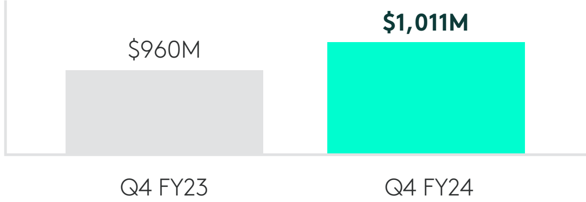
Q4 AND FISCAL YEAR 2024

Shareholder Letter

April 29, 2024

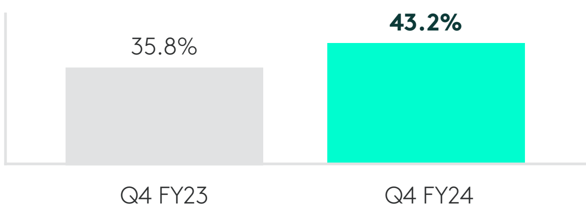
Q4 FY24 Highlights

Net sales



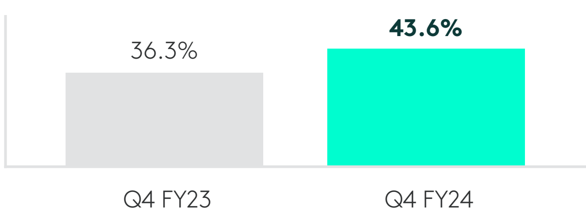
+5% y/y (cc)

GAAP gross margin



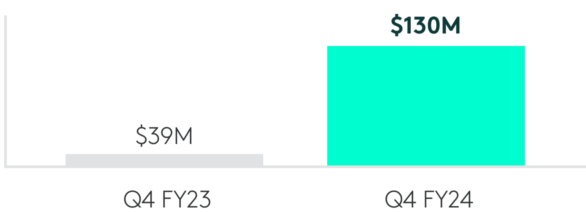
+740 basis points y/y

Non-GAAP gross margin



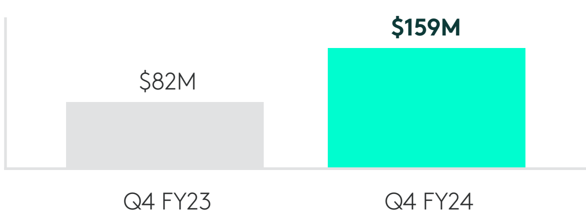
+730 basis points y/y

GAAP operating income



+235% y/y

Non-GAAP operating income



+93% y/y

Q4 FY24 net sales were $1.0 billion, up 5% (cc) versus Q4 FY23. We grew market share in Keyboards & Combos, Pointing Devices, Video Conferencing, Tablet Keyboards, and Webcams in the quarter.[1]

Q4 non-GAAP gross margin was 43.6%, up 730 basis points versus Q4 FY23, due to lower product and logistics costs, reduced promotional activities, and lower excess inventory reserve. Sequentially, non-GAAP gross margin was up 130 basis points, primarily due to lower promotional spending, partially offset by mix.

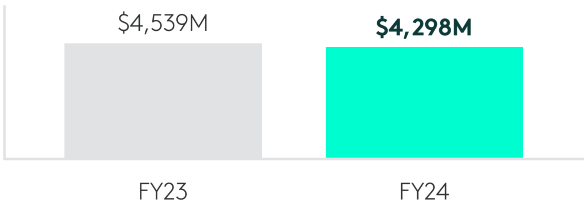
Q4 FY24 non-GAAP operating income was $159 million, up 93% versus Q4 FY23, reflecting gross margin expansion.

Note: Constant currency (cc) is a non-GAAP measure, see Non-GAAP Financial Measures below.

[1] Market share data through February 2023 - February 2024.

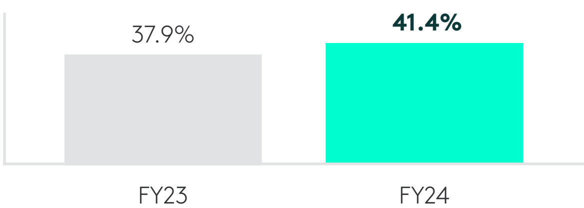
Fiscal Year 2024 Highlights

Net sales



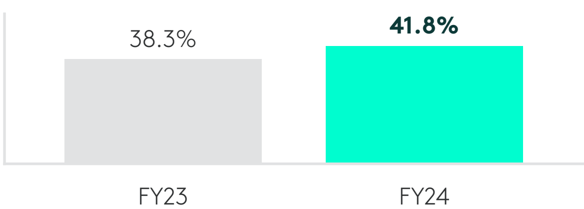
-6% y/y (cc)

GAAP gross margin



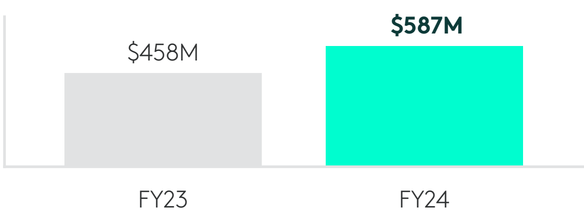
+350 basis points y/y

Non-GAAP gross margin



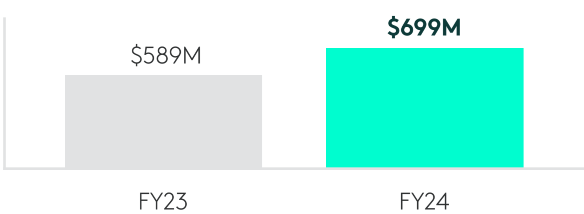
+350 basis points y/y

GAAP operating income



+28% y/y

Non-GAAP operating income



+19% y/y

FY24 net sales were $4.3 billion, down 6% (cc) versus FY23. We grew market share in Keyboards & Combos, Pointing Devices, Video Conferencing, Gaming Wheels, Gaming Wired Mice, Tablet Keyboards and Webcams over the past twelve months.[1]

FY24 non-GAAP gross margin was 41.8%, up 350 basis points versus FY23, due to lower product and logistics costs and reduced promotional activities, partially offset by mix.

FY24 non-GAAP operating income was $699 million, up 19% versus FY23, reflecting gross margin expansion.

Note: Constant currency (cc) is a non-GAAP measure, see Non-GAAP Financial Measures below.

[1] Market share data through February 2023 - February 2024.

Dear Logitech Shareholder,

This quarter marks the end of our 2024 Fiscal Year. This year was one of steady, continued improvement as we positioned the business for a return to growth. In addition to perspective on Q4 and Fiscal 2024 results, this letter also provides our Fiscal Year 2025 outlook, which anticipates modest year-over-year revenue growth with solid gross margins. In this letter, I will be sharing my assessment of the current state of Logitech® and our strategic priorities and opportunities for the years ahead. We look forward to speaking with you on our earnings conference call on April 30 at 8:30 am EDT and 2:30 pm CEST.

Q4 FY24 and Full Fiscal Year 2024 results

Q4 FY 2024 results were very strong, with a step up in top-line performance supported by healthy operating income, cash generation, and earnings. Growth was broad-based across all regions and key categories. The teams continued to execute at a high level, with non-GAAP gross and operating margins at the top end of our operating model, and solid cash generation increasing cash on hand to over $1.5 billion. For Q4, net sales in constant currency increased by 5% to $1.0 billion year over year, on lower promotional spending and increased demand supported by lower channel inventory reductions compared to FY23. For FY24, net sales finished down by 6% in constant currency.

Q4 non-GAAP gross margin was 43.6%, up 730 basis points versus Q4 FY23, due to lower product and logistics costs, reduced promotional activities, and lower excess inventory reserve. Sequentially, non-GAAP gross margin was up 130 basis points, primarily due to lower promotional spending, partially offset by mix.

Non-GAAP operating expenses were $283 million in the quarter, essentially flat sequentially, and up 6% year over year. This was driven by higher variable compensation as well as investments in innovation.

Non-GAAP operating income was $159 million in Q4, up 93% versus Q4 FY23, due to improved demand, strong gross margins, and cost discipline.

The team delivered another strong quarter of cash flow from operations at $239 million, leading to a cash balance of approximately $1.5 billion. For the year, the business generated over $1.1 billion in cash from operations. We returned a total of $686 million to shareholders through our annual dividend payment ($182 million) and share repurchases ($504 million).

A full discussion of our quarterly and annual results can be found below, which in summary demonstrated a continuation of strong operational performance, solid cash generation, and a notable improvement in top-line performance throughout the year.

Fiscal Year 2025 outlook

While the fundamentals of our business continue to improve and we are optimistic about Logitech's potential, there remain a number of uncertainties in the near-term economic outlook. Those uncertainties include the resilience of overall consumer demand, B2B and IT spending levels, sticky inflation, central bank monetary policy, governments' fiscal policies, and geopolitical conflicts.

Looking ahead to FY25, we anticipate a return to growth with full-year net sales between $4.3 billion and $4.4 billion. Non-GAAP operating income is expected to be between $685 million and $715 million. Non-GAAP gross margin and non-GAAP operating expenses for the full year are expected to be approximately 41% and 25%, respectively.

Ambitious mission, enviable assets, but not satisfied with recent results

I've met with hundreds of employees, customers, partners, and shareholders over the past 100 days. Their passion and excitement about Logitech's future, as well as their healthy discontent over the topline performance of the last few years, was clear. These interactions have been helpful as I shape the plans for Logitech's future.

We start from a simple, bold mission: **Logitech extends human potential – in work and play.** To extend human potential means supporting people around the world to be more productive, improve performance, win that game, and connect more easily – all in ways that are more sustainable and more equitable. And we will extend that human potential in two very large macro spaces: Work and Play.

Logitech starts with an enviable set of assets upon which to build:

- **World-class design and engineering expertise:** in 2024, we have already been honored with more than three dozen awards from the world's most prestigious awards programs[1], and our engineering teams drove 39 new product introductions in FY24
- **Strong brand:** brand awareness of over 90% in key markets
- **Global presence:** go-to-market capabilities in over 100 countries
- **Leading market share positions:** #1 share position in Mice, Gaming Mice, Keyboards & Combos, Video Collaboration, and Simulation
- **Operational excellence:** mix of owned and contract manufacturing, strong cost and inventory management discipline, and a customer-centric supply chain
- **Track record of growth and value creation:** 5-year total shareholder return of close to 100% for LOGI

Over the remainder of the decade, we see five major trends that we expect will affect our business:

- **New ways of working:** Hybrid work – splitting time between working at the office, at home, and on the go – is here to stay. More than 50% of U.S. workers are hybrid today[2], highlighting the need for multiple workspaces and the need for more video collaboration.
- **Gaming:** Gaming has gone mainstream. Today, almost half of gamers are women. Every age group plays. The ongoing growth and evolution of gaming creates an opportunity for us to provide more tools to a wider community of gamers.

[1] Including Red Dot, GOOD Design, iF Design and International Design Award (IDA)
[2] Gallup survey, February 2024.

- **AI:** We have only just started to experience the transformational impact that AI will have. As we extend human potential, Logitech will be an important part of the AI ecosystem. Already, AI is making our products better: from enhancing productivity, for example with our new AI Prompt Builder–to delivering superior audio and video performance.
- **Climate change:** This affects every country, every business and every society. Logitech intends to continue to be a leader for sustainability in tech.
- **The importance of trust:** Logitech delivers trusted experiences. With a well-established and trusted Swiss brand, consumer-centric design philosophy, broad partnerships, and high privacy and security standards, we are well positioned in a world where trust in governments, the media, science, and business is at an all-time low.

The road ahead | Strategic priorities

Moving ahead, it's clear that Logitech has enviable assets and a set of long-term, secular tailwinds. To take advantage of those, we are in the process of implementing a number of strategic decisions designed to drive sustainable revenue growth while maintaining our attractive margins. These decisions can be summarized in five key points that clarify where we will play and where we won't; and, consequently, how we will win:

1. **We will innovate and grow in the macro spaces of Work and Play.** These include the core categories we compete in today: Personal Workspace, Video Collaboration, and Gaming. But there is scope to grow in a significantly larger Total Addressable Market (TAM). Today, in Work, we mainly serve office workers. But most people around the world do not work in offices: they work in Retail, Education, Health Care, Construction, Manufacturing, etc. Equally the world of Play is larger than PC Gaming, the core of our business today. Broadening our definition of Work and Play almost doubles the available TAM, and we are excited about the opportunities this presents.
2. **We will create competitive advantage through a focus on design-led, software-enabled hardware.** These words are carefully chosen. Our hardware products, when combined with advanced software and services, are designed to offer magical, effortless user experiences that are also pioneering in terms of sustainability. Generative AI and Edge AI/Machine Learning offer significant new innovation opportunities as part of this recipe. We will not focus on pure software, nor sell plain hardware.
3. **We will continue to win with our historically strong Business-to-Consumer (B2C) customers, and at the same time, double down on Business-to-Business (B2B).** We've doubled our B2B business since 2019, and we have achieved leading shares in video conferencing, but we are still relatively new to B2B. We will accelerate our B2B capabilities across product design, services, marketing and sales.

4. **We will leverage geographic opportunities.** We will continue to build out our already strong global presence. We are in more than 100 countries today, but there are opportunities for more growth. In the developed markets of North America, Europe, and Asia Pacific, there are significant differences in Logitech Share of Wallet (SOW) between individual countries. Over time, expanding best practices to bring lower-SOW, developed countries to the median, as well as growing emerging markets (where we are present, but relatively small), represents an incremental growth opportunity of more than $1 billion.

5. **We will build an iconic brand.** The $4 billion Logitech brand is strong and trusted, with high global awareness and a reputation for reliability, ease of use, and value. The next step is for the brand to become truly iconic. That starts with evolving to a single, trusted Logitech brand – not a house of brands.

How will we win? We will relentlessly drive product superiority through innovation. We will build on our reputation for operational excellence and discipline. And we will continue our industry-leading work to reduce carbon emissions across our value chain.

What's possible

Put together, the path ahead uses Logitech's enviable assets, leverages macro trends, and makes clear choices for future growth. We're confident that we've identified the correct priorities to drive Logitech to 2031 (our 50th anniversary).

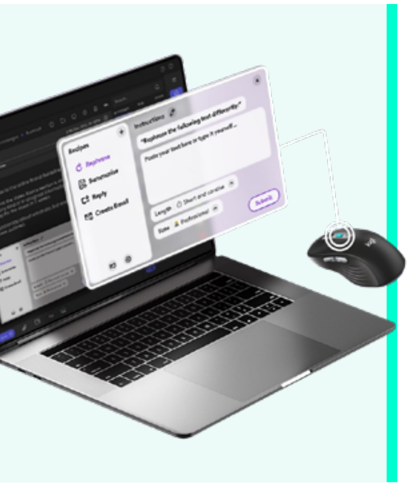
Our priority is to return the business to annualized growth. Today, we provided a financial outlook for FY25 that anticipates a return to year-over-year revenue growth in the low single digits, with strong non-GAAP gross margins and operating margins. Moving beyond FY25, our goal is to accelerate those organic growth rates. Potential acquisitions would be incremental to the organic growth rates. We believe this growth, supported by non-GAAP gross margins in the 39% to 44% range and non-GAAP operating margins of 14% to 17%, represents an attractive investment profile.

Hanneke Faber
Chief Executive Officer

Charles D. Boynton

Chuck Boynton
Chief Financial Officer

What's new from Logitech



Logi AI Prompt Builder and Logitech Signature AI Edition Mouse

Logitech launched a free new tool that helps you prompt Open AI's ChatGPT faster and more fluently while staying in the flow of your work. Logi AI Prompt Builder is a software window that pops up via the Logi Options+ app at the touch of a button, transforming your Logitech keyboard and mouse into a shortcut to the power of AI.

Logitech also took a step further, launching a new wireless mouse with its own dedicated AI prompt button: the Logitech Signature AI Edition Mouse.

Signature Slim K950 Wireless Keyboard, Signature Slim Combo, and Signature Slim Combo for Business

Logitech introduced the Signature Slim K950 Wireless Keyboard, Signature Slim Combo, and Signature Slim Combo for Business, designed to simplify the experience across personal and work computers. For people with a single workspace for both professional and personal tasks, the Signature Slim products are beautifully designed solutions that look good in the home or office. With more features than typical entry-level keyboards and time-saving software customization, this keyboard creates a seamless, magical experience to manage work and life at the desk.

MX Brio and MX Brio 705 for Business

Logitech unveiled MX Brio/MX Brio 705 for Business, a revolutionary high-end webcam for end users and enterprises, designed to meet the demanding needs of advanced users.

Advanced customization options allow users to fine-tune their appearance by manually adjusting exposure, tint, vibrance, field of view, and more using Logi Options+, Logi Tune, and G HUB software. Show Mode makes it easy for users to share sketches or other physical objects on their desks by simply tilting the webcam. For IT teams outfitting employee workstations and home offices, MX Brio 705 for Business, the plug-and-play enterprise model, is compatible with most video conferencing platforms, is certified for Microsoft Teams®, Google Meet™, and Zoom, and works with Chromebook™.

Casa Pop-Up Desk

Following a successful launch in the UK and Australia, Logitech's popular foldaway desk kit has now expanded to North America. The Casa Pop-Up Desk caters to a new category of users navigating the world of hybrid working. It features Casa Keys, a wireless keyboard offering an enhanced laptop-typing experience in a minimalist form, and Casa Touch, an intuitive touchpad with Click Anywhere technology for smooth control and familiar time-saving gestures compatible with multiple operating systems. The two devices easily connect via *Bluetooth*® and are supported by the Logi Options+ App for a personalized experience. Casa Pop-Up Desk works with PC, Mac, or your tablets, including the leading operating systems (with the touch gesture).

Sustainability

At Logitech, two out of three products are made with recycled plastic. This and other efforts to design for sustainability set Logitech apart with both consumers and enterprise audiences.

Logitech is the first in the industry to transition its video collaboration portfolio to recycled plastics. Products that run on the CollabOS operating system—Rally Bar, Rally Bar Mini, Tap IP, Tap Scheduler, and Scribe—are being refreshed with materials that lower each product's carbon impact. Organizations can now equip entire conference rooms with sustainable technology to help address their carbon footprint and sustainability objectives.

This development expands on the progress already achieved with personal workstation peripherals such as webcams, headsets, mice, and keyboards.

Financial Discussion

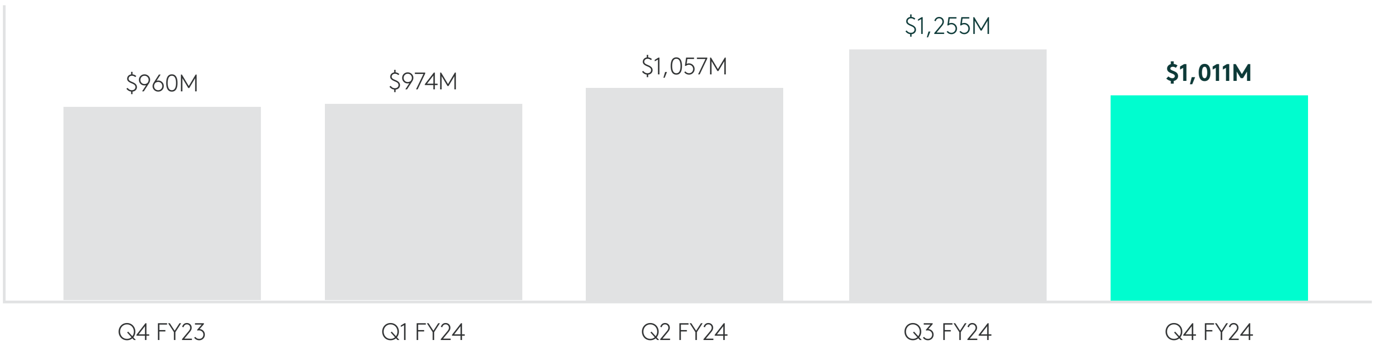
Q4 FY24 results

For Q4, net sales in constant currency increased by 5% to $1.0 billion year over year, on lower promotional spending and increased demand supported by lower channel inventory reductions compared to FY23. Both non-GAAP gross margin (43.6%) and non-GAAP operating margin (15.7%) were solid in Q4, reflecting strong operational execution with controlled promotional spending.

In Q4, we gained market share in Keyboards & Combos, Pointing Devices, Video Conferencing, Tablet Keyboards, and Webcams.

The strong operational execution throughout Q4 generated solid operating cash flows of positive $239 million, up $22 million year over year, driving the cash balance to approximately $1.5 billion.

Net sales



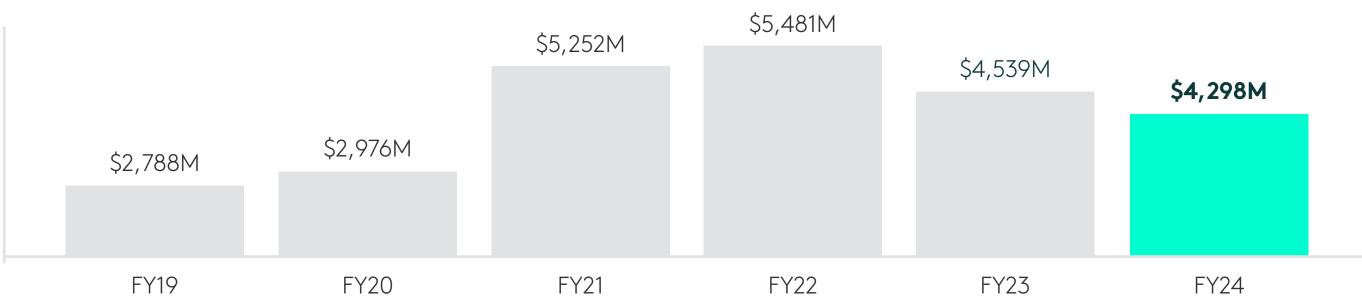
Fiscal Year 2024 results

For FY24, net sales in constant currency declined by 6% to $4.3 billion year over year, driven by lower demand and channel inventory reductions, partially offset by lower promotional spend. Execution was solid throughout FY24, and we ended the fiscal year at the top end of our anticipated ranges for both non-GAAP gross margin (41.8%) and non-GAAP operating margin (16.3%), representing a consistent focus on cost reduction, discipline in pricing and promotions, and solid inventory management.

Over the 12 months, we gained market share in Keyboards & Combos, Pointing Devices, Video Conferencing, Gaming Wheels, Gaming Wired Mice, Tablet Keyboards, and Webcams[1]. And we ended the fiscal year as the market leader in key categories, such as Pointing Devices, Keyboards & Combos, PC Gaming, Video Conferencing, and Webcams.[2]

The team's focus on execution throughout the year generated over $1.1 billion in operating cash flow, and we ended the year with a cash balance of approximately $1.5 billion. And we returned a total of $686 million to shareholders through our annual dividend payment ($182 million) and share repurchases ($504 million).

Net sales



Revenue by product category

$M	Q4 FY24	Q4 FY23	Y/Y (US$)	Y/Y (CC)	FY24	FY23	Y/Y (US$)	Y/Y (CC)
Gaming[3]	273	256	7%	8%	1,231	1,288	(4%)	(4%)
Keyboards & Combos	216	188	15%	15%	821	836	(2%)	(3%)
Pointing Devices	171	161	6%	6%	743	728	2%	1%
Video Collaboration	148	144	3%	2%	609	678	(10%)	(11%)
Webcams	76	73	4%	4%	325	379	(14%)	(15%)
Tablet Accessories	56	68	(18%)	(19%)	254	254	(0%)	(1%)
Headsets	45	39	16%	16%	168	177	(5%)	(5%)
Other[4]	26	31	(16%)	(17%)	146	198	(26%)	(27%)
Net Sales	**1,011**	**960**	**5%**	**5%**	**4,298**	**4,539**	**(5%)**	**(6%)**

NOTE:
[3] Gaming includes streaming services generated by Streamlabs.
[4] Other primarily consists of Mobile Speakers and PC Speakers.

Net sales in $ millions. Comparisons are Y/Y.
Total net sales may not tie to the sum of product category net sales due to rounding.

[1] Market share data through February 2023 - February 2024.
[2] Market share data through February 2024.

Gaming

Gaming net sales increased 8% (cc) in Q4, as PC Gaming delivered a second consecutive quarter of growth, and Simulation was up significantly. 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 increased 2% (cc) in Q4, driven by modest growth in Video Conferencing and our services bookings. Regionally, the Americas performed well and Europe experienced modest growth, offset by continued declines in Asia Pacific. For FY24, Video Collaboration decreased 11% (cc), although net sales year-over-year comparisons improved each quarter throughout the year.

Personal Workspace Solutions

Pointing Devices

Net sales in our Pointing Devices category increased 6% (cc) in Q4, and we grew market share. All three regions experienced growth in Q4. For FY24, net sales increased 1% (cc), as growth in the Americas and Europe was offset by declines in Asia Pacific. In April, we launched a new wireless mouse with its own dedicated AI prompt button, the Logitech Signature AI Edition Mouse.

Keyboards & Combos

Our Keyboards & Combos sales were up 15% (cc) in Q4, driven by double-digit year-over-year increases in all three regions. 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. For FY24, Keyboards & Combos were down 3% (cc) year over year, driven by declines in Asia Pacific, partially offset by low single-digit increases in the Americas and Europe. We had a number of new product launches in the quarter, including the latest enterprise suite of products, the Signature Slim K950 Wireless Keyboard, Signature Slim Combo, and Signature Slim Combo for Business. And following a successful launch in the UK and Australia, Logitech's popular foldaway desk kit, Casa Pop-Up Desk, was expanded to North America.

Webcams

Webcams sales increased 4% (cc) in Q4, growing year over year for the first time in 10 quarters, but were down 15% (cc) for FY24. Despite the quarterly growth, the category continues to be pressured following strong growth in the pandemic years. Regionally, the pressure in Webcams remains the most acute in Asia Pacific in Q4, but overall we remain the global market leader in this category. We are driving innovation in the category, with the Q4 launch of MX Brio and MX Brio 705 for Business, a revolutionary high-end webcam for end users and enterprises.

Tablet Accessories

Sales in our Tablet and Other Accessories category declined 19% (cc) in Q4, and were down 1% (cc) for FY24. For the year, Tablet and Other Accessories grew in the Americas, but were offset by declines in Europe and Asia Pacific.

Headsets

Sales in our Headsets category increased 16% (cc) in Q4, driven by strong growth in enterprise headsets and modest growth in consumer headsets. Sales were up in all three regions for Q4, but overall were down 5% (cc) for FY24. For the year, Headsets were down modestly in the Americas, but more significantly in Europe and Asia Pacific.

Net retail sales by region

In Q4, all three regions experienced sales growth, with the Americas and Europe up high single digits, and Asia Pacific returning to modest growth:

Americas

Sales in our Americas region were up 6% (cc) in Q4, the second consecutive quarter of year-over-year growth. Growth in Headsets, Keyboards & Combos, Pointing Devices, Video Collaboration, Gaming, and Webcams were partially offset by declines in Tablet Accessories. For FY24, the Americas were down 2% (cc), with gains in Tablet Accessories, Pointing Devices, Keyboards & Combos, and offset by losses in Video Collaboration, Webcams, and Headsets.

EMEA

Sales in our EMEA region were up 8% (cc) in Q4. Sales growth was broad-based, with Gaming growing by 17% (cc) in the quarter. For FY24, EMEA sales were down 4% (cc), with growth in Gaming, Keyboards & Combos, and Pointing Devices offset by declines in Video Collaboration, Webcams, and Tablet Accessories.

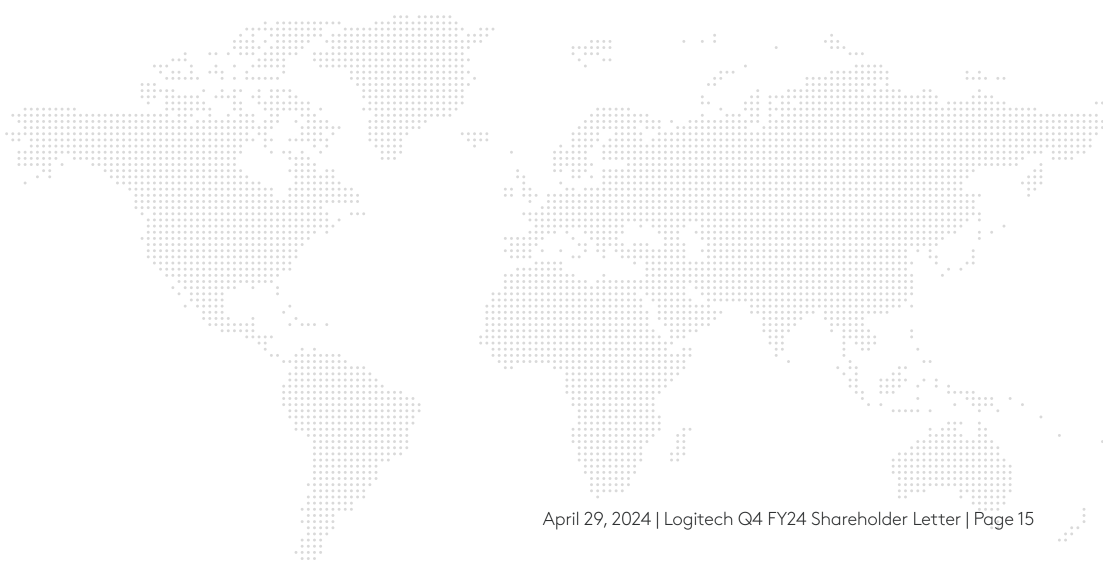
Asia Pacific

Sales in our Asia Pacific region increased 1% (cc) in Q4. Keyboards & Combos, Pointing Devices, and Simulation all grew modestly, offset by declines in Video Collaboration, Webcams, and PC Gaming. For FY24, the region was down 13% (cc), with key product categories being pressured. Declines were most significant in Video Collaboration, Webcams, Gaming, and Keyboards & Combos for the year.

$M	FY24 (CC)	Q4 FY24	Q4 FY23	Y/Y (CC)	Y/Y (US$)	Sell-Through (US$)[2]
Net Sales[1]	**4,298**	**1,011**	**960**	**5%**	**5%**	**0%**
Americas	1,896	450	423	6%	7%	(1%)
EMEA	1,302	314	283	8%	11%	8%
Asia Pacific	1,101	247	254	1%	(3%)	(7%)

NOTE:
[1] Net sales include the impact of promotions.
[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.
Total net sales may not tie to the sum of product category net sales due to rounding.

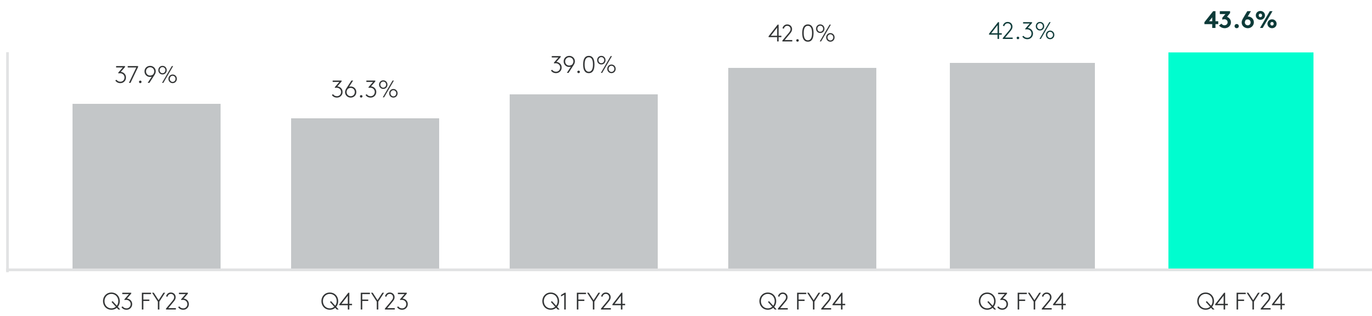


Non-GAAP gross margin

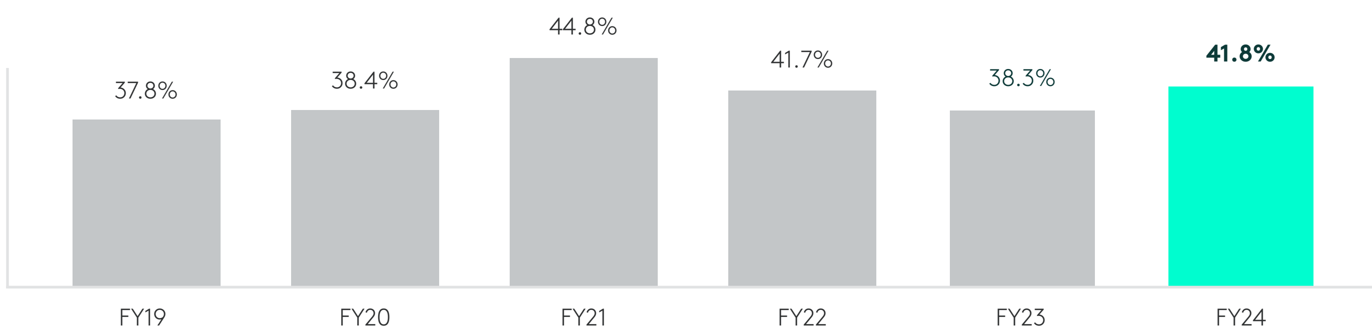
Q4 non-GAAP gross margin was 43.6%, up 730 basis points versus Q4 FY23, due to lower product and logistics costs, reduced promotional activities, and lower excess inventory reserve. Sequentially, non-GAAP gross margin was up 130 basis points, primarily due to lower promotional spending, partially offset by mix.

FY24 non-GAAP gross margin was 41.8%, up 350 basis points versus FY23, due to lower product and logistics costs and reduced promotional activities, partially offset by mix.

Quarterly non-GAAP gross margin



Annual non-GAAP gross margin



Non-GAAP operating expenses

Total non-GAAP operating expenses were $283 million in the quarter, flat sequentially, and up 6% year over year. As a percent of revenue, our FY24 non-GAAP operating expenses were within our operating 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 up 4% in Q4, directionally in line with revenue increases. Also in Q4, non-GAAP research and development spend increased 6%, reflecting our continued investment in product innovation and variable compensation. Non-GAAP general and administrative spend was up 19%, primarily as the result of variable expenses related to compensation.

$M	Q4 FY24	Q4 FY23	Y/Y	FY24	FY23	Y/Y
Non-GAAP Operating Expenses	**283**	**266**	**6%**	**1,098**	**1,149**	**(5%)**
% of Sales	**28.0%**	**27.8%**	**20 bps**	**25.5%**	**25.3%**	**20 bps**
Sales & Marketing	178	172	4%	695	774	(10%)
% of Sales	17.6%	17.9%	(30 bps)	16.2%	17.1%	(90 bps)
Research & Development	71	67	6%	269	266	1%
% of Sales	7.0%	7.0%	0 bps	6.3%	5.8%	50 bps
General & Administrative	33	28	19%	134	110	22%
% of Sales	3.3%	2.9%	40 bps	3.1%	2.4%	70 bps

NOTE:
Results are non-GAAP and exclude the impact of share-based compensation expense for the presented periods. For more information, see "Share-Based Compensation Expense" table included in "Supplemental Financial Information" in our earnings press release posted to our website under "Quarterly Results" at http://ir.logitech.com.

Numbers in $ millions except percentages.

Comparisons are Y/Y and in US$ unless otherwise specified.

Percentage changes in individual non-GAAP operating expenses may not tie to the total due to rounding.

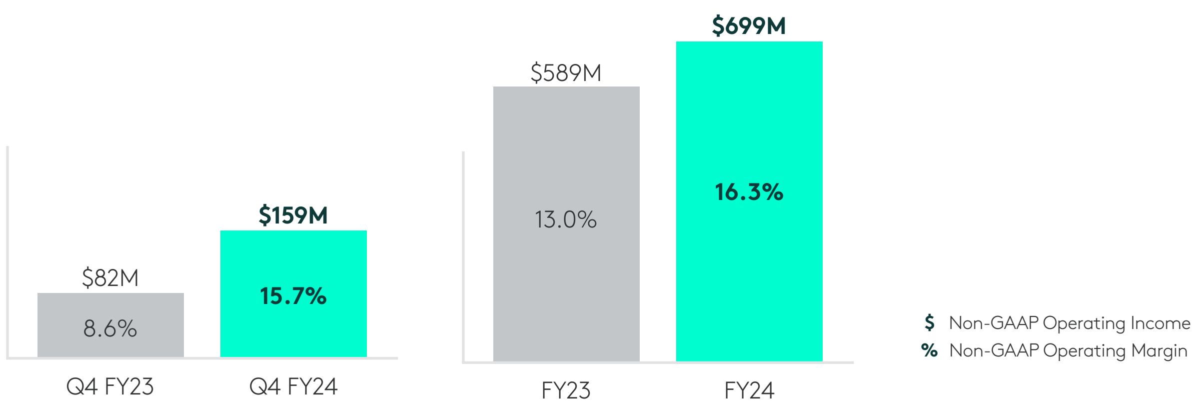
Profitability

GAAP operating income in Q4 was $130 million, up 235% year over year. GAAP operating margin in Q4 was 12.9%, versus 4% last year, up 890 basis points. Our Q4 diluted GAAP EPS was $1.07, up 312%. The increase in EPS is driven by a lower effective tax rate and gross margin expansion.

GAAP operating income in FY24 was $587 million, up 28% year over year. GAAP operating margin in FY24 was 13.7%, versus 10.1% last year, up 360 basis points. Our FY24 diluted GAAP EPS was $3.87, up 74%. The increase in EPS is driven by a lower effective tax rate, reductions in operating expenses, and gross margin expansion.

Non-GAAP operating income in Q4 was $159 million, up 93% year over year. Non-GAAP operating margin in Q4 was 15.7%, versus 8.6% last year, up 710 basis points. Our Q4 diluted non-GAAP EPS was $0.99, up 98%. These increases were driven by gross margin expansion, partially offset by an increase in operating expenses.

Non-GAAP operating income in FY24 was $699 million, up 19% year over year. Non-GAAP operating margin in FY24 was 16.3%, versus 13% last year, up 330 basis points. Our diluted FY24 non-GAAP EPS was $4.25, up 32%. These increases were driven by gross margin expansion and reductions in operating expenses.



Balance sheet and cash flows

At the end of Q4, our cash and cash equivalents were $1,521 million, up $372 million from the prior year. Cash flow from operations was positive $239 million in Q4, up $22 million year over year, bolstered by strong working capital management. We returned a total of $127 million to shareholders in Q4 through share repurchases, and for FY24 our share repurchases were over $500 million.

At the end of Q4, our inventory was $423 million, down 38% from last year, while our Q4 inventory turns were 5.4, increased from 3.6 in Q4 last year. Overall for FY24, our inventory turns increased from 3.5 to 5.2.

Accounts receivable were $542 million, down 14% versus last year. Accounts payable were $449 million at the end of Q4, up 10% versus last year.

Our DSO for Q4 was 48 days (versus 59 days in Q4 last year), DOI was 66 days (versus 100 days in Q4 last year) and DPO was 70 days (versus 59 days in Q4 last year). Our cash conversion cycle in Q4 was 44 days versus 100 days in Q4 last year.

Cash balance, cash flow and inventory

$M	**Q4 FY24**	**Q4 FY23**	**Y/Y**	**FY24**	**FY23**	**Y/Y**
Cash from operations	239	217	22	1,145	534	611
Ending cash balance	1,521	1,149	372	1,521	1,149	372
Inventory	423	683	(260)	423	683	(260)
Inventory turns	5.4	3.6	1.8	5.2	3.5	1.7
DOI	66	100	(34)	71	105	(34)
Accounts receivable	542	630	(88)	542	630	(88)
DSO	48	59	(11)	51	58	(7)
Accounts payable	449	407	42	449	407	42
DPO	70	59	11	66	64	2
Cash conversion cycle	**44**	**100**	**(56)**	**56**	**99**	**(43)**

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 Q4 was 156.2 million shares versus 161.5 million shares in Q4 of the previous fiscal year.

We returned a total of $127 million to shareholders in Q4 through share repurchases.

Fiscal Year 2025 outlook

Looking ahead to FY25, we anticipate full-year net sales between $4.3 billion and $4.4 billion. Non-GAAP operating income is expected to be between $685 million and $715 million. Non-GAAP gross margin and non-GAAP operating expenses for the full year are expected to be approximately 41% and 25%, respectively.

For FY25, we expect seasonality (average net sales by quarter) in the year to be higher by 1% in the first half and lower by 1% in the second half versus the prior year. In FY24, we focused on reducing our channel inventory in line with targeted weeks on hand. As we position for growth in FY25, we will be increasing the channel inventory in certain regions with specific products to prepare for the upcoming promotional season. This modest increase in channel inventory will occur in the first half of FY25, driving the slight change in seasonality.

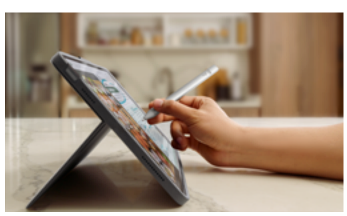
On the tables below, you can see the projected non-GAAP gross margin percentage by product category, as well as the FY25 projected net sales growth rates by product category and region, and projected seasonality.

FY25 Outlook	
	FY25 Outlook
Net sales	$4.3B - $4.4B
Net sales growth/(decline) (USD, Y/Y)	0% - 2%
Non-GAAP operating income	$685M - $715M
Non-GAAP op inc. growth/(decline) (Y/Y)	(2%) - 2%
Additional Assumptions	
Non-GAAP effective tax rate	Approximately 12%
Cash from operations	Approximately 1x non-GAAP operating income
Capex	Approximately $70M

NOTE:
Comparisons are in US$ unless otherwise specified.

FY25 projected non-GAAP gross margin % high to low

- Video Collaboration
- Webcams
- Pointing Devices
- Headsets
- Keyboards & Combos
- Gaming
- Tablet Accessories



FY25 projected net sales growth high to low

- Tablet Accessories
- Gaming
- Keyboards & Combos
- Pointing Devices
- Video Collaboration
- Headsets
- Webcams

FY25 projected net sales growth by region high to low

- Asia Pacific
- Americas
- EMEA

FY25 projected net sales % by quarter

- Q1 24%
- Q2 25%
- Q3 28%
- Q4 23%

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 fiscal year ended March 31, 2024; major trends in our business; our strategic priorities; Fiscal Year 2025 outlook, including for net sales, non-GAAP operating income, non-GAAP gross margin and non-GAAP operating expenses; return to growth and projected growth rates for FY25 and beyond; expected seasonality and channel inventory during FY25; FY25 projected non-GAAP gross margin by product category; FY25 projected net sales growth and rates as well as projected seasonality; investment profile; and related assumptions.

These statements are subject to risks and uncertainties that could cause actual results and events to differ materially from those anticipated in these forward-looking statements, including without limitation: macroeconomic and geopolitical conditions and other factors and their impact, for example the resilience of overall consumer demand, B2B and IT spending levels, changes in inflation levels and monetary policies, governments' fiscal policies, and geopolitical conflicts; 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; issues relating to development and use of artificial intelligence; 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 logistics; 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 December 31, 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 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 and impairment of intangible assets, acquisition-related costs and change in fair value of contingent consideration, restructuring charges, net, loss on investments, pension curtailment gains, 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, non-GAAP gross margin and non-GAAP operating expense, 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 2025 non-GAAP 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 March 31,**		**Fiscal Years Ended March 31,**	
GAAP TO NON-GAAP RECONCILIATION (A)	**2024**	**2023**	**2024**	**2023**
Gross profit - GAAP	$ 436,977	$ 343,864	$ 1,778,021	$ 1,719,515
Share-based compensation expense	1,938	1,407	8,004	5,635
Amortization of intangible assets	2,459	3,510	11,028	12,865
Gross profit - Non-GAAP	$ 441,374	$ 348,781	$ 1,797,053	$ 1,738,015
Gross margin - GAAP	43.2 %	35.8 %	41.4 %	37.9 %
Gross margin - Non-GAAP	43.6 %	36.3 %	41.8 %	38.3 %
Operating expenses - GAAP	$ 306,760	$ 305,020	$ 1,190,685	$ 1,261,046
Less: Share-based compensation expense	16,759	17,635	74,885	65,147
Less: Amortization of intangible assets and acquisition-related costs	2,655	2,791	10,934	11,843
Less: Impairment of intangible assets	3,526	—	3,526	—
Less: Change in fair value of contingent consideration for business acquisition	(250)	—	(250)	—
Less: Restructuring charges, net	1,304	18,102	3,866	34,573
Operating expenses - Non-GAAP	$ 282,766	$ 266,492	$ 1,097,724	$ 1,149,483
% of net sales - GAAP	30.3 %	31.8 %	27.7 %	27.8 %
% of net sales - Non-GAAP	28.0 %	27.8 %	25.5 %	25.3 %
Operating income - GAAP	$ 130,217	$ 38,844	$ 587,336	$ 458,469
Share-based compensation expense	18,697	19,042	82,889	70,782
Amortization of intangible assets and acquisition-related costs	5,114	6,301	21,962	24,708
Impairment of intangible assets	3,526	—	3,526	—
Change in fair value of contingent consideration for business acquisition	(250)	—	(250)	—
Restructuring charges, net	1,304	18,102	3,866	34,573
Operating income - Non-GAAP	$ 158,608	$ 82,289	$ 699,329	$ 588,532
% of net sales - GAAP	12.9 %	4.0 %	13.7 %	10.1 %
% of net sales - Non-GAAP	15.7 %	8.6 %	16.3 %	13.0 %
Net income - GAAP	$ 167,615	$ 41,495	$ 612,143	$ 364,575
Share-based compensation expense	18,697	19,042	82,889	70,782
Amortization of intangible assets and acquisition-related costs	5,114	6,301	21,962	24,708
Impairment of intangible assets	3,526	—	3,526	—
Change in fair value of contingent consideration for business acquisition	(250)	—	(250)	—
Restructuring charges, net	1,304	18,102	3,866	34,573
Loss on investments	2,461	1,008	14,674	14,073
Pension curtailment gains	—	(4,225)	—	(4,225)
Non-GAAP income tax adjustment	(44,039)	(1,167)	(66,073)	22,129
Net income - Non-GAAP	$ 154,428	$ 80,556	$ 672,737	$ 526,615
Net income per share:				
Diluted - GAAP	$ 1.07	$ 0.26	$ 3.87	$ 2.23
Diluted - Non-GAAP	$ 0.99	$ 0.50	$ 4.25	$ 3.22
Shares used to compute net income per share:				
Diluted - GAAP and Non-GAAP	156,204	161,524	158,171	163,704

LOGITECH INTERNATIONAL S.A.

PRELIMINARY RESULTS *

(In thousands) - Unaudited

SUPPLEMENTAL FINANCIAL INFORMATION

GAAP TO NON-GAAP RECONCILIATION (A)	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
Gross profit - GAAP	$ 477,268	$ 343,864	$ 375,642	$ 438,622	$ 526,780	$ 436,977
Share-based compensation expense	1,324	1,407	1,415	2,462	2,189	1,938
Amortization of intangible assets	3,168	3,510	3,145	2,983	2,441	2,459
Gross profit - Non-GAAP	$ 481,760	$ 348,781	$ 380,202	$ 444,067	$ 531,410	$ 441,374
Gross margin - GAAP	37.6%	35.8%	38.5%	41.5%	42.0%	43.2%
Gross margin - Non-GAAP	37.9%	36.3%	39.0%	42.0%	42.3%	43.6%

LOGITECH INTERNATIONAL S.A.

PRELIMINARY RESULTS *

(In thousands) - Unaudited

SUPPLEMENTAL FINANCIAL INFORMATION

GAAP TO NON-GAAP RECONCILIATION (A)	FY'19	FY'20	FY'21	FY'22	FY'23	FY'24
Gross profit - GAAP	$ 1,037,011	$ 1,122,381	$ 2,335,735	$ 2,263,006	$ 1,719,515	$ 1,778,021
Share-based compensation expense	3,812	4,852	6,438	6,695	5,635	8,004
Amortization of intangible assets (1)	13,342	14,785	13,329	14,023	12,865	11,028
Gross profit - Non-GAAP	$ 1,054,165	$ 1,142,018	$ 2,355,502	$ 2,283,724	$ 1,738,015	$ 1,797,053
Gross margin - GAAP	37.2%	37.7%	44.5%	41.3%	37.9%	41.4%
Gross margin - Non-GAAP	37.8%	38.4%	44.8%	41.7%	38.3%	41.8%

* (1) Note: The amount for FY'19 includes purchase accounting effect on inventory of $1.8M.

* Note: These preliminary results for the three and twelve months ended March 31, 2024 are subject to adjustments, including subsequent events that may occur through the date of filing our Annual Report on Form 10-K.

(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 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