



**TURTLE  
BEACH**<sup>®</sup>  
CORPORATION

**INVESTOR PRESENTATION**  
**NASDAQ: HEAR**  
MARCH 2022



# SAFE HARBOR STATEMENT

## Forward-Looking Information

This presentation includes forward-looking information and statements within the meaning of the federal securities laws. Except for historical information contained in this release, statements in this release may constitute forward-looking statements regarding assumptions, projections, expectations, targets, intentions or beliefs about future events. Statements containing the words “may”, “could”, “would”, “should”, “believe”, “expect”, “anticipate”, “plan”, “estimate”, “target”, “goal”, “project”, “intend” and similar expressions, or the negatives thereof, constitute forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. Forward-looking statements are based on management’s current beliefs and expectations, as well as assumptions made by, and information currently available to, management. While the Company believes that its expectations are based upon reasonable assumptions, there can be no assurances that its goals and strategy will be realized. Numerous factors, including risks and uncertainties, may affect actual results and may cause results to differ materially from those expressed in forward-looking statements made by the Company or on its behalf. Some of these factors include, but are not limited to: risks related to logistic and supply chain challenges; risks related to the substantial uncertainties inherent in the acceptance of existing and future products; the difficulty of commercializing and protecting new technology; the impact of competitive products and pricing; the Company’s partnerships with influencers, athletes and esports teams; general business and economic conditions; risks associated with the expansion of our business, including the integration of any businesses we acquire and the integration of such businesses within our internal control over financial reporting and operations; our indebtedness and liquidity; and other factors and matters discussed in our public filings, including the risk factors included in the Company’s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q and the Company’s other periodic reports filed with the Securities and Exchange Commission. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission, the Company is under no obligation to publicly update or revise any forward-looking statement after the date of this release whether as a result of new information, future developments or otherwise. This presentation also contains trademarks and trade names that are property of their respective owners.

## Non-GAAP Financial Measures

In addition to its reported results, the Company has included in this earnings release certain financial results, including adjusted EBITDA, and adjusted net income that the Securities and Exchange Commission defines as “non-GAAP financial measures.” Management believes that such non-GAAP financial measures, when read in conjunction with the Company’s reported results, can provide useful supplemental information for investors analyzing period-to-period comparisons of the Company’s results. “Non-GAAP Earnings” is defined as net income excluding (i) integration and transaction costs related to acquisitions, (ii) certain non-recurring business costs, (iii) any change in fair value of contingent consideration and (iv) acquisition-related settlements. “Adjusted EBITDA” is defined by the Company as net income (loss) before interest, taxes, depreciation and amortization, stock-based compensation (non-cash), and certain non-recurring special items that we believe are not representative of core operations (e.g., the integration and transaction costs related to acquisitions, and the change in fair value of contingent consideration). These non-GAAP financial measures are presented because management uses non-GAAP financial measures to evaluate the Company’s operating performance, to perform financial planning, and to determine incentive compensation. Therefore, the Company believes that the presentation of non-GAAP financial measures provides useful supplementary information to, and facilitates additional analysis by, investors. The presented non-GAAP financial measures exclude items that management does not believe reflect the Company’s core operating performance because such items are inherently unusual, non-operating, unpredictable, non-recurring, or non-cash. See a reconciliation of GAAP results to Adjusted Net Income and Adjusted EBITDA included below for each of the three months and full year ended December 31, 2021 and 2020.

# TURTLE BEACH CORPORATION IS A TOP 5 PLAYER IN THE \$8.8 BILLION<sup>(1)</sup> GAMING ACCESSORY MARKET



**LEADER IN CONSOLE GAMING HEADSETS FOR 12 YEARS RUNNING  
WITH 60 MILLION+ CONSOLE HEADSETS SOLD SINCE 2010**

ENTERED GAMING CONTROLLERS  
& FLIGHT SIMULATION



**A BROAD AND EXPANDING PORTFOLIO OF PC  
GAMING KEYBOARDS, MICE, HEADSETS, AND MORE**  
AWARD-WINNING GERMAN DESIGN & BUILD QUALITY



**NEXT-GENERATION MICROPHONES THAT EMBRACE  
CUTTING-EDGE TECH AND INNOVATIVE DESIGN**  
HIGH-PERFORMANCE DIGITAL USB &  
ANALOG XLR MICROPHONES



**NASDAQ: HEAR**

**2022 GUIDANCE**

REVENUE: \$366 +/- 5% MILLION

ADJ. EBITDA: 9% - 11% MARGIN

EPS: \$0.70-\$1.20

**Industry-Leading Innovation at Every Price Point with over 300 Patents**

1. Newzoo Peripheral Market Forecast, October 2021 and internal estimates (2021 Gaming Accessory Market includes gaming headsets for consoles and PC, PC gaming keyboards, and PC gaming mice, third party game controllers, mics and flight simulation hardware)

# GAMING IS THE MARKET TO BE IN



## A MASSIVE OPPORTUNITY

The global game market is expected to **grow from \$180 billion** in 2021 to **more than \$200 billion** in 2024<sup>(1)</sup>



## GAMING LEADS THE ENTERTAINMENT WORLD

The broader gaming market is the **largest and most expansive industry in the world of entertainment** at over **\$270 billion**<sup>(2)</sup>



## NEW CONSOLES ENERGIZE THE GAMING MARKET

The **global market** for gaming consoles expected to reach **\$58 billion in 2021**<sup>(3)</sup>



## ESPORTS CONTINUE RISING IN POPULARITY

Secular shift to esports with approximately **50% increase in value from 2021 to 2024**<sup>(4)</sup>

## A BREAKTHROUGH IN GAMING SIMULATION TECHNOLOGY

**Visually stunning realism** on console and PC is driving **booming growth** in simulation segments



## GAMING DRIVING STREAMING

Livestream gaming audience is expected to grow by **13% to 747M** in 2021 and to **943M by 2024**<sup>(4)</sup>



1. Newzoo Global Games Market Report, January 2022

2. Newzoo Global Games Market Report (October 2021), DFC (November 2021) & Internal Estimates

3. Ampere Analysis, April 2021, featured in [gamesindustry.biz](https://www.gamesindustry.biz) (Console HW, Games and Services)

4. Global Esports and Live Streaming Market Report, September 2021

# WE'RE EXECUTING ON OUR STRATEGY TO LEVERAGE THOSE TRENDS



## Continue our decade-plus of leadership in \$1.7 billion console headset market.

Maintain a portfolio for all levels of gamers with innovation and great execution.



- 9 of the top 15 U.S. console headsets by revenue are Turtle Beach<sup>(1)</sup>
- 12<sup>th</sup> consecutive year of 40% share or more in the U.S.<sup>(1)</sup>
- Both Xbox and PlayStation announced record sales of new consoles

## Continue rapid expansion into the \$3.8 billion PC gaming accessories market.

Further build out ROCCAT portfolio of award-winning PC gaming accessories.



- Launched 23 new ROCCAT PC gaming products in 2021
- ROCCAT U.S. sell-through increased over 60% year-over year<sup>(2)</sup>
- Exceeded market growth in major regions

## Expand into the \$2.3 billion global market for streaming and creator microphones.

Launch Neat Microphones' new generation of high-performance digital/USB and analog mics.



- Launched 4 new Neat Microphones products in 2021
- Launched ROCCAT's Torch USB mic for streamers and creators
- \$700M Digital/USB market segment experiencing rapid growth

## Enter additional new categories to drive further growth over time.

Launch first products in console gaming controller and console/PC gaming sim hardware markets.



- Recon Controller for Xbox launched with outstanding reviews
- VelocityOne Flight sold out multiple times since release in 2021
- Expanding portfolio in both categories over time

Tracking to ~\$100 million in non-console-headset revenues for 2022 (ahead of plan)

1. The NPD Group/Retail Tracking Service/Video Games/Dollars/U.S./Annual 2021

2. The NPD Group/Retail Tracking Service/Gaming-Designed: PC Headsets, Mice, and Keyboards, Dollar Sales, Annual 2021 combined vs. Annual 2020 combined

## ...AND DELIVERING ON OUR LONG-TERM FINANCIAL GOALS



**Drive 10% to 20% top line growth over time.**



- 5 Year revenue CAGR through 2021 is over 16%
- Revenue guidance of plus/minus 5% from record 2021
- Expecting \$100M of non-console headset revenues in 2022

**Deliver category leading EBITDA margins while investing to drive growth.**



- Adjusted EBITDA margin guidance range of 9% - 11%
- Investing to drive growth including new category entries
- 5 Year EBITDA CAGR through 2021 is over 55%

**Maintain a strong balance sheet to enable the above including selective M&A.**



- \$37M in cash with zero debt
- Over \$100 million in inventories 2021
- \$80M revolving credit facility

**5-Year TSR of >400%  
(Exceeding Sector Benchmarks)<sup>1</sup>**

# ESG – ENVIRONMENTAL, SOCIAL, AND GOVERNANCE



## LEVEL-UP WITH TURTLE BEACH

Sustainability is about doing the right thing for the planet, society, our Company, and our fans. This means assessing our environmental and social impacts, setting the proper governance structure in place to continuously evaluate our standing, and mitigating our impact when and where possible.

Turtle Beach Corporation's program is based on clear expectations on product sustainability set by some of our retail partners like Amazon and Wal-Mart, coupled with growing consumer demand for products designed with sustainability principals.

Turtle Beach will be continually building our ESG strategy and reporting our progress over time.



**Juergen Stark**  
Chairman & CEO  
Turtle Beach Corporation

*“For us, ESG is very simply about doing the right thing... as individuals and as a company. That means treating each other with respect, promoting diversity and opportunities for all our employees, conducting our business with high integrity, and ensuring that we are helping create a good future for our communities and for future generations.”*

# ESG – TURTLE BEACH 2022 INITIATIVES



## ESG COMMITTEE

Our **ESG Committee** assesses progress, identifies risks/opportunities, & implements initiatives to ensure goals are met.



## DIVERSITY & INCLUSION

We **encourage diversity in all hiring** and will continue working with diversity-focused, specialized job sites **to increase the diversity of our team.**



## REDUCE OUR CARBON FOOTPRINT

We're taking steps to reduce and mitigate our carbon footprint, **with the aim to be carbon neutral across our facilities by 2025.**

## REDUCING PRODUCT IMPACT

We're **incorporating sustainability into our products designs** while maintaining our industry-leading quality.



## ALIGNING WITH FRAMEWORKS



## OUR BRANDS



The Best-Selling Console Gaming  
Headset & Accessory Brand



Award-Winning  
PC Gaming Peripherals



High-Quality Digital USB &  
Analog Microphones

## TURTLE BEACH GAMING HEADSETS



# #1 IN GAMING AUDIO

The Global Market Leader In Console  
Gaming Headsets for Over 12 Years Running

## 60 Million+

Headsets Sold Since 2010

## 40%+ Market Share<sup>(1)</sup>

US Revenue Share Since 2010



# THE LEADER IN CONSOLE GAMING HEADSETS FOR THE PAST 12 YEARS

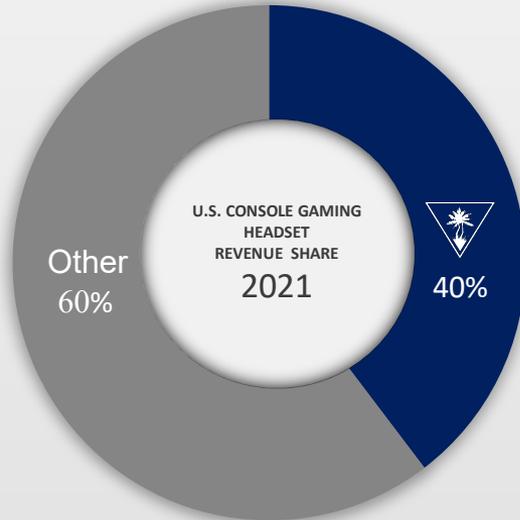


**#1 GAMING HEADSET**

PROVIDER FOR XBOX & PLAYSTATION

**MARKET LEADER**

HIGHEST REVENUE AND UNIT SHARE



**WHY & HOW**

**STRONG BRAND & REPUTATION**  
Among Gamers, Retailers, Gaming Industry

**PRODUCT FOR EVERY GAMER**  
Entry Level to Professional

**PRODUCT INNOVATIONS**  
And Unique Features – Many patented

**330K+ POINTS OF DISTRIBUTION<sup>(1)</sup>**  
70+ Countries

**STRONG PARTNERSHIPS**  
With Leading Esports Teams & Influencers

**OVER 15 YEARS EXPERIENCE**  
Gaming Headsets & with Xbox & PlayStation

**Over 170 ISSUED PATENTS<sup>(2)</sup>**  
Gaming Headsets

**6 OF TOP 10 SELLERS**

OVERALL ARE TURTLE BEACH

**10 OF TOP 20 SELLERS**

OVERALL ARE TURTLE BEACH

Source: The NPD Group/Retail Tracking Service/Video Games/Dollars/U.S., Canada and Mexico/Jan-Dec 2021

1. Includes only Console gaming headsets

2. Counts only patents related to headsets (not including additional patents relating to ROCCAT brand products, Neat Microphones or HyperSound products)

# TOP CONSUMER BRAND LOYALTY & CUSTOMER SERVICE



In Newzoo's 2021 Consumer Insights report<sup>(1)</sup>, **Turtle Beach had the highest brand loyalty among active console gamers in the U.S.**

On Trustpilot – a digital platform for consumers to review and rate their customer service and support experiences – **Turtle Beach is a top-rated brand with hundreds of reviews and a still rising 4.6/5 Star review average with an "Excellent" rating.**

Trustpilot Search for another company...

Events & Entertainment > Gaming > Gaming service Provider > Turtle Beach

**Turtle Beach**  
Reviews 367 • Excellent  
4.6  
VERIFIED COMPANY

**89%** 89% of consumers will buy more from companies that deliver an exceptional customer support experience<sup>(2)</sup>.

**96%** 96% of customers say customer service is important in their choice of loyalty to a brand<sup>(3)</sup>.

## Turtle Beach Trustpilot Reviews:

*"Totally and completely satisfied with the customer service, quality and coverage of your company and products. Will definitely recommend and will be a continued customer. Thank you."*

*"The best gaming company to deal with."*

1. Newzoo Consumer Insights: Gaming Peripherals  
2. NICE CXone CX Transformation Benchmark – Study 2018 via Salesforce  
3. HubSpot Annual State of Service Research Report 2020



## PRODUCTS IN MULTIPLE PRICE POINTS THAT CONSUMERS LOVE

RECON™  
**70**



*"This \$40 headset is worth every penny."*  
- Windows Central

RECON™  
**200**  
GEN 2



*"A worth successor to the original model that improves on it in every way."*  
- Medium | Alex Rowe

RECON™  
**500**



*"4.5/5. A very impressive sounding headset."*  
- Games Radar

STEALTH™  
**700**  
GEN 2



*"A best gaming headset of 2020."*  
- Tom's Guide

# THE MOST COMPLETE PORTFOLIO ENABLE CONSUMER UPGRADES OVER TIME FROM ENTRY-LEVEL TO PRO ESPORTS ATHLETES



Innovations that drive immersion, enjoyment, and competitive advantages at every price point



**BATTLE BUDS**  
\$29.95

**RECON 70**  
\$39.95

**Entry-Level Gamers**  
Plays Approx. 4 Hours Per Week

**RECON 200**  
GEN 2  
\$59.95

**RECON 500**  
\$79.95

**Casual Gamers**  
Plays 4-6 Hours Per Week

**STEALTH 600**  
GEN 2 USB  
\$99.99

**STEALTH 600**  
GEN 2 MAX  
\$129.99

**STEALTH 700**  
GEN 2  
\$149.95

**Enthusiast/Core Gamers**  
Plays 7-15 Hours Per Week

**ELITE PRO 2**  
+SUPERAMP  
\$249.95

**Esports Gamers**  
Plays 15+ Hours Per Week

Small sampling shown of Turtle Beach's portfolio of console gaming headsets. The full lineup is available at [www.turtlebeach.com](http://www.turtlebeach.com)

# THE FLIGHT SIMULATION CONTROLLER MARKET OPPORTUNITY



## MSFT FLIGHT SIM 2020 PC LAUNCHED AUGUST 2020

Game delivered a quantum leap in realism, fully leveraging modern processing capabilities and cloud computing/storage

## MSFT FLIGHT SIM 2020 COMES TO XBOX

Capture a new audience of gamers experiencing Microsoft's Flight Sim 2020 on Xbox Series X|S

## GAMING SIMULATION HARDWARE

PC/console flight sim hardware adds over \$400M<sup>(1)</sup> in global market not including expansion into racing hardware

1. Based on internal estimates, August 2021



# THE ULTIMATE ALL-IN-ONE FLIGHT CONTROL SYSTEM

## VELOCITYONE™ FLIGHT

Launched November 2021  
MSRP: \$379.95



"Best Gaming  
Accessory of E3 2021."



ANDROID AUTHORITY

Windows 10/11



## Take Flight on Xbox Series X|S, Xbox One & Windows PCs

Announced during E3 2021, VelocityOne Flight garnered a "Best of Show" from Android Authority and boldly marks Turtle Beach's foray into the gaming simulation hardware market.

**VelocityOne Flight is *the* complete flight control system**, developed in collaboration with aeronautical engineers and pilots and by a dedicated Turtle Beach team with over two decades of experience creating premier flight and racing simulation controllers.

**VelocityOne Flight delivers an immersive, authentic, and modern all-in-one flying experience on Xbox and PC**, and is perfect for experiencing Microsoft Flight Simulator 2020 on Xbox Series X|S.

**Over 21,000 fans** signed up for pre-order notifications. Pre-orders on November 3 **sold out globally** in under an hour (15 minutes in the US, UK, and Germany).

## THE GAMING CONTROLLER OPPORTUNITY

# GAMING CONTROLLERS

Total Addressable Market for third-party gaming controllers are roughly \$600<sup>(1)</sup> million.

## MICROSOFT PARTNERSHIP

Leverage MSFT partnership to enter market with wired gaming controllers for Xbox Series X|S, Xbox One, and Windows.

## WIRED, WIRELESS AND MORE

Grow gaming controller line beyond initial wired Xbox offering, including wireless and other console platforms.



# THE AWARD-WINNING RECON CONTROLLER FOR XBOX

## RECON™ CONTROLLER

Launched August 2021  
MSRP: \$59.95



"Best Gaming  
Accessory of E3 2021."



ANDROID AUTHORITY

"Best Xbox Controller."



gamesradar+  
HARDWARE  
AWARDS  
2021

Windows 10/11



## Game-Changing Audio Meets Game-Winning Controls

Unveiled at E3 2021, the Designed for Xbox Recon Controller was proudly designated with "Best of E3" awards from CNN Underscored and Android Authority for **blending game-changing controls with Turtle Beach's signature audio technologies.**

Gamers on Xbox Series X|S, Xbox One, and compatible Windows PCs can plug in any wired headset with a standard 3.5mm audio interface and take advantage of proven Turtle Beach features, including Superhuman Hearing, Mic Monitoring, Signature Audio Presets, and more.

Plus, Pro-Aim Focus Mode, four profiles, mappable rear quick-action buttons, next-gen vibration, and an ergonomic shape with cooling rubber grips round out Turtle Beach's first ever game controller.

# ROCCAT PC GAMING ACCESSORIES



**Award-Winning**  
German Design

**A Broad, Growing Portfolio**  
Including PC Mice, Keyboards, Headsets, and More

**ROCCAT sales growth outpaced the market**  
in our core markets

**U.S. sell-through grew by over 60%**  
in 2021 vs. 2020<sup>(1)</sup>



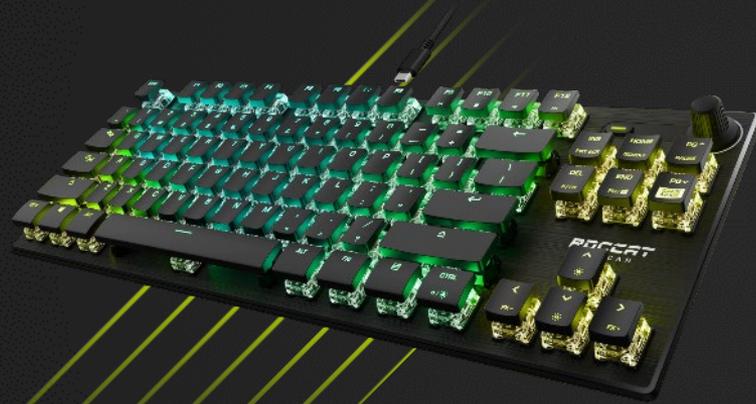
1. The NPD Group/Retail Tracking Service/Gaming-Designed: PC Headsets, Mice, and Keyboards, Dollar Sales, Annual 2021 combined vs. Annual 2020 combined



## IT'S TIME TO EXPERIENCE PRECISION



*"With the 3D audio and customizable EQ the user has the capability to get the perfect sound."*  
- Hardcore Gamer



*"The ROCCAT Vulcan TKL Pro is a gorgeous optical gaming keyboard with superb build quality."*  
- Rock Paper Shotgun



*"The world's best gaming mouse."*  
- Alex Rowe - Medium



# GROWING & AWARD-WINNING PC LINEUP



**Kone XP**  
MSRP: \$89.99



**Kone Pro Air | Kone Pro**  
MSRP: \$129.99 | \$79.99



**Burst Pro | Burst Core**  
MSRP: \$99.99 | \$29.99



**Kain 200/120/100**  
MSRP: \$99.99 | \$69.99 | \$49.99



**Kone AIMO Remastered**  
MSRP: \$79.99



**Kone Pure Ultra**  
MSRP: \$69.99



**Vulcan Pro**  
MSRP: \$199.99



**Vulcan TKL Pro | Vulcan TKL**  
MSRP: \$159.99 | \$129.99



**Vulcan 120/121/122**  
MSRP: \$159.99



**Pyro**  
MSRP: \$99.99



**Magma**  
MSRP: \$59.99



**Syn Pro Air**  
MSRP: \$149.99



**Elo 7.1 Air | Elo 7.1 USB | Elo X Stereo**  
MSRP: \$99.99 | \$69.99 | \$49.99



**Torch USB Mic**  
MSRP: \$99.99



**Syn Buds Core In-Ear**  
MSRP: \$24.99



**Juke 7.1 USB Soundcard**  
MSRP: \$19.99

MEET YOUR NEW BEST BUDS

# SYN BUDS CORE

Launched December 2021  
MSRP: \$24.99



MULTI-  
PLATFORM

## For Mobile Gaming on the Go

Experience precision-tuned sound across all your devices with ROCCAT's latest in-ear headphones. The Syn Buds Core are Nintendo Switch ready and are designed specifically for those who game on a variety of 3.5mm mobile devices.

For the gamer who prioritizes value, performance and versatility, meet your new earbuds – the Syn Buds Core.



# INTRODUCING THE LIMITED-EDITION DR. DISRESPECT COLLECTION



**CHAMPION GRADE**  
DISTILLING THE  
ESSENCE OF DOC

**A COLLAB SO BIG**  
IT TAKES TWO BRANDS





NEAT MICROPHONES

## DIGITAL USB & ANALOG MICROPHONES

Today's global microphone market is \$2.3B<sup>(1)</sup> overall,  
with ~\$700M<sup>(1)</sup> in the digital/USB category.

### THE TEAM

The founders of Blue Microphones, the Neat  
Microphones team has a combined 100+ years of  
experience creating leading microphones.

### A NEW PRODUCT LINE

In 2H 2021, we launched the second-generation of Neat's award-  
winning "Bee" line of analog XLR and digital USB microphones.



# U.S. PARTNERSHIPS



**SypherPK – RC**  
14M Reach



**Dr. Disrespect – TB/RC**  
7M Reach



**Castro\_1021 – TB**  
7M Reach



**GoldGlove – RC**  
3M Reach



**Jessica Blevins – RC**  
2.5M Reach



**KayPea – TB/RC**  
2M Reach



**Josh Hart – TB/RC**  
1M Reach



**Coconut Brah – RC**  
2M Reach



**Adept – TB/RC**  
877k Reach



**Grayson Allen – TB**  
650k Reach



**Kickstradomis – TB/RC**  
565k Reach



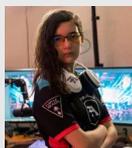
**Immanuel Quickley – TB/RC**  
274k Reach



**Archonaut – TB/RC**  
273k Reach



**Javier Rodriguez – TB**  
132k Reach



**FabuRocks – TB/RC**  
89k Reach



**Cburtney – TB/RC**  
53k Reach



**88bitmusic – TB/RC**  
44k Reach



**BlackKrystal – TB/RC**  
42k Reach



**Erin Simon – TB/RC**  
38k Reach

Over 900M Gamers in the Americas and Europe and over 225M esports enthusiasts globally<sup>(1)</sup>



**NRG Esports**  
A leading collective of top influencers and world champion esports teams



**2021 Official Mouse and Keyboard Partner**  
RIOT LCS League of Legends Tournament



**UCSD Esports**  
1<sup>st</sup> Collegiate Partnership



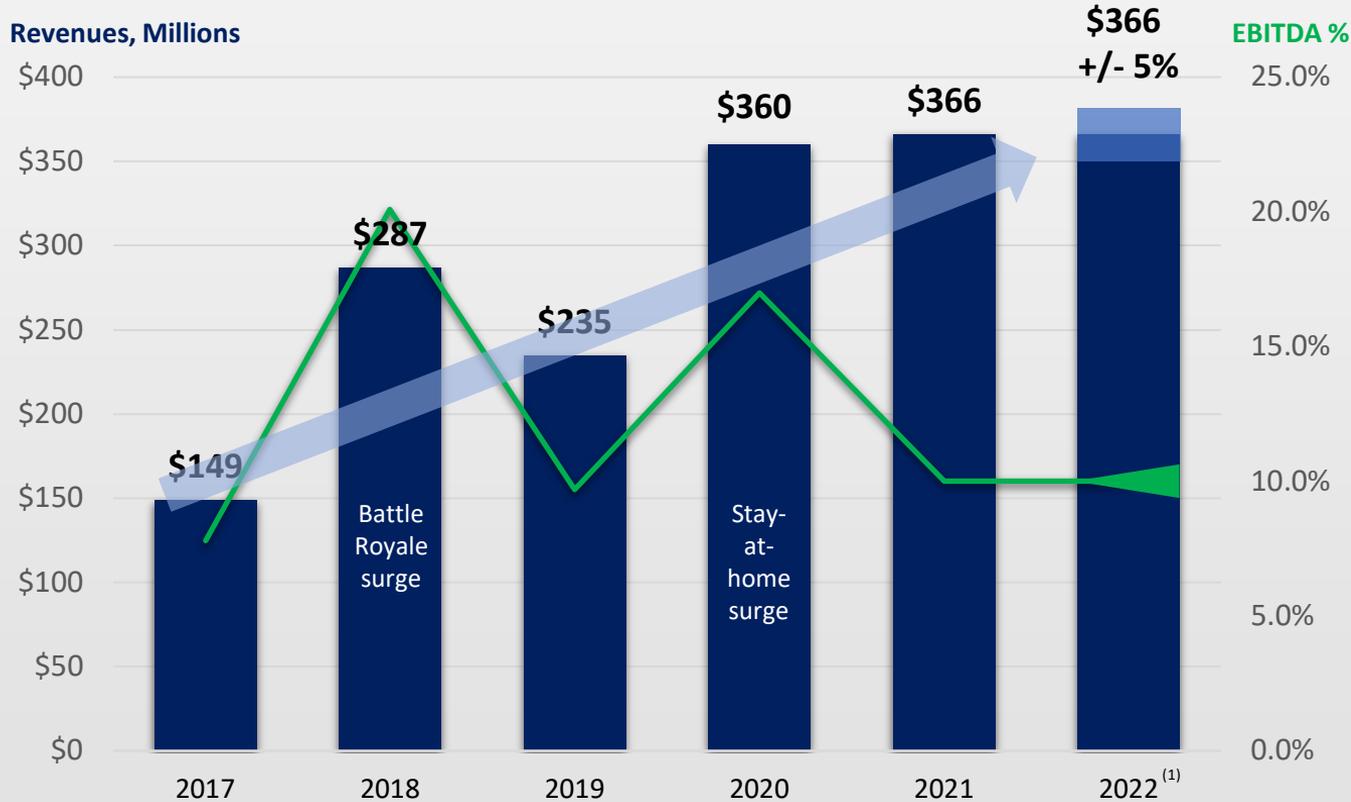
**Team WaR**  
Rising amateur CoD team

*Titles shown represent games played by our partner esports teams and influencers and do not indicate a partnership with the publisher*

1. Newzoo Global Esports September 2021 and Global Games Market Report January 2021



# REVENUE AND EBITDA PROFILE AND TARGETS



### TAM Expanded from \$1.7B to \$8.8B<sup>(2)</sup>

- PC Accessories added 2019
- Gaming controllers added 2021
- Simulation accessories added 2021
- Microphones added 2021

### 2022 Guidance<sup>(1)</sup>

- \$366M +/- 5%
- Growth weighted to 2<sup>nd</sup> half
- EBITDA Margin 9-11%
- Impacted by freight costs

### Long-Term Targets

- 10-20% revenue growth
- Mid 30's gross margins
- EBITDA margins of 10%+ & growing

1. Guidance provided March 2, 2022

2. Newzoo Peripheral Market Forecast, October 2021 and internal estimates

## EXPERIENCED BOARD OF DIRECTORS



Juergen Stark  
*Chairman & CEO*

- COO of Motorola Mobility's mobile business
- 10 years as Principal at McKinsey & Company, Inc.
- MBA, Harvard Business School



William Keitel  
*Lead Independent Director*

- Former CFO of Qualcomm Incorporated (NASDAQ: QCOM)
- During his tenure, Qualcomm grew revenues from ~\$800M to ~\$25B
- Held senior financial roles at Nortel (OTC: NRTLQ) & Pepsico (NYSE: PEP)



Dr. Andrew Wolfe, PhD  
*Director*

- Founder & principal of Wolfe Consulting
- Former Chief Technology Officer for SONICblue, Inc.
- Expert in IP strategy and licensing



Gregory Ballard  
*Director*

- General partner with Eleven Ventures
- Former senior VP for mobile & social games at Warner Bros.
- Former CEO of Glu Mobile, former board member with DTS



Kelly Thompson  
*Director*

- Former SVP and COO, Samsclub.com
- Former SVP Merchandising, Planning, and Marketplace for Walmart.com
- 10 years in management positions at Gap, Inc.



Yie-Hsin Hung  
*Director*

- CEO of New York Life Investment Management
- Formerly with investment firms Bridgewater Associates and Morgan Stanley
- Named in Barrons' 2020 100 Most Influential Women in U.S. Finance for second year in a row

# EXPERIENCED MANAGEMENT TEAM



**Juergen Stark** *Chairman & CEO*

- COO Of **Motorola** Mobility's Mobile Business
- 10 Years As Principal At **Mckinsey & Company**



**Rene Korte** *General Manager, PC Products*

- Founder of **ROCCAT** GmbH and CEO for 12 years
- VP Europe for **RAZER**
- Professional gamer and founder of MTW esports team



**John Hanson** *CFO*

- EVP & CFO at **Diallogic**
- CFO at **One Communications Corp**



**Skipper Wise** *VP & Founder of Neat Microphones*

- Co-founder & President, **Blue Microphones**
- Recording artist, engineer and entrepreneur with 40+ years creating microphones



**Cris Keirn** *SVP, Global Sales*

- Led headset transition as VP of business planning & strategy
- 17 years with **Motorola** in product management, operations, quality & customer relations



**David Angress** *VP & Head of Neat Microphones*

- Decades-long career in music products industry
- 15 years EVP at **Guitar Center**
- Former CEO, **Adam Audio GmbH**



**Megan Wynne** *General Counsel*

- 5 years with **I-Flow**, a Kimberly-Clark Health Care Company
- 13 years with **Morris Polich & Purdy** law firm



**Joe Stachula** *CTO & SVP, Product Development*

- 20+ years in consumer electronics
- 12 years at **Plantronics** engineering audio headsets



**Ryan Dell** *SVP, Marketing*

- 15 years of brand, consumer & digital marketing experience
- Formerly CMO at **MVMT**, VP of Marketing & Acquisitions at **FTD Companies** (Pro Flowers, Shari's Berries)



**Jose Rosado** *SVP, Global Operations*

- Former Sr. Director, Global Supply Chain Operations for **HP**
- 22 years of supply chain management with **Motorola, ON Semiconductor, HP, Cisco**



**Matt Seymour** *SVP, Product Management*

- 20+ years in the Consumer Electronics industry
- Previously with **Sony** leading television portfolio planning & development, product marketing



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**COMPANY WEBSITES**

[www.turtlebeachcorp.com](http://www.turtlebeachcorp.com) | [www.turtlebeach.com](http://www.turtlebeach.com) | [www.roccat.com](http://www.roccat.com) | [www.neatmic.com](http://www.neatmic.com)

# APPENDIX



# FULL YEAR FINANCIAL OVERVIEW



\$ Millions (except per-share data)	2020	2021	Commentary
<b>Revenue</b>	\$360.1 (\$357.9 in constant currency)	\$366.4 (\$359 in constant currency)	Growth following record 2020. Exceptionally strong first half due to stimulus checks and ongoing lockdowns. Weak holiday market, particularly in console market. Strong growth in PC and new categories.
<b>Gross Margin</b>	37.2%	35%	Year-over-year change was primarily due to higher logistics costs and more normalized holiday promotional activity compared to 2020.
<b>Operating Expenses</b>	\$84.6	\$108.0	Full-year run-rate of costs added in 2020 to support 53% increase in revenues, record new product launches, geographic expansion and marketing investments to support those growth activities.
<b>Adjusted EBITDA<sup>(1)</sup></b>	\$61.4	\$36.6	Reflects above factors.
<b>Net Income</b>	\$38.7	\$17.7	Reflects above factors.
<b>Diluted EPS</b>	\$2.37	\$0.97	Reflects above factors.
<b>Adjusted Diluted EPS<sup>(1)</sup></b>	\$2.22	\$1.11	Reflects above factors.
<b>Diluted Shares</b>	16.4M	18.3M	See appendix.

1. See appendix for a reconciliation of non-GAAP measures

# BALANCE SHEET



## Balance Sheet Highlights

\$ Millions

	At December 31, 2020	At December 31, 2021
<b>Cash &amp; Cash Equivalents</b>	\$46.7	\$37.7
<b>Inventories</b>	\$71.3	\$101.9
<b>Revolver (asset-based)</b>	\$0	\$0
<b>Total Debt</b>	\$0	\$0

## Balance Sheet Comments

- Increased product and component purchases due to longer freight transit times and to reduce risks of supply shortages.
- No outstanding borrowings under revolving credit facility as cash flows from operations were sufficient to fund the Company's working capital needs
- Strong balance sheet with no outstanding debt.

## 2022 OUTLOOK<sup>(1)</sup>



	2022	2022 Outlook Commentary
Net Revenue	\$366M +/- 5%	Net revenue is expected to be approximately flat, plus or minus 5%, from record 2021 revenues. The mid-point reflects anticipated growth in sell-through and share gains in all categories offset by a reduction in channel inventory and the expectation that console and PC markets may decline somewhat from 2021 given the absence of stimulus checks and stay-at-home orders that drove an exceptionally strong first half in 2021.
Gross Margin	Low 30% <sup>s</sup>	Margins expected to be roughly 2-3% below the Company's target range of mid-30's, reflecting the impact of higher freight and component costs, as well as the expected return to normal promotional levels, partially offset by factoring higher costs into new product pricing.
Adj. EBITDA Margin	9% - 11%	Adjusted EBITDA margin expected to be within or slightly below our 10+% target due to the factors stated above.
Adj. EPS	\$0.70 - \$1.20	Reflects above factors; anticipates full year effective tax rate of 25%.
Diluted Shares	~17.5M	



# GAAP NET INCOME TO ADJUSTED NET INCOME RECONCILIATION

## FULL YEAR 2021 COMPARED TO 2020

	Twelve Months Ended	
	December 31, 2021	December 31, 2020
<u>Net Income</u>		
GAAP Net Income	\$ 17,721	\$ 38,746
Adjustments, net of tax:		
Non-recurring business costs	4,339	-
Gain on acquisition-related settlement	-	(1,702)
Change in fair value consideration	(1,928)	(1,121)
Acquisition integration costs	69	405
Non-GAAP Earnings	<u>\$ 20,201</u>	<u>\$ 36,328</u>
Diluted Earnings Per Share		
GAAP- Diluted	\$ 0.97	\$ 2.37
Non-recurring business costs	0.24	-
Gain on acquisition-related settlement	-	(0.10)
Change in fair value consideration	(0.11)	(0.07)
Acquisition integration costs	0.00	0.02
Non-GAAP- Diluted	<u>\$ 1.11</u>	<u>\$ 2.22</u>



## GAAP NET INCOME TO ADJUSTED EBITDA RECONCILIATION

### TWELVE MONTHS ENDED DECEMBER 31, 2021

	As	Adj	Adj	Adj	Other <sup>(1)</sup>	Adj
	Reported	Depreciation	Amortization	Stock Compensation		EBITDA
Net revenue	\$ 366,354	\$ -	\$ -	\$ -	\$ -	\$ 366,354
Cost of revenue	<u>237,971</u>	<u>(1,654)</u>	<u>-</u>	<u>(343)</u>	<u>-</u>	<u>235,974</u>
<b>Gross Profit</b>	<b>128,383</b>	<b>1,654</b>	<b>-</b>	<b>343</b>	<b>-</b>	<b>130,380</b>
Operating expenses	<u>107,952</u>	<u>(2,398)</u>	<u>(1,261)</u>	<u>(7,313)</u>	<u>(5,012)</u>	<u>91,968</u>
<b>Operating income</b>	<b>20,431</b>	<b>4,052</b>	<b>1,261</b>	<b>7,656</b>	<b>5,012</b>	<b>38,412</b>
Interest expense	383					
Other non-operating expense (income), net	<u>(101)</u>				1,928	<u>1,827</u>
Income before income tax	20,149					
Income tax benefit	<u>2,428</u>					
<b>Net income</b>	<b><u>\$ 17,721</u></b>					<b>Adjusted EBITDA \$ <u>36,585</u></b>

1. Other includes certain business acquisition costs and change in fair value of contingent consideration