Q3 2025

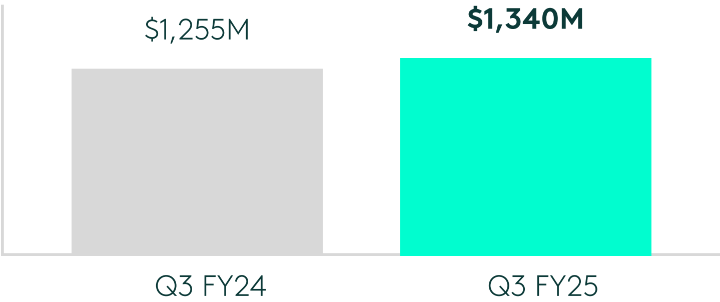
logitech

Shareholder Letter

January 28, 2025

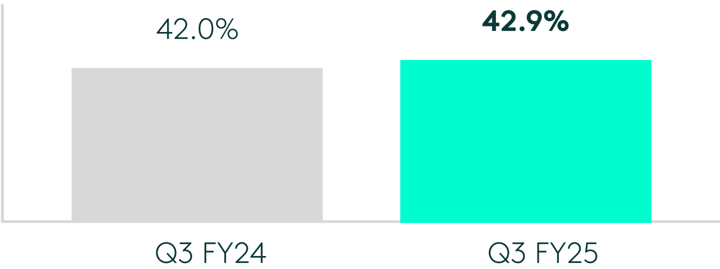
Q3 FY25 Highlights

Net Sales



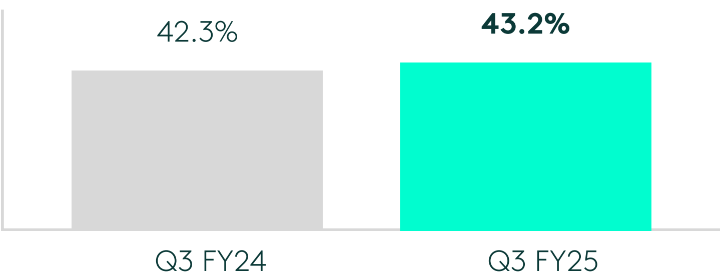
+6% y/y (cc)

GAAP Gross Margin



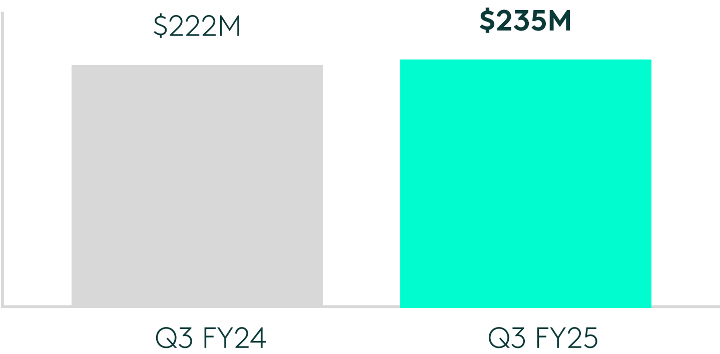
+90 basis points y/y

Non-GAAP Gross Margin



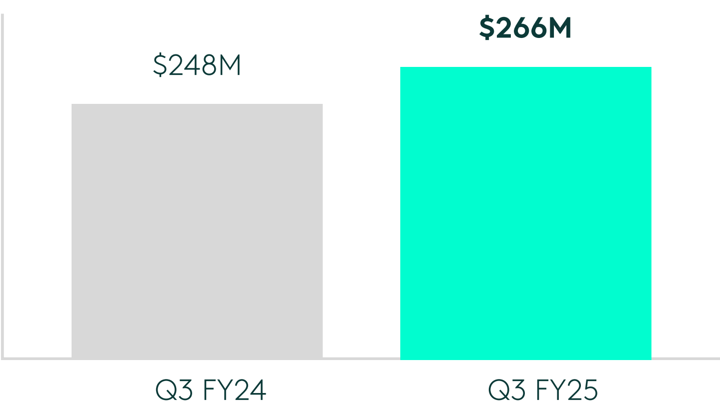
+90 basis points y/y

GAAP Operating Income



+6% y/y

Non-GAAP Operating Income



+7% y/y

Q3 FY25 net sales were $1.34 billion, up 6% year over year in constant currency, versus Q3 FY24. We gained market share in Pointing Devices, Webcams, PC Headsets, and Console Gaming Headsets[1].

Q3 FY25 non-GAAP gross margin was 43.2%, up 90 basis points versus Q3 FY24, reflecting lower product costs, partially offset by higher promotional spending.

Q3 FY25 non-GAAP operating income was $266 million, up 7% year over year versus Q3 FY24, driven by improved demand and cost discipline.

Note:
Comparisons are year-over-year (y/y) and in constant currency (cc), a non-GAAP measure, unless otherwise specified.
For more information, see Non-GAAP Financial Measures below.
[1] Market share data through September - November 2024.

Dear Logitech Shareholder,

The third quarter of our 2025 Fiscal Year continued to see strong results. We delivered robust year-over-year topline growth for the fourth consecutive quarter, and year-over-year expansion of non-GAAP gross margin for the fifth consecutive quarter. The success of this holiday quarter was driven by our strategic priorities:

Superior Innovation

Our commitment to innovation in the gaming sector resulted in remarkable success, with Gaming net sales nearing pandemic-high levels[1]. We launched 16 new gaming products ahead of the holiday season, which drove double-digit, year-over-year net sales growth in PC Gaming, Console Gaming, and Simulation. The introduction of our AI Streaming Assistant in collaboration with NVIDIA at CES further demonstrated our dedication to pushing the boundaries of gaming technology.

Across the business, our premium product lines, Pro and MX, achieved near record[2] sales this quarter. Premium innovation has been instrumental in addressing diverse customer needs, offering superior quality and performance. Our new MX Creative Console category, which is designed to serve the hundreds of millions[3] of Adobe users and creatives around the world, is off to a promising start. The success of these products underlines the effectiveness of our focus on innovative design and performance, catering to both professional and personal use.

Doubling Down on B2B

We have made significant strides in strengthening our B2B offerings. Our inovation on smart office tools, including enhanced workplace room booking solutions, resonated with businesses across various sectors. And progress was evident in the quarter's solid results in Video Collaboration and Headsets. Our expansion into the Education vertical further demonstrates our ability to meet the evolving needs of modern workplaces and broaden our total addressable market.

Geography

Growth was broad-based across geographies, reflecting our strategic approach to leveraging insights into regional markets and tailoring our offerings to meet local demands. Our teams around the world fielded effective marketing campaigns and delivered excellent in-store and online holiday retail execution.

Operational Excellence

We continued to operate our business with discipline, including diligent cost management, maintaining appropriate levels of inventory and diversifying manufacturing operations.

We are proud of our teams' performance this quarter. Over several quarters, we've invested strategically and sensibly in product innovation, B2B capabilities and marketing. The return on that investment is on full display this quarter: a continued expansion of topline growth, supported by a fifth straight quarter of year-over-year non-GAAP gross margin expansion. We demonstrated operational flexibility within the quarter, actively adjusting our inventory levels to meet the increase in both consumer and enterprise demand. Our business has regained topline momentum across our product portfolio, our geographies and our channels, and is generating healthy invested capital and cash returns. In this new calendar year, we could not be more excited for what's to come.

We also announced our upcoming Analyst & Investor Day scheduled for March 5, 2025, where we will further discuss the Company's mission to extend human potential in work and play, our long-term strategy and industry-leading innovation. The event will take place at 12:00 p.m. Pacific Standard Time and 9:00 p.m. Central European Time, offering both in-person and videoconference attendance options.

We look forward to speaking with you on our earnings conference call on January 28 at 1:30 pm PST and 10:30 pm CEST.

[1] Calculated based on Net Sales for the product group since inception.

[2] Calculated based on Net Sales for the product line since inception

[3] https://news.adobe.com/news/news-details/2022/adobe-future-of-creativity-study-165m-creators-joined-creator-economy-since-2020

Q3 FY25 results

Our third quarter reflects continued momentum across our product portfolio, with a fourth consecutive quarter of year-over-year topline growth and our fifth quarter of year-over-year non-GAAP gross margin expansion.

Overall, net sales grew by 6% year over year in constant currency, to $1.34 billion, bringing in a strong holiday quarter with accelerated, high mid-single-digit sales and demand growth. Growth was broad-based across all regions, key product categories and B2C and B2B channels. Asia Pacific and EMEA grew net sales by 9% and 6% respectively, year over year in constant currency; and the Americas grew by 4%.

Non-GAAP operating income grew in the quarter (+7% y/y), and cash from operations was positive $371 million. Non-GAAP gross margin was at 43.2%, up 90 basis points versus Q3 FY24, reflecting lower product costs, partially offset by higher promotional spending, and non-GAAP operating margin at 19.8%, highlighting the strength of our business model.

With increased demand in the quarter, we acted quickly and with precision to adjust our inventory levels. Both owned inventory and channel inventory levels ended the quarter well within our operating targets, and our inventory turns were above 6 in the quarter.

Non-GAAP operating expenses were $313 million in the quarter at 23.4% of Q3 sales. Non-GAAP operating income was $266 million in Q3, up over 7% versus Q3 FY24, due to improved demand and cost discipline.

The team delivered another strong quarter of cash flow from operations at $371 million. At the end of Q3, we generated operating cash flow of $713 million year to date. Our cash and cash equivalents were $1.5 billion, up $90 million from the prior year. We returned a total of $200 million to shareholders in Q3 through share repurchases.

Q3 was another exciting quarter on the innovation front as we launched a suite of Sync smart office tools, including Auto Book and Auto Release room booking features. We also launched the POP Icon Keys, an innovative, eye-catching new keyboard designed to boost productivity. In Video Collaboration, Sight, our tabletop camera with intelligent multiparticipant framing, made *TIME's* list of Best Inventions of 2024 and *SonntagsZeitung's* Swiss Innovations 2024 roundup.

Fiscal Year 2025 outlook

Our third quarter results reflect topline momentum in our business across our product portfolio, our geographies and our customer channels, all while generating increased profits. As a result of this momentum, we are increasing our FY25 outlook on both the top and bottom lines. We now expect our full-year net sales to grow between 5.4% and 6.4%, year over year, in US dollars; and 6.2% - 7.1% in constant currency. And with this increased scale, we expect to generate significant leverage and deliver a year-over-year operating income increase between 8% and 10%.

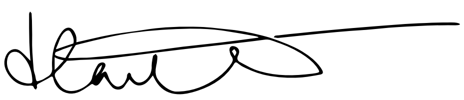
FY25 Outlook

	Previous FY25 Outlook	**New FY25 Outlook**
Net sales	$4.39B - $4.47B	$4.54B - $4.57B
Net sales growth (USD, Y/Y)	2% - 4%	5.4% - 6.4%
Net sales growth (CC, Y/Y)	2% - 4%	6.2% - 7.1%
Non-GAAP operating income	$720M - $750M	$755M - $770M
Non-GAAP op. inc. growth (Y/Y)	3% - 7%	8% - 10%

Logitech Pop Keys Keyboard

Sincerely,

Hanneke Faber / CEO



Matteo Anversa / CFO

What’s new from Logitech

Pro Gaming: PRO X TKL RAPID Keyboard

Logitech G's PRO X TKL RAPID keyboard began its global rollout in December 2024. This magnetic analog keyboard was developed in collaboration with the world’s top esports athletes. The PRO X TKL RAPID features adjustable actuation points and rapid trigger functionality, all powered by the versatile G HUB software. Esports professionals can customize parameters for each key, tailoring actuation to their exact preferences. These advanced features enable athletes to execute movements and commands with unparalleled speed, precision and accuracy.

Pro Gaming: PRO X TKL RAPID Keyboard

Gaming: Artificial Intelligent Streaming Assistant

Announced in collaboration with NVIDIA at CES, Logitech G’s Streamlabs Artificial Intelligent Streaming Assistant is an AI agent that simplifies and enhances the live streaming experience. It provides streamers with their very own 3D sidekick, producer, and technical assistant. The AI agent helps creators streamline their workflows, personalize viewer experiences, and unlock new growth opportunities. The intuitive, user-friendly application is available through the Streamlabs App Store, which serves as the primary interface for this intelligent streaming assistant.

Gaming: Artificial Intelligent Streaming Assistant

Lifestyle: POP Icon Keys & POP Icon Combo

Logitech introduced its POP Icon Keys and POP Icon Combo, aiming to personalize the workspace with bold design and features that marry style with functionality. POP Icon Keys is a striking new keyboard that can enhance productivity while allowing users to express themselves through its bold design and innovative features. POP Icon Keys offers four customizable life-hack Action Keys using the free Logi Options+ app, enabling users to transition smoothly from work to leisure by accessing productivity tools, social media, music, video apps, or AI tools like Logi AI Prompt Builder with just a single key press.

Lifestyle: POP Icon Keys

Enterprise: Logitech View, Auto Book and Auto Release

For Enterprise, a suite of Sync workplace automation tools were launched to improve the office experience for employees and strengthen analytics for real estate and IT teams. Auto Book and Release automatically reserve and cancel room bookings based on space occupancy. This feature is enabled using Rally Bar’s onboard AI that detects human presence. Room status is also available through Logitech View, an all-new digital office mapping solution that keeps hybrid workers and visitors oriented with easier wayfinding in large office complexes.

Enterprise: Logitech View, Auto Book and Auto Release

Sustainability

Logitech was named to the Dow Jones Sustainability Europe Index (DJSI) for the fifth consecutive year. The DJSI Europe recognizes outstanding performance in advancing Environmental, Social, and Governance (ESG) criteria, a benchmark for global sustainability leadership. Our advancements in these areas reflect Logitech's enduring dedication to performance, accountability, and transparency.

In Q3, we expanded the availability of refurbished devices. A full range of products for work and play, including mice, keyboards, tablet accessories and Bluetooth speakers, are now available on the Logitech eBay Refurbished brand store in the US, and Logitech websites across North America and Europe. Refurbished products accounted for over $1 million in sales in the third quarter and are increasingly popular, with consumers looking for alternatives to buying new. What otherwise would have been recycled, is now a revenue opportunity.

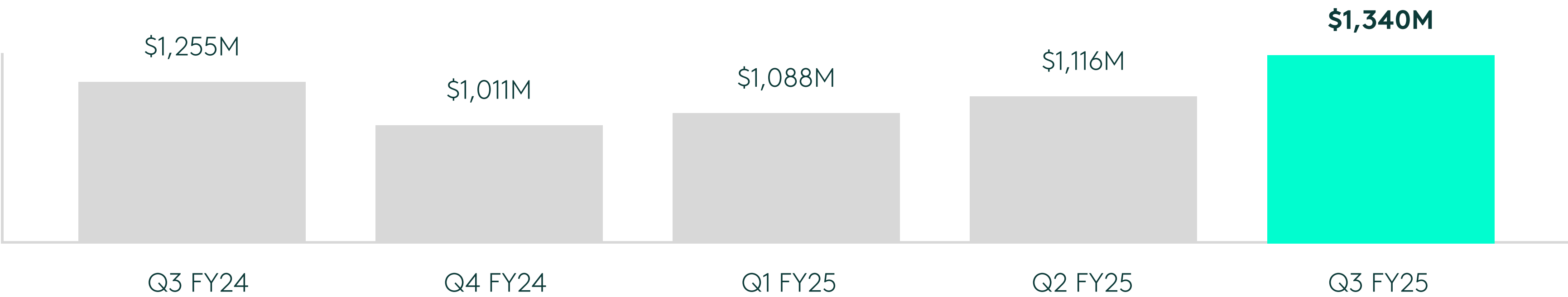
Financial Discussion

Q3 FY25 Results

Net sales increased by 6% in constant currency to $1.34 billion year over year, driven by improving demand. We gained market share in Pointing Devices, Webcams, PC Headsets, and Console Gaming Headsets[1].

Both non-GAAP gross margin of 43.2% and non-GAAP operating margin of 19.8% were strong. We generated operating cash flows this quarter of $371 million, with an end-of-quarter cash balance of $1.5 billion, up $90 million year-over-year. At the end of Q3, we generated operating cash flow of $713 million year to date. We returned a total of $200 million to shareholders in Q3 through share repurchases.

Net Sales

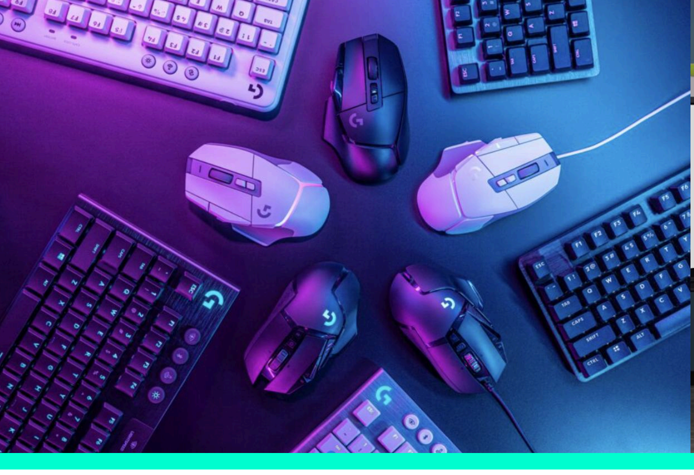
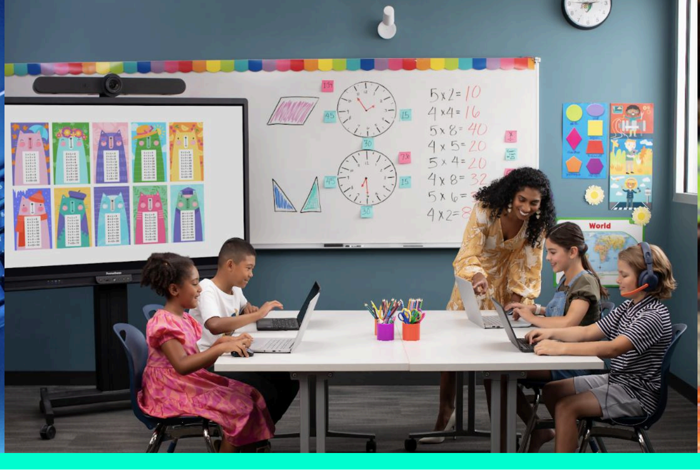
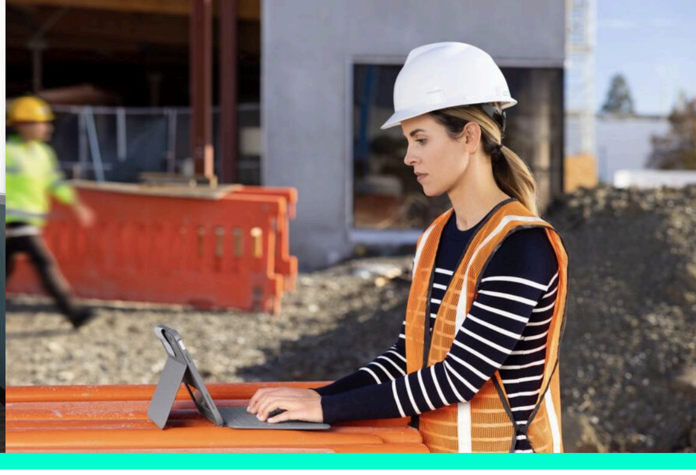


[1] Market share data through September -November 2024.

Revenue by Product Category

$M	Q3 FY25	Q3 FY24	Y/Y (CC)	Y/Y (US$)
Gaming[1]	467	409	13%	14%
Keyboards & Combos	237	229	2%	3%
Pointing Devices	217	206	4%	5%
Video Collaboration	176	170	3%	4%
Tablet Accessories	77	64	19%	21%
Webcams	84	86	(2%)	(2%)
Headsets	46	42	10%	10%
Other[2]	36	49	(28%)	(27%)
Net sales	**1,340**	**1,255**	**6%**	**7%**

Note:
[1] Gaming includes streaming services generated by Streamlabs.
[2] 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.
Total net sales may not tie to the sum of product category net sales due to rounding.

Gaming

Gaming sales increased 13% (cc) in Q3, as PC Gaming delivered a fifth consecutive quarter of growth. Simulation is up double digits for four consecutive quarters, and Console Gaming delivered three consecutive quarters of growth. Gaming in EMEA and Asia Pacific each grew 14% (cc) year over year, and Americas grew 11% (cc).

Video Collaboration

Video Collaboration sales increased 3% (cc) in Q3, driven by a combination of solid growth in Video Conferencing and in services bookings, aligned with our strategy of driving up attach rates, which have more than doubled year-over-year. Overall growth in VC was driven by double-digit growth in the Americas.

Personal Workspace Solutions

Pointing Devices

Sales in Pointing Devices increased 4% (cc) in Q3, and we grew market share. Asia Pacific delivered strong high single-digit growth year-over-year, while the Americas and EMEA grew low single digits.

Keyboards & Combos

Keyboards & Combos sales increased 2% (cc) in Q3, driven by double-digit, year over year growth in EMEA and low single digit growth in Asia Pacific partially offset by a decline in the Americas. In the quarter, Keyboards & Combos continued to maintain the number one market share position.

Webcams

Webcams sales decreased 2% (cc) in Q3, but maintained market share and remains the global market leader. Regionally, Webcams sales declined in the Americas and Asia Pacific, and were up in EMEA.

Tablet Accessories

Sales of Tablet Accessories increased 19% (cc) in Q3, driven by strong sales in the Education vertical and continued strong sales of the Combo Touch keyboard case, released earlier this fiscal year. We have improved our margins for tablet accessories significantly over the past few quarters.

Headsets

Headset sales increased 10% (cc) in Q3, driven by strong growth in both enterprise and consumer headsets. Sales were up double digits in EMEA and Asia Pacific, but down in the Americas for Q3.

Net Retail Sales by Region

For the fourth consecutive quarter, sales grew in all three regions in constant currency.

Americas

Sales in the Americas region were up 4% (cc) in Q3. For the fifth consecutive quarter, we delivered growth across most of our key product categories.

EMEA

Sales in the EMEA region were up 6% (cc) in Q3. For the fourth consecutive quarter, sales growth was broad-based, with Keyboards and Combos, Headsets and Gaming all growing at double-digit growth rates in the quarter.

Asia Pacific

Sales in the Asia Pacific region increased 9% (cc) in Q3. Tablet Accessories, Headsets, and Gaming all grew double digits.

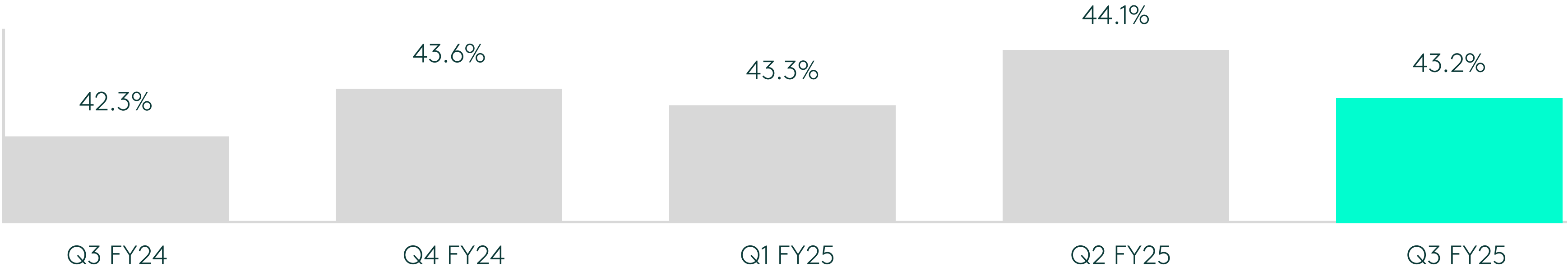
$M	Q3 FY25	Q3 FY24	Y/Y (CC)	Y/Y (US$)	Sell-Through (US$)[2]
Net Sales[1]	**1,340**	**1,255**	**6%**	**7%**	**8%**
Americas	554	539	4%	3%	5%
EMEA	455	417	6%	9%	9%
Asia Pacific	332	300	9%	11%	10%

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 region net sales due to rounding.

Non-GAAP Gross Margin

Q3 FY25 non-GAAP gross margin was 43.2%, up 90 basis points versus Q3 FY24, reflecting lower product costs, partially offset by higher promotional spending.

Quarterly Non-GAAP Gross Margin



Non-GAAP Operating Expenses

Total non-GAAP operating expenses were $313 million in the quarter, up 11% year-over-year. As a percent of Q3 revenue, non-GAAP operating expenses were 23.4%, up 80 basis points year over year.

Non-GAAP operating expense increases were primarily driven by higher sales and marketing costs, as well as research and development expenses, underscoring our ongoing investment in strategic initiatives.

Q3 operating expenses were impacted by a $14 million charge for a bad debt reserve recorded in Sales & Marketing. This charge was related to our former e-commerce payment processing provider's inability to pay. Excluding this charge, operating expense as a percentage of sales would have been 22.3%, 30 basis points lower than Q3 FY24. We have since transitioned to a new payment partner.

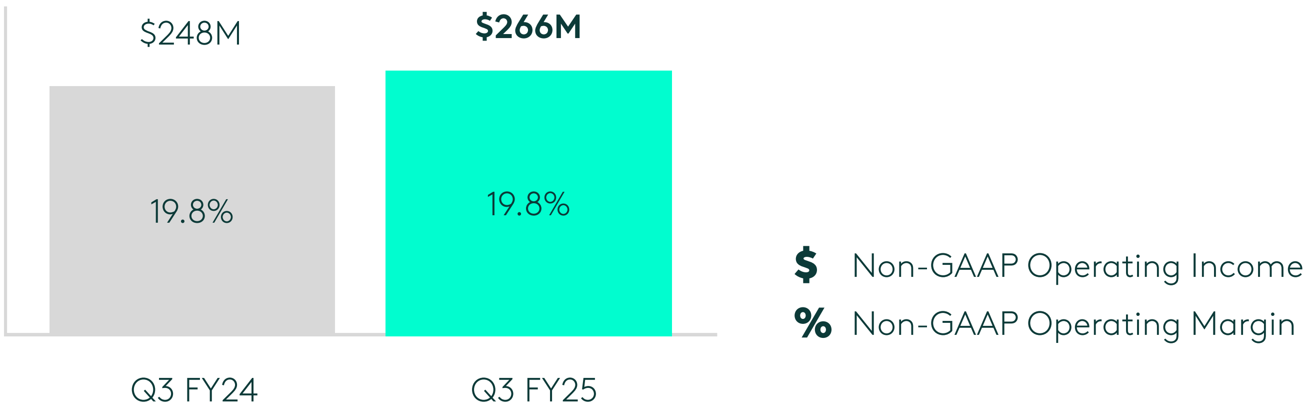
$M	**Q3 FY25**	**Q3 FY24**	**Y/Y**
Non-GAAP Operating Expenses	**313**	**283**	**11%**
% of sales	**23.4%**	**22.6%**	**80 bps**
Sales & Marketing[1]	205	180	14%
% of sales	15.3%	14.4%	90 bps
Research & Development	73	68	7%
% of sales	5.4%	5.4%	0 bps
General & Administrative	35	35	1%
% of sales	2.6%	2.8%	(20) 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.
Total percentage of sales may not tie to the sum of S&M, R&D and G&A due to rounding.
[1] The $14 million bad debt reserve was recorded in Sales and Marketing. For the quarter, S&M would have been up ~6% Y/Y excluding this expense.

Profitability

GAAP operating income in Q3 was $235 million, up 6% year over year. GAAP operating margin in Q3 was 17.5%, versus 17.7% last year, down 20 basis points. Q3 diluted GAAP EPS was $1.32, down 15% year-over-year primarily due to discrete tax benefits in the prior year. The increases in GAAP operating income were driven by higher net sales and GAAP gross margin expansion, partially offset by an increase in GAAP operating expenses.

Non-GAAP operating income in Q3 was $266 million, up 7% year-over-year. Non-GAAP operating margin in Q3 was 19.8%, flat from last year. Q3 diluted non-GAAP EPS was $1.59 up 4% year-over-year. The increases in non-GAAP operating income and diluted non-GAAP EPS were primarily driven by higher net sales and non-GAAP gross margin expansion, partially offset by an increase in non-GAAP operating expenses.



Balance Sheet and Cash Flows

At the end of Q3, cash and cash equivalents were $1.5 billion, up $90 million from the prior year. Year to date, we generated operating cash flow of $713 million.

Cash flow from operations was positive $371 million in Q3, down $72 million year over year. We returned a total of $200 million to shareholders through share repurchases.

At the end of Q3, inventory was $484 million, up 8% from last year, while Q3 inventory turns were 6.3, down from 6.5 in Q3 last year.

Accounts receivable were $648 million, down 5% versus last year, reflecting improved linearity. Accounts payable were $579 million at the end of Q3, up 10% versus last year, reflecting year-over-year inventory build in response to increased demand.

Our cash conversion cycle in Q3 was 33 days versus 39 days in Q3 last year.

$M	Q3 FY25	Q3 FY24	Y/Y
Cash flow from operations	371	443	(72)
Ending cash balance	1,503	1,413	90
Inventory	484	447	36
Inventory turns	6.3	6.5	(0.2)
DOI	57	55	2 days
Accounts receivable	648	686	(38)
DSO	44	49	(5 days)
Accounts payable	579	528	51
DPO	68	65	3 days
Cash conversion cycle	**33**	**39**	**(6 days)**

Note:
Numbers in $ millions except inventory turns, DOI, DSO, DPO and cash conversion cycle.
Comparisons are in US$ unless otherwise specified.
Differences in inventory year-over-year may not tie due to rounding.

Share count and repurchases

Our weighted average diluted share count in Q3 was 151.9 million shares versus 157.4 million shares in Q3 of the previous fiscal year.

We returned a total of $200 million to shareholders in Q3 through share repurchases.

Fiscal Year 2025 Outlook

Looking ahead to the remainder of FY25, we anticipate full-year net sales between $4.54 billion and $4.57 billion. Non-GAAP operating income is expected to be between $755 million and $770 million.

FY25 Outlook

	Previous FY25 Outlook	**New FY25 Outlook**
Net sales	$4.39B - $4.47B	$4.54B - $4.57B
Net sales growth (USD, Y/Y)	2% - 4%	5.4% - 6.4%
Net sales growth (CC, Y/Y)	2% - 4%	6.2% - 7.1%
Non-GAAP operating income	$720M - $750M	$755M - $770M
Non-GAAP op. inc. growth (Y/Y)	3% - 7%	8% - 10%

Additional Assumptions

Non-GAAP effective tax rate	Approximately 12%
Cash from operations	Approximately 1x non-GAAP operating income
Capex	Approximately $70M

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, 2024; Fiscal Year 2025 outlook, including for net sales, non-GAAP operating income and gross margins; our strategy, sustainability goals, product innovation, 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 inflation, interest rate and foreign currency fluctuations, changes in fiscal policies, geopolitical conflicts, low economic growth in certain regions, and uncertainty in consumer and enterprise demand; our expectations regarding our expense discipline 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, including potential new tariffs that may be imposed on U.S. imports, 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, 2024, our quarterly report on Form 10-Q for the quarter ended September 30, 2024, 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 of intangible assets, acquisition-related costs, restructuring charges, (credits) net, loss (gain) 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 2025 non-GAAP outlook.

GAAP to Non-GAAP Reconciliation

LOGITECH INTERNATIONAL S.A.

PRELIMINARY RESULTS*

Supplemental Financial Information

GAAP to non-GAAP reconciliation (A)	**Three months ended Dec 31**		**Nine months ended Dec 31**	
	2024	**2023**	**2024**	**2023**
Gross profit - GAAP	$574,441	$526,780	$1,526,790	$1,341,044
Share-based compensation expense	2,173	2,189	8,673	6,066
Amortization of intangible assets	2,450	2,441	7,344	8,569
Gross profit - Non-GAAP	$579,064	$531,410	$1,542,807	$1,355,679
Gross margin - GAAP	42.9%	42.0%	43.1%	40.8%
Gross margin - Non-GAAP	43.2%	42.3%	43.5%	41.2%
Operating expenses - GAAP	$339,885	$304,705	$977,839	$883,925
Less: Share-based compensation expense	24,020	18,424	67,394	58,126
Less: Amortization of intangible assets and acquisition-related costs	2,637	2,276	8,065	8,279
Less: Restructuring charges, net	110	839	725	2,562
Operating expenses - Non-GAAP	$313,118	$283,166	$901,655	$814,958
% of net sales - GAAP	25.4%	24.3%	27.6%	26.9%
% of net sales - Non-GAAP	23.4%	22.6%	25.4%	24.8%

GAAP to Non-GAAP Reconciliation

LOGITECH INTERNATIONAL S.A.

PRELIMINARY RESULTS*

Supplemental Financial Information

GAAP to non-GAAP reconciliation (A)	Three months ended Dec 31		Nine months ended Dec 31	
	2024	**2023**	**2024**	**2023**
Operating income - GAAP	$234,556	$222,075	$548,951	$457,119
Share-based compensation expense	26,193	20,613	76,067	64,192
Amortization of intangible assets and acquisition-related costs	5,087	4,717	15,409	16,848
Restructuring charges, net	110	839	725	2,562
Operating income - Non-GAAP	$265,946	$248,244	$641,152	$540,721
% of net sales - GAAP	17.5%	17.7%	15.5%	13.9%
% of net sales - Non-GAAP	19.8%	19.8%	18.1%	16.5%
Net income - GAAP	$200,147	$244,684	$487,463	$444,528
Share-based compensation expense	26,193	20,613	76,067	64,192
Amortization of intangible assets and acquisition-related costs	5,087	4,717	15,409	16,848
Restructuring charges, net	110	839	725	2,562
Loss on investments	119	604	1,718	12,213
Non-GAAP income tax adjustment	9,834	(29,963)	18,820	(22,033)
Net income - Non-GAAP	$241,490	$241,494	$600,202	$518,310
Net income per share:				
Diluted - GAAP	$1.32	$1.55	$3.18	$2.80
Diluted - Non-GAAP	$1.59	$1.53	$3.91	$3.26
Shares used to compute net income per share:				
Diluted - GAAP and Non-GAAP	151,895	157,440	153,506	158,843

GAAP to Non-GAAP Reconciliation

LOGITECH INTERNATIONAL S.A.

PRELIMINARY RESULTS*

Supplemental Financial Information

GAAP to non-GAAP reconciliation [A]	**Q2'24**	**Q3'24**	**Q4'24**	**Q1'25**	**Q2'25**	**Q3'25**
Gross profit - GAAP	$438,622	$526,780	$436,977	$466,258	$486,091	$574,441
Share-based compensation expense	2,462	2,189	1,938	2,598	3,902	2,173
Amortization of intangible assets	2,983	2,441	2,459	2,442	2,452	2,450
Gross profit - Non-GAAP	$444,067	$531,410	$441,374	$471,298	$492,445	$579,064
Gross margin - GAAP	41.5%	42.0%	43.2%	42.8%	43.6%	42.9%
Gross margin - Non-GAAP	42.0%	42.3%	43.6%	43.3%	44.1%	43.2%

Note:
* Note: These preliminary results for the three and nine months ended December 31, 2024 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 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

www.logitech.com

EPFL — Quartier de l'Innovation
Daniel Borel Innovation Center
CH — 1015 Lausanne, Switzerland

logitech®