Q1 Fiscal Year 2023 Financial Results

July 25, 2022

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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 ended June 30, 2022, secular trends and opportunities, our near term plans including regarding our product categories, operations, sales, capital allocation priorities and sustainability, our long-term strategy, future growth and efficiencies, reduction in expenses, our share buyback program increase, 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 could cause actual results and events to differ materially, including without limitation: macroeconomic and geopolitical conditions and their impact, including the COVID-19 pandemic, the war in Ukraine, changes in inflation levels and monetary policies; 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 the war 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; 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; if we do not successfully execute on strategic acquisitions and investments; 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, 2022, 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, 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?

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KEYBOARDS & COMBOS

MX Keys Mini Combo for Business
Signature MK650 Combo for Business

Logitech launched two enterprise mouse-keyboard combos designed to improve employee experience and productivity.

The new combos include Logi Bolt wireless security, are compatible with Logi Options+ software, and are engineered to provide robust connectivity even in congested wireless environments.

KEYBOARDS & COMBOS

MX Mechanical | MX Mechanical Mini
MX Master 3S

Logitech also expanded its Master Series, with the introduction of two new mechanical keyboards - the full-size MX Mechanical and minimalist MX Mechanical Mini – and MX Master 3S mouse.

Logitech's Master Series brings advanced digital creators ultimate productivity tools, featuring high performance mechanical typing and precision tracking.

SUSTAINABILITY

The MX Mechanical wireless keyboard was designed with sustainability in mind.

The MX Mechanical wireless keyboard is a case study in Logitech's Design for Sustainability (DfS) approach to product development. The chassis and keys on MX Mechanical have been specifically designed to optimize material usage and it uses low impact materials including NextLife plastics and Low Carbon Aluminum.

All told, using DfS to build the MX Mechanical wireless keyboard resulted in a 40% avoidance of carbon vs. baseline methods (e.g., not using DfS).

FINANCIAL RESULTS

KEY MESSAGES – Q1’23

Q1’23 net sales declined 9% (CC) to $1.16B, as category and geographical results were uneven, reflecting a volatile macroeconomic environment. In the quarter, we had growth in Video Collaboration, Keyboards & Combos and Pointing Devices. And despite declines in Webcams and Gaming, we outperformed the market and gained share.

We continue to operate in attractive categories, have positioned our business to take advantage of long-term trends, while managing our business responsibly in a challenging economy.

Gross margin was 40.0%, nearly flat sequentially, despite operating in an inflationary environment, facing ongoing logistic cost pressures and unfavorable currency movements.

Operating profit was $146M, down 38% year-over-year, as we continued to resize our variable costs while sustaining long term investment in our product development capabilities.

Cash flow from operations was ($36M), ending cash balance was $1.1B and we returned nearly $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.

P&L REMAINS SOLID DESPITE CHALLENGING GLOBAL ECONOMY

	Q1'23	Q1'22	Y/Y
Net sales	**$1,160**	**$1,312**	**(12%)**
Y/Y % chg	(12%)	66%	
Y/Y % chg (CC)	(9%)	58%	
Gross profit	464	574	(19%)
% margin	40.0%	43.8%	(380 bps)
Operating expense	319	340	(6%)
% of sales	27.5%	25.9%	160 bps
Operating income	**146**	**235**	**(38%)**
% margin	12.6%	17.9%	(530 bps)
Net income	123	210	(41%)
% margin	10.6%	16.0%	(540 bps)
Earnings per share	$0.74	$1.22	(39%)
Diluted shares	166	172	(3%)

Net sales down 9% (CC) to $1.16B, reflecting uneven and volatile economic conditions around the globe

Gross margin was 40.0% despite inflation, increased freight rates and foreign currency headwinds

Strategically reduced operating expense during the quarter, while continuing to invest in product development

Operating income of $146M, down versus the prior year reflecting reduced volumes and gross margins, partially offset by reduced operating expenses

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.

LONG TERM SECULAR TRENDS REMAIN DURABLE DESPITE NEAR TERM HEADWINDS

	Q1'23	Q1'22	Y/Y	Y/Y (CC)	% of Total Sales
Gaming	283	335	(16%)	(13%)	24%
Video Collaboration	246	235	5%	7%	21%
Keyboards & Combos	228	218	4%	7%	20%
Pointing Devices	183	183	0%	3%	16%
Audio & Wearables	69	117	(40%)	(39%)	6%
Tablet & Accessories	67	79	(16%)	(13%)	6%
PC Webcams	59	110	(46%)	(44%)	5%
Mobile Speakers	22	28	(22%)	(19%)	2%
Other[1]	2	6	(67%)	(66%)	0%
Net sales	**1,160**	**1,312**	**(12%)**	**(9%)**	**100%**

Gaming, Video Collaboration, Keyboards & Combos and Pointing Devices revenues, 81% of our total sales, were flat (CC) compared to Q1'22

Growth in Simulation Gaming helped partially offset declines in PC and Console Gaming, and we saw strong growth in overall Gaming in Asia Pacific

Video Collaboration posted 7% growth in the quarter, driven by conference room cameras, peripherals and headsets, despite an uneven customer approach to return-to-work

Consumers continued to invest in their personal work spaces, with 7% and 3% growth in Keyboards & Combos and Pointing Devices, respectively

[1] Other includes Smart Home.

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

ASIA PACIFIC DEMONSTRATED STRONG GROWTH TO START THE YEAR

	Q1’23	Q1’22	Y/Y (CC)	Y/Y (US$)	Sell-through (US$)
Americas	502	613	(18%)	(18%)	(7%)
Asia Pacific	367	342	11%	7%	(1%)
EMEA	290	358	(12%)	(19%)	(16%)
Net sales	**1,160**	**1,312**	**(9%)**	**(12%)**	**(8%)**

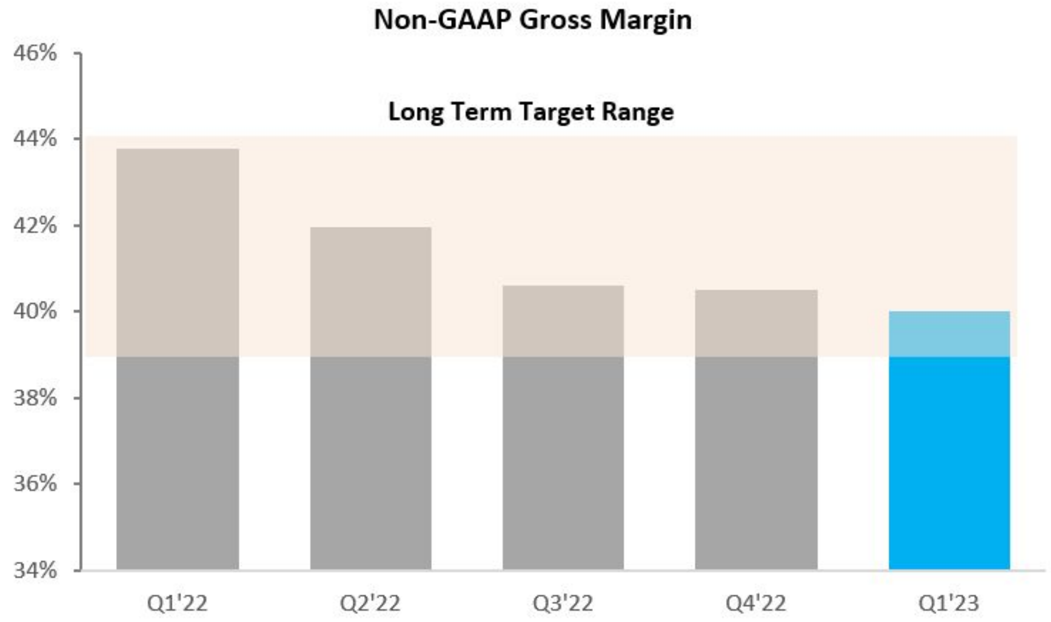
Americas and EMEA declined, after growing 70% and 56%, respectively, the prior year

Asia Pacific held up well, growing 11% in Q1’23 after growing at 43% in Q1’22

Globally, sell-in and sell-through were balanced in the quarter, with regional differences reflecting different economic climates and China COVID lockdowns

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

GROSS MARGIN REMAINS IN LONG TERM RANGE



Gross margin was 40.0%, nearly flat sequentially, and within our long term range

Increases in component costs and ocean and air shipping rates, and foreign exchange pressure, were only partially offset by lower air freight costs and favorable category mix

Continued sharp focus on cost reduction and dual sourcing helped support gross margin levels

FOCUSED ON REDUCING VARIABLE COST WHILE SUSTAINING INVESTMENT TO SUPPORT FUTURE GROWTH

	Q1'23	Q1'22	Y/Y
Sales & marketing	220	244	(10%)
% of sales	*18.9%*	*18.6%*	*30 bps*
Research & development	70	64	9%
% of sales	*6.0%*	*4.9%*	*110 bps*
General & administrative	29	32	(9%)
% of sales	*2.5%*	*2.4%*	*10 bps*
Operating expenses	**$319**	**$340**	**(6%)**
% of sales	*27.5%*	*25.9%*	*160 bps*

Continued to reduce variable costs as Sales & Marketing expenses were down 10%

R&D increased 9%, reflecting our commitment to innovation and the need to invest through volatile economic cycles

G&A decreased 9% and was essentially flat as a percent of sales

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

BALANCE SHEET REMAINS STRONG, SUPPORTS RETURN OF CAPITAL TO SHAREHOLDERS

	Q1'23	Q1'22	Q/Q	Y/Y
Cash from operations	(36)	(115)	(136)	79
Ending cash balance	1,107	1,498	(222)	(391)
Inventory	917	779	(16)	139
Inventory turns	3.1	3.8	(0.1)	(0.8)
DOI	118	94	4	24
Accounts receivable	707	546	31	161
DSO	55	37	6 days	18 days
Accounts payable	559	710	(77)	(151)
DPO	72	86	(6 days)	(14 days)
Cash conversion cycle	101	45	16	56

Ending cash balance of $1.1B and Q1 cash from operations of ($36M)

Returned nearly $121M to shareholders through share repurchases in the quarter

Increased existing share buyback program authorization up to $1.5B[1]

Announced a proposed annual dividend increase of 10% (CHF) per share[2]

[1] Subject to approval from the Swiss Takeover Board

[2] Requires shareholder approval at the Logitech Annual General Meeting in September 2022

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

FY'23 UPDATED OUTLOOK

FY'23 OUTLOOK	NEW	OLD
Sales growth (CC)	(8%) - (4%)	2% - 4%
Non-GAAP operating income	$650M - $750M	$875M - $925M

ADDITIONAL ASSUMPTIONS	
Currency exchange rates	Approximately -4ppts delta between USD and CC growth year over year, based on rates as of July 1
Non-GAAP effective tax rate	Approximately 13%
Cash from operations	1x non-GAAP operating income
Capex	Approximately $110M

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 June 30,	
GAAP TO NON GAAP RECONCILIATION [(A)]	2022	2021
Gross profit - GAAP	$ 459,603	$ 568,926
Share-based compensation expense	1,461	1,369
Amortization of intangible assets	3,042	4,066
Gross profit - Non-GAAP	$ 464,106	$ 574,361
Gross margin - GAAP	39.6 %	43.4 %
Gross margin - Non-GAAP	40.0 %	43.8 %
Operating expenses - GAAP	$ 344,124	$ 365,845
Less: Share-based compensation expense	22,229	22,282
Less: Amortization of intangible assets and acquisition-related costs	3,369	5,217
Less: Change in fair value of contingent consideration for business acquisition	—	(1,474)
Operating expenses - Non-GAAP	$ 318,526	$ 339,820
% of net sales - GAAP	29.7 %	27.9 %
% of net sales - Non - GAAP	27.5 %	25.9 %

GAAP TO NON-GAAP RECONCILIATIONS

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

SUPPLEMENTAL FINANCIAL INFORMATION	**Three Months Ended June 30,**	
GAAP TO NON GAAP RECONCILIATION [(A)]	**2022**	**2021**
Operating income - GAAP	$ 115,479	$ 203,081
Share-based compensation expense	23,690	23,651
Amortization of intangible assets and acquisition-related costs	6,411	9,283
Change in fair value of contingent consideration for business acquisition	—	(1,474)
Operating income - Non - GAAP	$ 145,580	$ 234,541
% of net sales - GAAP	10.0 %	15.5 %
% of net sales - Non - GAAP	12.6 %	17.9 %
Net income - GAAP	$ 100,836	$ 186,841
Share-based compensation expense	23,690	23,651
Amortization of intangible assets and acquisition-related costs	6,411	9,283
Change in fair value of contingent consideration for business acquisition	—	(1,474)
Gain on investments	(11,357)	(1,071)
Non-GAAP income tax adjustment	3,459	(7,416)
Net income - Non - GAAP	$ 123,039	$ 209,814
Net income per share:		
Diluted - GAAP	$ 0.61	$ 1.09
Diluted - Non - GAAP	$ 0.74	$ 1.22
Shares used to compute net income per share:		
Diluted - GAAP and Non - GAAP	166,406	172,020

GAAP TO NON-GAAP RECONCILIATION NOTES

Note: These preliminary results for the three months ended June 30, 2022 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

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