP, except for cash flow from operations. Comparisons are Y/Y and in constant currency unless otherwise specified.
[1] Creativity & Productivity includes pointing devices, keyboards and combos, PC webcams, tablets and accessories.

CONTINUED GROWTH OFF A RECORD FY'21

	Q4'22	vs. Q4'21	vs. Q4'20	FY'22	vs. FY'21	vs. FY'20
Net sales	**$ 1,230**	**(306)**	**521**	**$5,481**	**229**	**2,505**
Y/Y % chg		(20%)	73%		4%	84%
Y/Y % chg (CC)		(17%)	72%		4%	81%
Gross profit	498	(218)	216	2,284	(72)	1,142
% margin	40.5%	(6.1) ppts	0.7 ppt	41.7%	(3.2) ppts	3.3 ppts
Operating expense	342	(49)	139	1,380	296	625
% of sales	27.8%	2.4 ppts	(0.9) ppt	25.2%	4.5 ppts	(0.2) ppt
Operating income	**156**	**(169)**	**77**	**904**	**(368)**	**517**
% margin	12.7%	(8.5) ppts	1.6 ppts	16.5%	(7.7) ppts	3.5 ppts
Net income	136	(115)	65	789	(314)	424
% margin	11.0%	(5.3) ppts	1.0 ppt	14.4%	(6.6) ppts	2.1 ppts
Earnings per share	**$0.81**	**(44%)**	**93%**	**$4.63**	**(28%)**	**115%**
Diluted shares	169	(4)	(1)	170	(1)	1

Net sales up 4% (CC) to $5.48B, sustaining growth following a record year in FY'21.

Gross margin was 41.7%, down as anticipated from last year's elevated levels, and remained within our target range.

Significantly increased strategic investments to support long-term competitiveness and growth, while improving Opex % of sales versus two years ago.

Operating income of $904M, down versus the prior year due to lower gross margins and sustained strategic investments.

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.

ONGOING BENEFITS OF HIGHLY DIVERSIFIED PORTFOLIO

	Q4'22	Y/Y	Y/Y (CC)	FY'22	Y/Y	Y/Y (CC)
Pointing Devices	178	0%	3%	781	15%	14%
Keyboards & Combos	231	5%	8%	967	23%	22%
PC Webcams	84	(42%)	(40%)	404	(8%)	(8%)
Tablet & Accessories	67	(43%)	(39%)	310	(19%)	(17%)
Video Collaboration	243	(37%)	(35%)	997	(5%)	(4%)
Gaming	316	(2%)	1%	1,452	17%	17%
Mobile Speakers	25	(16%)	(12%)	150	(14%)	(15%)
Audio & Wearables	82	(37%)	(35%)	401	(14%)	(15%)
Smart Home	2	(75%)	(75%)	18	(46%)	(47%)
Net sales	**$1,230**	**(20%)**	**(17%)**	**$5,481**	**4%**	**4%**

Double digit FY'22 growth rates (CC) in Pointing Devices +14%, Keyboards +22% and Gaming +17% offset declines in other areas of our portfolio.

Broad based market share gains across the portfolio for both the quarter and the year; including products in C&P, Video Collaboration, Gaming, and Tablet and Accessories.

Four industry trends will continue to drive growth in our portfolio:

- Video everywhere
- Hybrid work/learn
- Gaming
- Content Creation

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

ALL REGIONS SUSTAINED OR GREW NET SALES VERSUS FY’21

	FY’22 (CC)	Q4’22	Q4’21	Y/Y (CC)	Y/Y (US$)	Sell-through (US$)
Americas	4%	489	603	(19%)	(19%)	(4%)
EMEA	0%	414	588	(25%)	(30%)	(19%)
Asia Pacific	9%	326	344	(2%)	(5%)	(4%)
Net sales	**4%**	**$1,230**	**$1,536**	**(17%)**	**(20%)**	**(10%)**

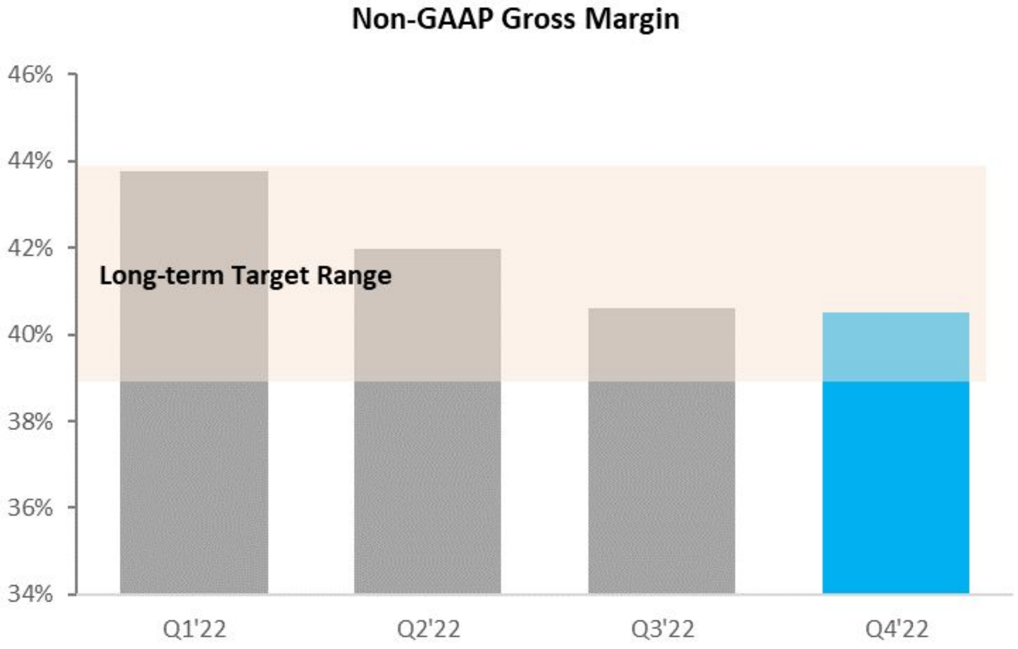
Diversified, global customer base provides hedge against regional demand softness or economic disruptions.

Q4’21 included restocking of the channel, especially in the Americas and EMEA, following several quarters of supply shortages.

This higher sell-in in Q4’21, along with strategically higher promotional spending in Q4’22, pressures net sales comparisons year-over-year (but not sell-through, which is reported before promotions).

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

DESPITE INFLUX OF MACRO HEADWINDS, GROSS MARGIN REMAINS IN LONG TERM RANGE



FY’22 gross margin was 41.7%, down year-over-year, as anticipated from last year’s elevated levels and remained within our target range. Q4’22 gross margin was 40.5% and flat sequentially despite incremental currency headwinds.

Results were as expected, with industry-wide freight cost increases reducing gross margins throughout the year.

CONTINUED INVESTMENT TO SUPPORT FUTURE GROWTH

	Q4'22	Y/Y	FY'22	Y/Y
Sales & marketing	238	(10%)	988	35%
% of sales	*19.4%*	*2.1 ppts*	*18.0%*	*4.1 ppts*
Research & development	74	14%	273	29%
% of sales	*6.0%*	*1.8 ppts*	*5.0%*	*1.0 ppts*
General & administrative	30	(52%)	118	(14%)
% of sales	*2.4%*	*(1.6) ppts*	*2.2%*	*(0.5) ppts*
Operating expenses	**$342**	**(13%)**	**$1,380**	**27%**
% of sales	*27.8%*	*2.4 ppts*	*25.2%*	*4.5 ppts*

As mentioned throughout FY'22, we are committed to strategically investing in marketing and design and engineering while relying less on promotion.

Sales & Marketing expenses were up 35%, driving increased consumer awareness and consideration, and supporting the next chapter of the "Defy Logic" brand campaign.

R&D increased 29%, as our continued commitment to innovation resulted in 50 design and innovation leadership awards for the fiscal year.

G&A decreased 14% and was reduced as a percent of sales.

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

RECORD CASH RETURNS TO SHAREHOLDERS, BALANCE SHEET REMAINS STRONG

	$	Y/Y
Cash from operations	298	(1,160)
Ending cash balance	1,329	(422)
Inventory	933	41%
Inventory turns	3.8	(3)
DOI	104	22
Accounts receivable	676	10%
DSO	44	2
Accounts payable	636	(23%)
DPO	71	(31)
Cash conversion cycle	**77 days**	**55 days**

Ending cash balance of $1.3B and Q4 cash flow from operations of $100M.

Returned a total of $571M to shareholders in FY'22 through our previously announced share repurchase program ($412M) and dividend payment ($159M).

Continued strategic use of the balance sheet to invest in supply availability.

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

FY’23 UPDATED GUIDANCE

FY 2023 OUTLOOK	NEW	OLD
Sales growth (CC)	2% - 4%	Mid Single Digits
Non-GAAP operating income	$875M - $925M	$900M - $950M

ADDITIONAL ASSUMPTIONS	
Currency exchange rates	Q4’22 average rates
Non-GAAP effective tax rate	Approx. 13%
Cash from operations	1x non-GAAP OP
Capex	Approx. $115M

Note: Sales growth is Y/Y and in constant currency unless otherwise specified.

APPENDIX

GAAP TO NON-GAAP RECONCILIATIONS

LOGITECH INTERNATIONAL S.A.

PRELIMINARY RESULTS*

(In thousands, except per share amounts) - Unaudited

SUPPLEMENTAL FINANCIAL INFORMATION	**Three Months Ended March 31,**		**Fiscal Years Ended March 31,**	
GAAP TO NON GAAP RECONCILIATION [(A)]	**2022**	**2021**	**2022**	**2021**
Gross profit - GAAP	$ 493,907	$ 711,269	$2,263,006	$2,335,735
Share-based compensation expense	1,442	1,519	6,695	6,438
Amortization of intangible assets	2,995	3,529	14,023	13,329
Gross profit - Non-GAAP	$ 498,344	$ 716,317	$2,283,724	$2,355,502
Gross margin - GAAP	40.2 %	46.3 %	41.3 %	44.5 %
Gross margin - Non-GAAP	40.5 %	46.6 %	41.7 %	44.8 %
Operating expenses - GAAP	$ 365,138	$ 416,187	$1,488,994	$1,187,610
Less: Share-based compensation expense	19,572	19,786	86,784	79,581
Less: Amortization of intangible assets and acquisition-related costs	2,961	5,178	16,947	19,064
Less: Impairment of intangible assets	—	—	7,000	—
Less: Change in fair value of contingent consideration for business acquisition	—	—	(3,509)	5,716
Less: Restructuring charges (credits), net	395	—	2,165	(54)
Operating expenses - Non-GAAP	$ 342,210	$ 391,223	$1,379,607	$1,083,303
% of net sales - GAAP	29.7 %	27.1 %	27.2 %	22.6 %
% of net sales - Non - GAAP	27.8 %	25.5 %	25.2 %	20.6 %

GAAP TO NON-GAAP RECONCILIATIONS

LOGITECH INTERNATIONAL S.A.

PRELIMINARY RESULTS*

(In thousands, except per share amounts) - Unaudited

SUPPLEMENTAL FINANCIAL INFORMATION	**Three Months Ended March 31,**		**Fiscal Years Ended March 31,**	
GAAP TO NON GAAP RECONCILIATION (A)	**2022**	**2021**	**2022**	**2021**
Operating income - GAAP	$ 128,769	$ 295,082	$ 774,012	$1,148,125
Share-based compensation expense	21,014	21,305	93,479	86,019
Amortization of intangible assets and acquisition-related costs	5,956	8,707	30,970	32,393
Impairment of intangible assets	—	—	7,000	—
Change in fair value of contingent consideration for business acquisition	—	—	(3,509)	5,716
Restructuring charges (credits), net	395	—	2,165	(54)
Operating income - Non - GAAP	$ 156,134	$ 325,094	$ 904,117	$1,272,199
% of net sales - GAAP	10.5 %	19.2 %	14.1 %	21.9 %
% of net sales - Non - GAAP	12.7 %	21.2 %	16.5 %	24.2 %
Net income - GAAP	$ 108,205	$ 225,747	$ 644,513	$ 947,257
Share-based compensation expense	21,014	21,305	93,479	86,019
Amortization of intangible assets and acquisition-related costs	5,956	8,707	30,970	32,393
Impairment of intangible assets	—	—	7,000	—
Change in fair value of contingent consideration for business acquisition	—	—	(3,509)	5,716
Restructuring charges (credits), net	395	—	2,165	(54)
Loss on investments	262	1,218	1,683	5,910
Non-GAAP income tax adjustment	(99)	(5,776)	12,364	25,788
Net income - Non - GAAP	$ 135,733	$ 251,201	$ 788,665	$1,103,029
Net income per share:				
Diluted - GAAP	$ 0.64	$ 1.31	$ 3.78	$ 5.51
Diluted - Non - GAAP	$ 0.81	$ 1.45	$ 4.63	$ 6.42
Shares used to compute net income per share:				
Diluted - GAAP and Non - GAAP	168,546	172,954	170,414	171,775

GAAP TO NON-GAAP RECONCILIATION NOTES

Note: These preliminary results for the three months and full fiscal year ended March 31, 2022 are subject to adjustments, including subsequent events that may occur through the date of filing our Annual Report on Form 10-K.

(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