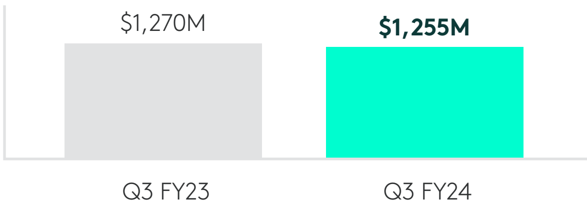
Q3 FISCAL YEAR 2024

SHAREHOLDER LETTER

January 22, 2024

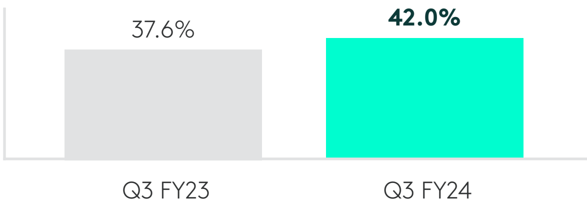
Q3 FY24 HIGHLIGHTS

Net Sales



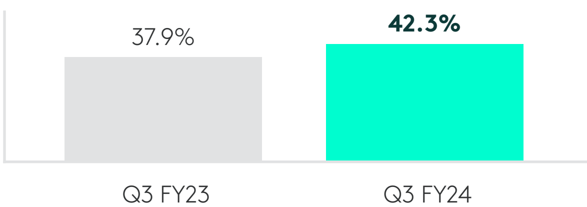
-3% y/y (cc)

GAAP Gross Margin



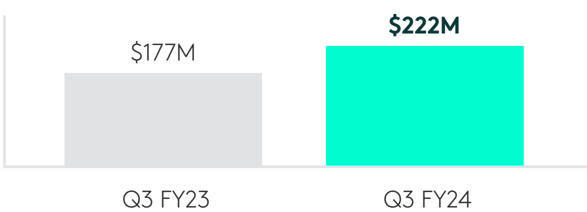
+440 basis points y/y

Non-GAAP Gross Margin



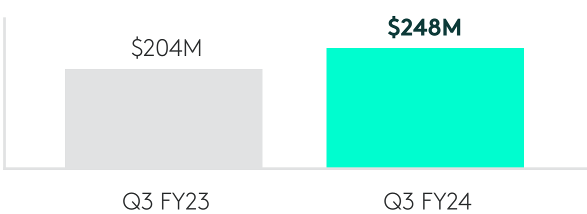
+440 basis points y/y

GAAP Operating Income



+26% y/y

Non-GAAP Operating Income



+22% y/y

Q3 FY24 net sales were $1,255 million, down 3% (CC) versus Q3 FY23. We grew market share in Keyboards & Combos, Pointing Devices, Gaming Wheels, Tablet Keyboards and Webcams in the quarter.[1]

Q3 FY24 non-GAAP gross margin was 42.3%, up 440 basis points versus Q3 FY23, due to lower product and logistics costs and reduced promotional activities, partially offset by unfavorable mix. Sequentially, gross margin was up 30 basis points, primarily due to cost improvement and favorable mix, partially offset by increased promotional spend.

Q3 FY24 non-GAAP operating income was $248 million, up 22% versus Q3 FY23, reflecting gross margin expansion.

Note: Comparisons are Y/Y and in constant currency, a non-GAAP measure, unless otherwise specified.
[1] Market share data through November 2023.

DEAR LOGITECH SHAREHOLDER,

This quarter, we updated our earnings materials in an effort to streamline the information that we provide you. We hope you will find it useful. In our earnings conference call on January 23rd at 8:30 am EST, we will provide brief opening remarks and use the remainder of our time to address questions. We look forward to speaking with you all then.

CEO First Impressions

Nearly 60 days into my tenure with Logitech, I am pleased to report solid results in the third quarter of Fiscal Year 2024. Our teams continued their record of exceptional product innovation, strong operational discipline, and prudent financial management.

Looking ahead, we have a unique opportunity to drive long-term growth in exciting categories. I am convinced our return to growth is a question of "when, not if"; although the uncertain environment makes the "when" difficult to determine. I like the current position of our portfolio, smartly architected to take advantage of durable secular trends in hybrid work, video conferencing, gaming and content creation. Additionally, longer term trends, such as AI, open new opportunities for Logitech, which is well-positioned as the point of connection between the human and the digital world.

As I've met with employees, customers, partners, and shareholders over the past two months, these interactions have only confirmed my initial expectations. Our people consistently embody a humble but hungry spirit and a culture that's competitive yet caring. They are clearly driven by the pursuit of customer-centric product design innovation and are focused on operational excellence and sustainability.

Operational Discipline

While Q3 net sales of $1,255 million were down 3% year over year in constant currency, we continued to demonstrate gradual improvement. Our return to top-line growth was still pressured in the current macroeconomic environment; however, I am pleased to see that our teams executed well during our critical third-quarter holiday sales season.

Our disciplined approach to cost management drove healthy non-GAAP gross margins of 42.3% and non-GAAP operating income of $248 million. Q3 is historically our highest promotional quarter, but the teams were particularly disciplined with promotional spend which contributed to our strong top line and operating income results. Operating the business with discipline establishes a solid foundation from which we can return to growth.

Innovation and Market Leadership

Looking at our categories, in Q3, our Video Collaboration net sales were down 4% year over year, but up sequentially. Many customers continue to take a cautious approach in equipping conference rooms as they first focus on standardizing their approach to hybrid work and rationalizing their real estate footprint. In fact, the United States office vacancy rate reached a record high at the end of 2023. Despite these challenges, we continue to develop products that suit different working styles and office configurations. In December, our team hit a critical milestone as Logitech Sight, our AI-powered camera which is establishing a new meeting equity experience with a multi-camera tabletop and a panoramic video collaboration solution, is the first to be certified for both Zoom Rooms and Microsoft Teams Rooms.

In our Personal Workspace portfolio, Keyboards & Combos grew 1% year over year and Pointing Devices were flat. Performance of our Ergo line of keyboards and mice continues to be a bright spot, highlighting the continued need for ergonomic peripherals. Tablet Accessories were down 3% year over year, while Webcams continued to be pressured, down 11%.

Gaming was down 2% year over year, as Console Gaming remained challenged. PC Gaming was up modestly in Q3, and Simulation outperformed our expectations, a potential indication that the category is beginning to stabilize. We are focused on accelerating the pace of new product launches, and recently we released the fifth generation of our flagship console gaming headset, Logitech G's Astro A50 X. Among a host of new features, the A50 X includes a new feature called PLAYSYNC that allows for easy connectivity and switching between the XBOX, PS5, and PC via a single button press.

Q3 FY24 Results

In Q3, net sales in constant currency declined by 3% to $1,255 million year over year, driven by lower demand and channel inventory reductions, partially offset by lower promotional spend. While the Americas were up 4% in constant currency, both EMEA and Asia Pacific were down 9% and 7%, respectively. In our Personal Workspace Solutions portfolio, Keyboards & Combos grew 1% and Pointing Devices were flat year over year. Gaming was down 2%, and in Video Collaboration, net sales were down 4%, but up sequentially. Tablet Accessories were down 3% year over year, while Webcams continued to be pressured, down 11%.

We continued to make progress in actively managing our on-hand and channel inventory. For the seventh consecutive quarter, we reduced our on-hand inventory significantly with our inventory turns improving from 4.0 to 6.5 year over year. In Q3, channel inventory was approximately flat quarter over quarter. In Q4, we expect to further reduce channel inventory (approximately mid single digits as a percentage) to align with the seasonally lower revenue we have historically seen in Q4. These actions to reduce channel inventory and drive a lean supply chain will likely create a negative Q4 year over year comparison for net sales.

Q3 non-GAAP gross margin was 42.3%, up 440 basis points versus Q3 FY23, due to lower product and logistics costs and reduced promotional activities, partially offset by unfavorable mix. Sequentially, gross margin was up 30 basis points, primarily due to cost improvement and favorable mix, partially offset by increased promotional spend.

In Q4, we expect non-GAAP gross margins to be approximately 38% to 40% due to lower volume and increased logistics costs related to recent global transportation issues. We continue to believe the business is positioned to structurally attain the 39% to 44% non-GAAP gross margin target on an annualized basis.

Non-GAAP operating expenses were $283 million in the quarter, up sequentially as anticipated, and up 2% year over year. As a percent of revenue, our non-GAAP operating expenses were well within our long-term model of maintaining operating expenses at approximately 25% of revenue. We expect operating expenses to be down mildly in Q4.

Non-GAAP operating income was $248 million in Q3 and better than our expectations due to improved demand, strong gross margins, and cost discipline.

The team delivered another strong quarter of cash flow from operations at $443 million, leading to a cash balance of approximately $1.4 billion.

In summary, our results demonstrate continued progress. Our teams executed well throughout the quarter and holiday season, continuing our long record of exceptional product innovation, market share gains, strong operational execution, and prudent financial management. We are excited for what's to come.

Sincerely,

Hanneke Faber
Chief Executive Officer

Charles D. Boynton

Chuck Boynton
Chief Financial Officer

WHAT'S NEW FROM LOGITECH

Zone Wireless 2

Logitech introduced Zone Wireless 2, a top-of-the-line business headset that uses AI to deliver unique two-way, noise-free calling experiences. AI far-end noise suppression, noise-canceling mics, hybrid Active Noise Cancellation (ANC), and personalized stereo sound help business professionals hear and be heard clearly in calls and meetings, especially in noisy environments. Notably, the headset allows the user to suppress ambient noise from the other person's side of the call, even if that person is not wearing a noise-canceling headset. The Advanced Call Clarity feature, activated through Logi Tune, uses AI to separate the other caller's voice from their background. Superior noise-canceling mics suppress distracting sounds and near conversations through advanced beamforming technology that captures the user's voice. These create a two-way noise suppression system.

Wave Keys and Wave Keys for Business

Logitech introduced the latest release of its ergonomic keyboard line-up, the Wave Keys and Wave Keys for Business wireless ergonomic keyboards to address the increased need for wellbeing and comfort at the desk. Wave Keys features a signature wave design in a compact layout for comfortable typing that does not require relearning how to type, as well as an integrated cushioned palm rest for day-long support.

Wave Keys' unique wave shape places hands, wrists, and forearms in a natural typing position, and the integrated cushioned palm rest gives more wrist support throughout the day. Its compact layout fits many home or office desks, with three classic colorways to complement your workspace setup – Graphite, Off-White, and Rose (Rose available in 2024 in select markets).

Astro A50 X LIGHTSPEED

Logitech G unveiled the Logitech G ASTRO A50 X LIGHTSPEED Wireless Gaming Headset and Base Station, the fifth generation of the critically acclaimed ASTRO A50 Series console gaming headset. The new ASTRO A50 X is designed to deliver the ultimate console headset experience. With breakthrough innovations in audio and connectivity, the ASTRO A50 X LIGHTSPEED Wireless Gaming Headset + Base Station features:

- New PLAYSYNC technology for easy connectivity and switching between the XBOX, PS5, and PC via a single button press
- PRO-G Graphene Audio Driver technology for high performance gaming audio
- 24-bit LIGHTSPEED Wireless technology for pro-grade performance on the console

SUSTAINABILITY

In December, Logitech was included in the Dow Jones Sustainability Index (DJSI) for the fourth consecutive year. The company was listed in the Dow Jones Sustainability Index for Europe, which is a widely recognized standard for evaluating and measuring performance and the capability to continuously improve by advancing Environmental, Social, and Governance (ESG) criteria.

The company made advancements in areas such as Cybersecurity, Emissions, Product Stewardship, Climate Strategy, and Talent Attraction and Retention. Its score and advancements in these areas reflect Logitech's continued focus on performance, accountability, and transparency.

Logitech has also retained recognition for its sustainability performance: it was rated "AAA"[1] by MSCI representing the top 9% in the technology, hardware, and peripherals industry globally, achieved "Prime" status in the ESG assessment carried out by Institutional Shareholder Services (ISS), and is ranked in the top 1% of sustainable companies by EcoVadis.

[1] MSCI AAA rating as of 8th December 2023. The use by Logitech of any MSCI ESG Research LLC or its affiliates ("MSCI") Data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Logitech by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

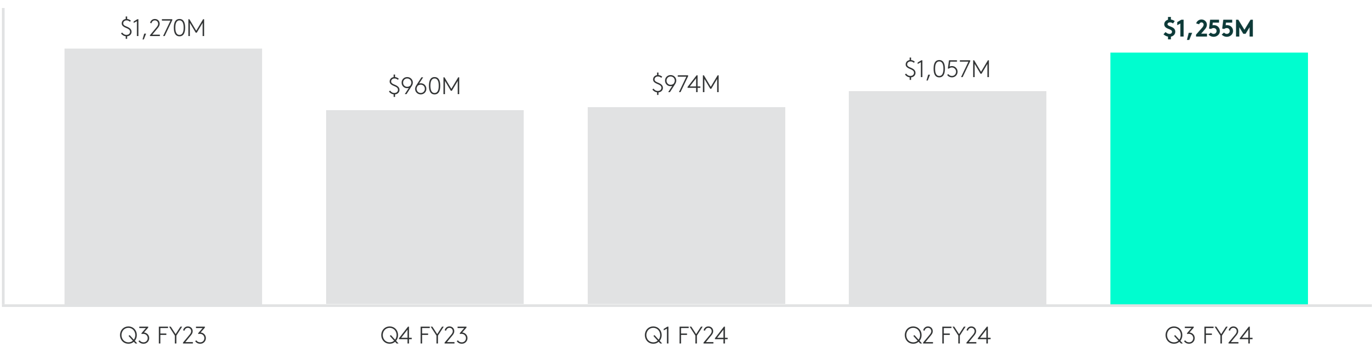
FINANCIAL DISCUSSION

Q3 FY24 Results

Net sales in constant currency declined by 3% to $1,255 million year over year, driven by lower demand and channel inventory reductions, partially offset by lower promotional spend. Despite the sales declines, we gained market share in Keyboards & Combos, Pointing Devices, Gaming Wheels, Tablet Keyboards, and Webcams. We remain market leaders in key categories, such as Pointing Devices, Keyboards & Combos, PC Gaming, Video Collaboration, and Webcams.[1]

In the quarter, sales execution was strong with controlled promotional spend supporting solid sales and margin expansion. Outside of promotional windows like Black Friday and Cyber Monday, sales volumes were slightly below expectations.

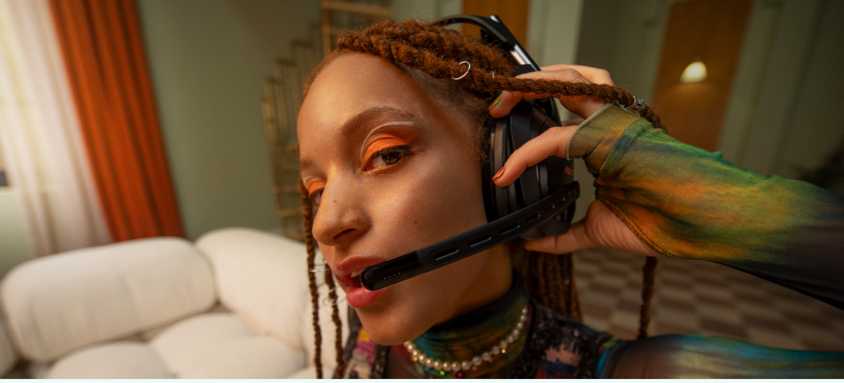
Net Sales



Revenue By Product Category

$M	Q3 FY24	Q3 FY23	Y/Y (US$)	Y/Y (CC)
Gaming[2]	409	412	(1%)	(2%)
Keyboards & Combos	229	220	4%	1%
Pointing Devices	206	199	4%	0%
Video Collaboration	170	174	(2%)	(4%)
Webcams	86	94	(9%)	(11%)
Tablet Accessories	64	65	(1%)	(3%)
Headsets	42	47	(11%)	(12%)
Other[3]	49	59	(16%)	(18%)
Net Sales	**1,255**	**1,270**	**(1%)**	**(3%)**

[1] Market share data through November 2023.
[2] Gaming includes streaming services generated by Streamlabs.
[3] Other primarily consists of Mobile Speakers and PC Speakers.
Net sales in $ millions. Comparisons are Y/Y.



Gaming

Gaming decreased 2% in Q3, as a solid holiday season stabilized performance. PC Gaming delivered modest growth in the quarter, and Simulation was only down marginally. We grew share in Gaming Wheels in the quarter. Regionally, China remained pressured as competitive intensity and higher promotional spend reduced our overall market shares in Gaming Keyboards, wireless mice, and console headsets.

Video Collaboration

Video Collaboration sales declined 4% in Q3, a marked improvement in year over year declines when compared to prior quarters. Sequentially, Video Collaboration grew 11%. The Video Collaboration market remains challenging as office vacancy rates continue to increase, although we are starting to see an increase in our services bookings.

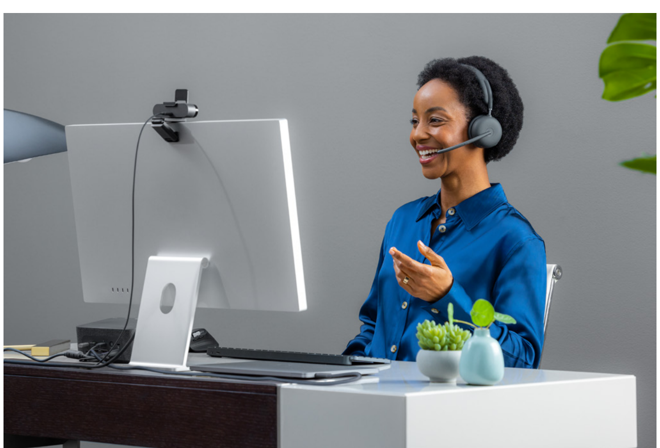
Personal Workspace Solutions

Pointing Devices

Net sales in our Pointing Devices category were flat in Q3, and we grew market share. Solid performance of our ergonomic products was more than offset by pressure in entry level ASP pointing devices. Regionally, Q3 sales declines in EMEA and Asia Pacific were partially offset by growth in the Americas.

Keyboards & Combos

Our Keyboards & Combos sales were up 1% in Q3. Gains in the Americas and Asia Pacific were offset by declines in EMEA. In the quarter, Keyboards & Combos grew market share and maintained the number one market share position. At the beginning of the quarter, we launched the latest in our line of ergonomic keyboards, Wave Keys, and Wave Keys for Business.



Webcams

Webcams sales decreased 11% in Q3, as the category continues to adjust following incredible growth during the pandemic. On a year over year basis, business webcams and consumer webcams were down similarly. Regionally, the results diverged, as growth in the Americas was offset by declines in Asia Pacific, and a particularly challenged environment in EMEA; however, we remain the global market leader in this category.

Tablet Accessories

Sales in our Tablet Accessories category declined 3% in Q3, where the pressure was particularly acute in EMEA. Tablet Accessories in Asia Pacific grew in the quarter.

Headsets

Sales in our Headsets category declined 12% in Q3. VC headsets were down more than consumer headsets. Sales were up modestly in the Americas, but more than offset by declines in EMEA and Asia Pacific. In the quarter, we launched the AI-powered Zone Wireless 2 headset, an exciting new product in the category that provides a unique two-way noise-free calling experience.

Net Retail Sales By Region

In Q3, the Americas returned to growth, while EMEA and Asia Pacific declined:

Americas

Sales in our Americas region were up 4% in Q3 with lower promotions significantly improving the conversion of our Sell-Through. Growth in Video Collaboration, Gaming, Keyboards & Combos, Pointing Devices, and Webcams were partially offset by declines in Tablet Accessories.

EMEA

Sales in our EMEA region were down 9% in Q3 and below our Sell-Through primarily driven by channel inventory reduction and favorable foreign exchange. Declines were generally broad based, although PC Gaming did grow mid-teens in net sales for the quarter.

Asia Pacific

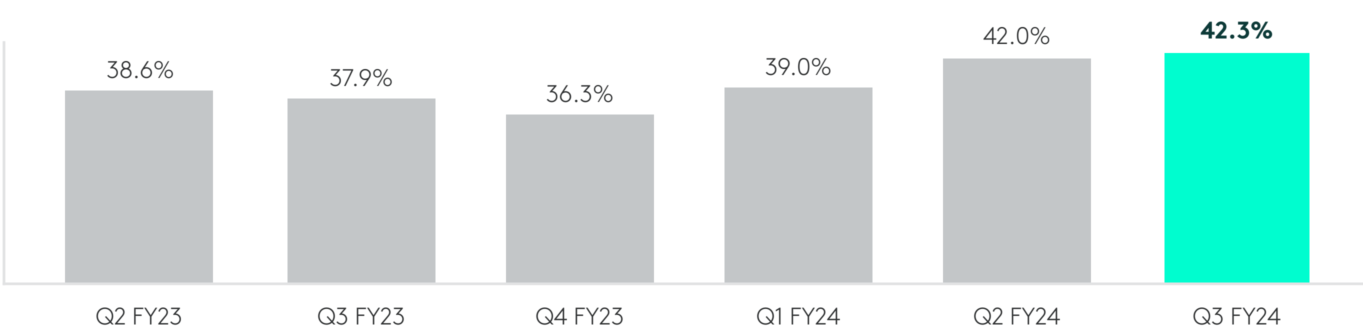
Sales in our Asia Pacific region decreased 7% in Q3. Keyboards & Combos, Tablet Accessories, and Simulation all grew modestly, offset by more significant declines in Video Collaboration, Webcams, Headsets, and PC Gaming.

$M	Q3 FY24	Q3 FY23	Y/Y (CC)	Y/Y (US$)	Sell-Through (US$)[2]
Net Sales[1]	**1,255**	**1,270**	**(3%)**	**(1%)**	**(4%)**
Americas	539	514	4%	5%	(6%)
Asia Pacific	300	328	(7%)	(8%)	(7%)
EMEA	417	429	(9%)	(3%)	(0%)

Non-GAAP Gross Margin

Q3 non-GAAP gross margin was 42.3%, up year over year, due to lower product and logistics costs and reduced promotional activities, partially offset by unfavorable mix. Sequentially, gross margin was up 30 basis points, primarily due to cost improvement and favorable mix, partially offset by increased promotional spend.

Quarterly Non-GAAP Gross Margin



[1] Net sales include the impact of promotions. For Q3, channel inventory was flat quarter-over-quarter.
[2] Sell-through figures are gross and do not include the impact of promotions.
Net sales in $ millions. Comparisons are Y/Y. See Appendix regarding sell-through data.

Non-GAAP Operating Expenses

Total non-GAAP operating expenses were $283 million in the quarter, up sequentially as anticipated, and up 2% year over year. As a percent of revenue, our non-GAAP operating expenses were well within our long-term model of maintaining operating expenses at approximately 25% of revenue. We continue to prioritize our investments to support product innovation and enterprise selling.

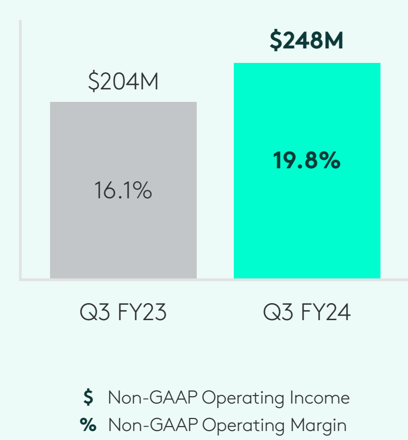
Non-GAAP sales and marketing spend was down 4% in Q3, directionally in line with revenue declines. Also in Q3, non-GAAP research and development spend increased 9%, reflecting our continued investment in product innovation. Non-GAAP general and administrative spend was up 33%, primarily as the result of variable expenses related to compensation and CEO transition.

	Q3 FY24	Q3 FY23	Y/Y
Non-GAAP Operating Expenses	**283**	**278**	**2%**
% of Sales	**22.6%**	**21.9%**	**70 bps**
Sales & Marketing	180	189	(4%)
% of Sales	14.4%	14.9%	(50 bps)
Research & Development	68	63	9%
% of Sales	5.4%	5.0%	50 bps
General & Administrative	35	26	33%
% of Sales	2.8%	2.1%	70 bps

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

Profitability

GAAP operating income in Q3 was $222 million, up 26% year over year. GAAP operating margin in Q3 was 17.7%, vs. 13.9% last year, up 377 basis points, primarily driven by gross margin expansion. Our Q3 GAAP EPS was $1.55, up 80%, driven primarily by a lower effective tax rate, gross margin expansion, and increased interest income. Logitech is reporting a net GAAP tax benefit in Q3 primarily due to an agreement with the Swiss Tax Authority that provides for an additional tax amortization deduction.



Non-GAAP operating income in Q3 was $248 million, up 22% year over year. Non-GAAP operating margin for Q3 was 19.8%, vs. 16.1% last year, up 370 basis points, primarily driven by gross margin expansion. Our Q3 non-GAAP EPS was $1.53, up 34%, driven primarily by gross margin expansion, increased interest income and a one-time, lower effective tax rate.

Logitech is reporting a lower non-GAAP tax rate for Q3 primarily due to the GAAP tax benefit indicated above.

Balance Sheet and Cash Flows

At the end of Q3, our cash and cash equivalents were $1,413 million, up $377 million from the prior year. Cash flow from operations was positive $443 million in Q3, up $163 million year over year, bolstered by strong working capital management. We returned a total of $188 million to shareholders in Q3 through share repurchases.

At the end of Q3, our inventory was $447 million, down 44% from last year, while our Q3 inventory turns were 6.5, increased from 4.0 in Q3 last year.

Accounts receivable were $686 million, down 15% versus last year. Accounts payable were $528 million at the end of Q3, up 7% versus last year.

Our DSO for Q3 was 49 days (versus 57 days in Q3 last year), DOI was 55 days (versus 91 days in Q3 last year) and DPO was 65 days (versus 56 days in Q3 last year). Our cash conversion cycle in Q3 was 39 days versus 92 days in Q3 last year.

Cash Balance, Cash Flow and Inventory

$M	Q3 FY24	Q3 FY23	Q/Q	Y/Y
Cash From Operations	443	280	220	163
Ending Cash Balance	1,413	1,036	249	377
Inventory	447	798	(86)	(350)
Inventory Turns	6.5	4.0	1.9	2.5
DOI	55	91	(23 days)	(36 days)
Accounts Receivable	686	802	29	(116)
DSO	49	57	(7 days)	(8 days)
Accounts Payable	528	491	35	37
DPO	65	56	(7 days)	9 days
Cash Conversion Cycle	**39**	**92**	**(23 days)**	**(53 days)**

NOTE:
Numbers in $ millions except inventory turns, DOI, DSO, DPO and cash conversion cycle.
Comparisons are in US$ unless otherwise specified.

Share Count and Repurchases

Our weighted average diluted share count in Q3 was 157.4 million shares versus 162.5 million shares in Q3 of the previous fiscal year. We returned a total of $188 million to shareholders in Q3 through share repurchases.

FISCAL YEAR 2024 FULL YEAR OUTLOOK

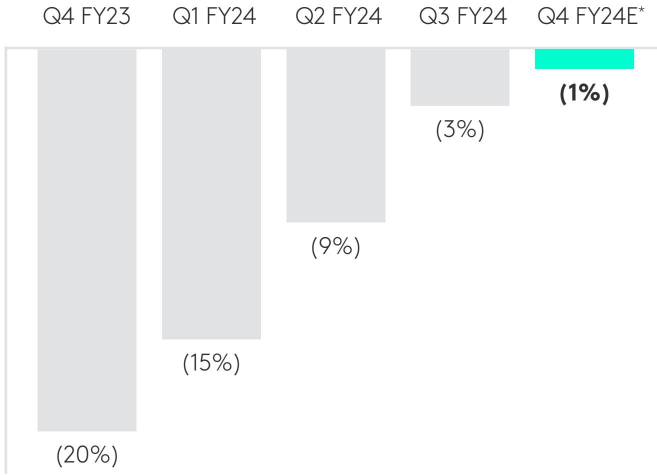
As a result of our Q3 performance and overall business trends we are raising the full-year outlook for Fiscal Year 2024.

We are now expecting revenue of $4.2 billion to $4.25 billion. Our corresponding non-GAAP operating income is expected to be between $610 million and $660 million.

On the graph to the right, you can see the historical and projected rate of change for net sales. Looking ahead to FY25, we do not anticipate an inflection point in the slope of this curve. While the rate of our net sales declines has improved, there are a number of headwinds and uncertainties that may impact our net sales throughout FY25.

In May, we will host our Analyst & Investor Day. We will outline our strategy and provide a financial outlook for FY25.

Net Sales Year-Over-Year Growth Rates (CC)



* Mid-point of FY24 outlook

FY24 Outlook		
	Previous FY24 Outlook	**New FY24 Outlook**
Net Sales	$4.0B - $4.15B	$4.2B - $4.25B
Net Sales Growth / (Decline) (USD, Y/Y)	(12%) - (9%)	(7%) - (6%)
Non-GAAP Operating Income	$525M - $575M	$610M - $660M
Non-GAAP Op. Inc. Growth / (Decline) (Y/Y)	(11%) - (2%)	4%-12%

Additional Assumptions	
Non-GAAP Effective Tax Rate	Approximately 10% (Previously 12%)
Cash from Operations	Approximately 1.5x non-GAAP operating income
Capex	Approximately $70M (Previously $90M)

NOTE:
Comparisons are in US$ unless otherwise specified.

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, 2023; Fiscal Year 2024 outlook for sales and non-GAAP operating income; our expectations for Fiscal Year 2025; long-term growth expectations; channel inventory, net sales comparison, non-GAAP gross margin and non-GAAP operating expenses expectations for Q4 of Fiscal Year 2024; business strategy and opportunities, including but not limited to product innovation and new product introductions, AI; trends in our business; and related assumptions.

These statements are subject to risks and uncertainties that may cause actual results and events to differ materially, including without limitation: macroeconomic and geopolitical conditions and other factors and their impact, for example changes in inflation levels and monetary policies; our expectations regarding our expense reduction efforts, including the timing thereof; changes in secular trends that impact our business; 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 logistics challenges, including disruptions in transportation lines; 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; if we do not efficiently manage our spending; our expectations regarding our restructuring efforts, including the timing thereof; 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, 2023, our Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, and other 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.

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.

We have included non-GAAP adjusted measures in this presentation, which exclude share-based compensation expense, amortization of intangible assets, acquisition-related costs, restructuring charges, net, loss on investments, non-GAAP income tax adjustment, and other items detailed under "Supplemental Financial Information" in our earnings press release posted to our website under "Quarterly Results" at http://ir.logitech.com.

We also present percentage sales growth in constant currency ("CC"), a non-GAAP measure, 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. With respect to our outlook for non-GAAP operating income, 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 the GAAP amounts has been provided for the Fiscal Year 2024 non-GAAP operating income outlook.

GAAP to Non-GAAP Reconciliation

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)	**2023**	**2022**	**2023**	**2022**
Gross profit - GAAP	$ 526,780	$ 477,268	$1,341,044	$1,375,651
Share-based compensation expense	2,189	1,324	6,066	4,228
Amortization of intangible assets	2,441	3,168	8,569	9,355
Gross profit - Non-GAAP	$ 531,410	$ 481,760	$1,355,679	$1,389,234
Gross margin - GAAP	42.0 %	37.6 %	40.8 %	38.4 %
Gross margin - Non-GAAP	42.3 %	37.9 %	41.2 %	38.8 %
Operating expenses - GAAP	$ 304,705	$ 300,523	$ 883,925	$ 956,026
Less: Share-based compensation expense	18,424	14,481	58,126	47,512
Less: Amortization of intangible assets and acquisition-related costs	2,276	2,810	8,279	9,052
Less: Restructuring charges, net	839	5,654	2,562	16,471
Operating expenses - Non-GAAP	$ 283,166	$ 277,578	$ 814,958	$ 882,991
% of net sales - GAAP	24.3 %	23.7 %	26.9 %	26.7 %
% of net sales - Non-GAAP	22.6 %	21.9 %	24.8 %	24.7 %
Operating income - GAAP	$ 222,075	$ 176,745	$ 457,119	$ 419,625
Share-based compensation expense	20,613	15,805	64,192	51,740
Amortization of intangible assets and acquisition-related costs	4,717	5,978	16,848	18,407
Restructuring charges, net	839	5,654	2,562	16,471
Operating income - Non-GAAP	$ 248,244	$ 204,182	$ 540,721	$ 506,243
% of net sales - GAAP	17.7 %	13.9 %	13.9 %	11.7 %
% of net sales - Non-GAAP	19.8 %	16.1 %	16.5 %	14.1 %
Net income - GAAP	$ 244,684	$ 140,153	$ 444,528	$ 323,080
Share-based compensation expense	20,613	15,805	64,192	51,740
Amortization of intangible assets and acquisition-related costs	4,717	5,978	16,848	18,407
Restructuring charges, net	839	5,654	2,562	16,471
Loss on investments	604	1,488	12,213	13,065
Non-GAAP income tax adjustment	(29,963)	16,230	(22,033)	23,296
Net income - Non-GAAP	$ 241,494	$ 185,308	$ 518,310	$ 446,059
Net income per share:				
Diluted - GAAP	$ 1.55	$ 0.86	$ 2.80	$ 1.96
Diluted - Non-GAAP	$ 1.53	$ 1.14	$ 3.26	$ 2.71
Shares used to compute net income per share:				
Diluted - GAAP and Non-GAAP	157,440	162,529	158,843	164,427

LOGITECH INTERNATIONAL S.A.
PRELIMINARY RESULTS *
(In thousands) - Unaudited
SUPPLEMENTAL FINANCIAL INFORMATION

GAAP TO NON-GAAP RECONCILIATION (A)	**Q2'23**	**Q3'23**	**Q4'23**	**Q1'24**	**Q2'24**	**Q3'24**
Gross profit - GAAP	$ 438,780	$ 477,268	$ 343,864	$ 375,642	$ 438,622	$ 526,780
Share-based compensation expense	1,443	1,324	1,407	1,415	2,462	2,189
Amortization of intangible assets	3,145	3,168	3,510	3,145	2,983	2,441
Gross profit - Non-GAAP	$ 443,368	$ 481,760	$ 348,781	$ 380,202	$ 444,067	$ 531,410
Gross margin - GAAP	38.2%	37.6%	35.8%	38.5%	41.5%	42.0%
Gross margin - Non-GAAP	38.6%	37.9%	36.3%	39.0%	42.0%	42.3%

* Note: These preliminary results for the three and nine months ended December 31, 2023 are subject to adjustments, including subsequent events that may occur through the date of filing our Quarterly Report on Form 10-Q.

(A) 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 Reports" 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 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