



**TURTLE
BEACH**[®]
CORPORATION

**FIRST QUARTER 2022
EARNINGS PRESENTATION**
NASDAQ: HEAR

MAY 4, 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, 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, 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 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 and (ii) certain non-recurring business costs. “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 ended March 31, 2022 and 2021 and full years ended December 31, 2021 and 2020.

SUMMARY – Q1 2022 RESULTS

Net revenue of \$46.7M vs. \$93.1M*

Gross Margin of 30.1% vs. 37.5%

Net income (GAAP) of \$(6.5)M vs. \$8.8M

GAAP EPS of \$(0.40) vs. \$0.49

Adjusted EBITDA of \$(5.7)M vs. \$15.3M

Results met or exceeded expectations

Cash & cash equivalents of \$23.7M vs. \$63.0M

Strong Balance Sheet with no short or long-term debt

**Prior year quarter numbers are against first quarter 2021 where the Company posted 166% revenue growth, far exceeding peers and the underlying gaming markets*



INDUSTRY TRENDS SHOW GAMING IS THE MARKET TO BE IN



A MASSIVE OPPORTUNITY

The global game market is expected to **grow from \$180Bn in 2021 to more than \$200Bn in 2024**⁽¹⁾



GAMING LEADS THE ENTERTAINMENT WORLD

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



NEW CONSOLES ENERGIZE THE GAMING MARKET

The **global market** for gaming consoles hardware expected to reach **\$21Bn in 2024**⁽³⁾



ESPORTS CONTINUES RISING IN POPULARITY

Secular shift to esports. Revenue expected to grow from **\$1.1Bn in 2021 to \$1.9Bn by 2025**⁽⁴⁾

A BREAKTHROUGH IN GAMING SIMULATION TECHNOLOGY

Stunning realism on console & PC is driving **booming growth** in the **\$400M**⁽⁵⁾ global gaming simulation hardware market



GAMING DRIVING STREAMING

Livestreaming gaming audience is expected to grow **to 1.4Bn in 2025** from **0.8Bn in 2021**⁽⁴⁾



1. Newzoo Global Games Market Report, January 2022

2. Newzoo Global Games Market Report (January 2022), DFC (March 2022) & Internal Estimates

3. DFC estimates: Updated March 2022

4. Newzoo Global Esports and Live Streaming Market Report, April 2022

5. Based on internal estimates, August 2021, excludes racing simulation hardware

WE'RE EXECUTING ON OUR STRATEGY TO LEVERAGE INDUSTRY TRENDS



Building on our decade-plus of leadership in the \$1.7⁽³⁾ billion console headset market, maintaining 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⁽¹⁾
- 12th consecutive year of 40% share or more in the U.S.⁽¹⁾
- Compelling lineup of new wireless models in 2022 (more coming)

Continuing rapid expansion into the \$3.8⁽³⁾ billion PC gaming accessories market, further building out ROCCAT's portfolio of award-winning PC gaming accessories.



- ROCCAT U.S. sell-through increased over 60% year-over year⁽²⁾
- Exceeded market growth in major regions in 2021
- Launched 29 new ROCCAT PC gaming products in 2021 and Q1 2022

Expanding into the \$2.3⁽⁴⁾ billion global market for streaming and creator microphones, launching Neat Microphones' new generation of high-performance USB and XLR mics.



- Launched 4 new Neat Microphones products in the U.S. in 2021
- Launching Neat products in Europe starting Q1 2022
- \$700M Digital/USB market segment experiencing rapid growth

Entering additional new categories to drive further growth over time, launching products in the gaming controller and gaming sim hardware markets.



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

Targeting ~\$100 million at positive contribution to EBITDA in non-console-headset revenues for 2022

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

3. Newzoo Peripheral Market Forecast, October 2021

4. Based on internal estimates 2021

...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.



- 10% EBITDA margin in 2021 (equal to peers 5x our size)
- Investing to drive growth including new category entries
- 5 Year EBITDA CAGR through 2021 is over 55%

Maintain a strong balance sheet to provide financial flexibility to pursue investments in organic and inorganic growth opportunities, while returning capital to shareholders.



- \$24M in cash with zero debt
- Over \$100 million in inventories 2021
- \$80M revolving credit facility

**5-Year TSR of >350%
(Exceeding Sector Benchmarks)¹**

OUR BRANDS



**TURTLE
BEACH**®

The Best-Selling Console Gaming
Headset & Accessory Brand



ROCCAT®

Award-Winning
PC Gaming Peripherals



NEAT
MICROPHONES

High-Quality Digital USB &
Analog Microphones

TURTLE BEACH CONSOLE 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⁽¹⁾

U.S. Revenue Share Since 2010



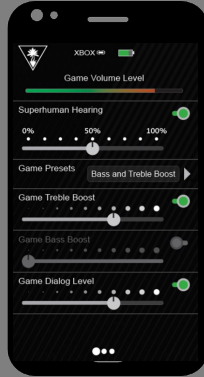
INTRODUCING STEALTH 700 GEN 2 MAX



Launches on Xbox May 8, 2022
MSRP: \$199.99



Also available
in Black



"Best Xbox Series X|S
Wireless Gaming Headset"



Premium Wireless Audio & Comfort, Powered Up

Turtle Beach's Stealth 700 Gen 2 MAX resets the bar for premium wireless gaming headsets, **adding multiplatform compatibility via a lag-free 2.4GHz wireless transmitter and Bluetooth, plus extended battery life** to the series' already impressive list of premium comfort and audio features.

With the 700 Gen 2 MAX, gamers can **connect to Xbox Series X|S and Xbox One, PS5 and PS4, Nintendo Switch, Windows PCs and Mac, and iOS and Android mobile devices. The upgraded battery delivers a whopping 40+ hours of gaming**, and Bluetooth connects to app-based customization controls.

And a stunning new color combination!

INTRODUCING STEALTH 600 GEN 2 MAX

STEALTH™

600

GEN 2 MAX

Launches on Xbox May 8, 2022

MSRP: \$129.99



Also available
in Midnight Red
and Arctic Camo



All-Day Wireless Freedom

Gaming's best-selling headset series gets even bigger with the Stealth 600 Gen 2 MAX, adding **best-in-class battery life and multiplatform connectivity to Xbox Series X|S and Xbox One, PS5 and PS4, Nintendo Switch, and Windows PCs.**

Stealth 600 Gen 2 MAX's upgraded battery delivers a whopping 48+hours of gaming, while a lag-free 2.4GHz wireless connection keeps players in the game.

INTRODUCING STEALTH 600 GEN 2 USB



Launches on Xbox May 8, 2022
MSRP: \$99.99



Also available
in Black



The Best-Selling Gaming Headset Gets Even Better

Stealth 600 Gen 2 USB keeps everything gamers love about the best-selling gaming headset series¹ and increases battery life up to **24+ hours** – an improvement of nearly **10 additional hours** over the prior version.

Since their 2020 launch, Turtle Beach's **Stealth 600 Gen 2⁽¹⁾** has been **THE #1 best-selling headset series**. Gen 2 USB maintains the series attractive \$99 MSRP and fan-favorite Turtle Beach proprietary features like Superhuman Hearing.

"Exceptional bang for your buck, thanks to its excellent sound quality and robust features"



1. Source: The NPD Group/Retail Tracking Service/Video Games Accessories/Headset Series/Wireless/U.S. Dollar Sales, 38 ME February 2022

INTRODUCING RECON AIR



Launched April 2022
MSRP: \$39.99



Recon Air for PlayStation is also available and features a wireless USB transmitter.



Pure Chat with No Strings Attached

Designed for gamers who already have a killer home entertainment system for game audio, **the Recon Air is a chat communicator headset to hear and talk to other players**, and it's a perfect Bluetooth wireless headset for audio and video conferencing.

The Recon Air delivers high-quality inbound and outbound chat with friends and teammates and **its gaming-tuned, noise-cancelling mic is perfect for congratulating the other team on their epic loss.**



INTRODUCING SCOUT AIR



Launched March 2022
MSRP: \$99.99



Multiple ear tip sizes.



5-hours of battery life in the earbuds...



...and another 15-hours of battery life
in the charging case.



Say Hello to Your New Best Buds

Another Mobile Gaming category entry from Turtle Beach designed for gamers on-the-go, the **Scout Air Bluetooth true wireless earbuds deliver a low-latency game mode, 20-hours of total battery life, a water and sweat resistant design, and long-lasting comfort.**

The Scout Air is IPX4-rated for sweat and water-resistance, includes multiple ear tip options for a comfortable fit, and is **compatible with iOS, Android, and other Bluetooth-enabled devices like Nintendo Switch, Windows PCs, and Mac.**



THE FLIGHT SIMULATION CONTROLLER MARKET OPPORTUNITY

FLIGHT SIM 2020 PC LAUNCH

MSFT Flight Sim 2020 launched on PC August 2020, delivering a quantum leap in realism, fully leveraging modern processing capabilities and cloud processing and storage

FLIGHT SIM 2020 COMES TO XBOX SERIES X|S

In 2021, the game captured a new audience of gamers experiencing the thrill of flight on the latest Xbox consoles

FLIGHT SIM 2020 COMES TO XBOX ONE & CLOUD

In 2022, Microsoft extended the Flight Sim 2020 experience via the cloud to gamers on the prior-gen Xbox One console, lower-spec PCs, and other cloud-based systems including mobile

GAMING SIMULATION HARDWARE

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

¹. Based on internal estimates, August 2021



VELOCITYONE FLIGHT RECEPTION & CONTINUED ACCOLADES

VELOCITYONE™

FLIGHT



GamingTrend – ‘Excellent’ 95/100

"With ultra-realistic controls that perfectly match the real thing, there's no better way to experience the thrill of flight"

PC Pilot – ‘Editor’s Classic’ 90/100

"If you're looking for a more natural method of controlling your aircraft without reaching for the keyboard and mouse, I can highly recommend this VelocityOne Flight Universal Control System"

GamesRadar – 4.5/5

"Frankly, it's about as close as you can get to being in a real cockpit without taking up classes"

COGConnected – ‘Totally Badass’

"The level of detail they've brought when it comes to the design of the VelocityOne Flight is unlike anything I've ever seen"

TrueAchievements – ‘Best of E3 2021’

"If you don't have a yoke and throttle setup, I couldn't recommend this more"



TURTLE BEACH VELOCITYONE FLIGHT REVIEW

★★★★★ By Benjamin Abbott published 7 days ago [f](#) [t](#) [p](#) [r](#) [e](#) [c](#) [o](#) COMMENTS

THE GAMING CONTROLLER OPPORTUNITY

GAMING CONTROLLERS

Total Addressable Market for third-party gaming controllers is roughly \$600M⁽¹⁾

MICROSOFT PARTNERSHIP

Leveraged Microsoft partnership to enter the gaming controllers market with wired products for Xbox Series X|S, Xbox One, and Windows PCs

WIRED, WIRELESS, AND MORE

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



1. Newzoo Peripheral Market Forecast, October 2021 and internal estimations

RECON CONTROLLER RECEPTION & ACCOLADES



RECON™ CONTROLLER

IGN – ‘Editor’s Choice’ 9/10

"A feature-packed wired gamepad with top-notch performance and build quality"

GamesRadar – ‘Highly Recommended’ 4/5

"A superb set of features at a low price"

Digital Trends – ‘Recommended Product’ 9/10

"Turtle Beach's Xbox Recon controller is loaded with inventive and useful on-board features at a shockingly low price"

CNN Underscored – ‘Best of E3 2021’

"...perks you can't get on the standard Xbox Wireless Controller that costs the same"

Game Revolution – 9/10

"For \$59.99, you really can't go wrong with the Turtle Beach Recon Controller...this is a top-tier option"



ROCCAT PC GAMING ACCESSORIES

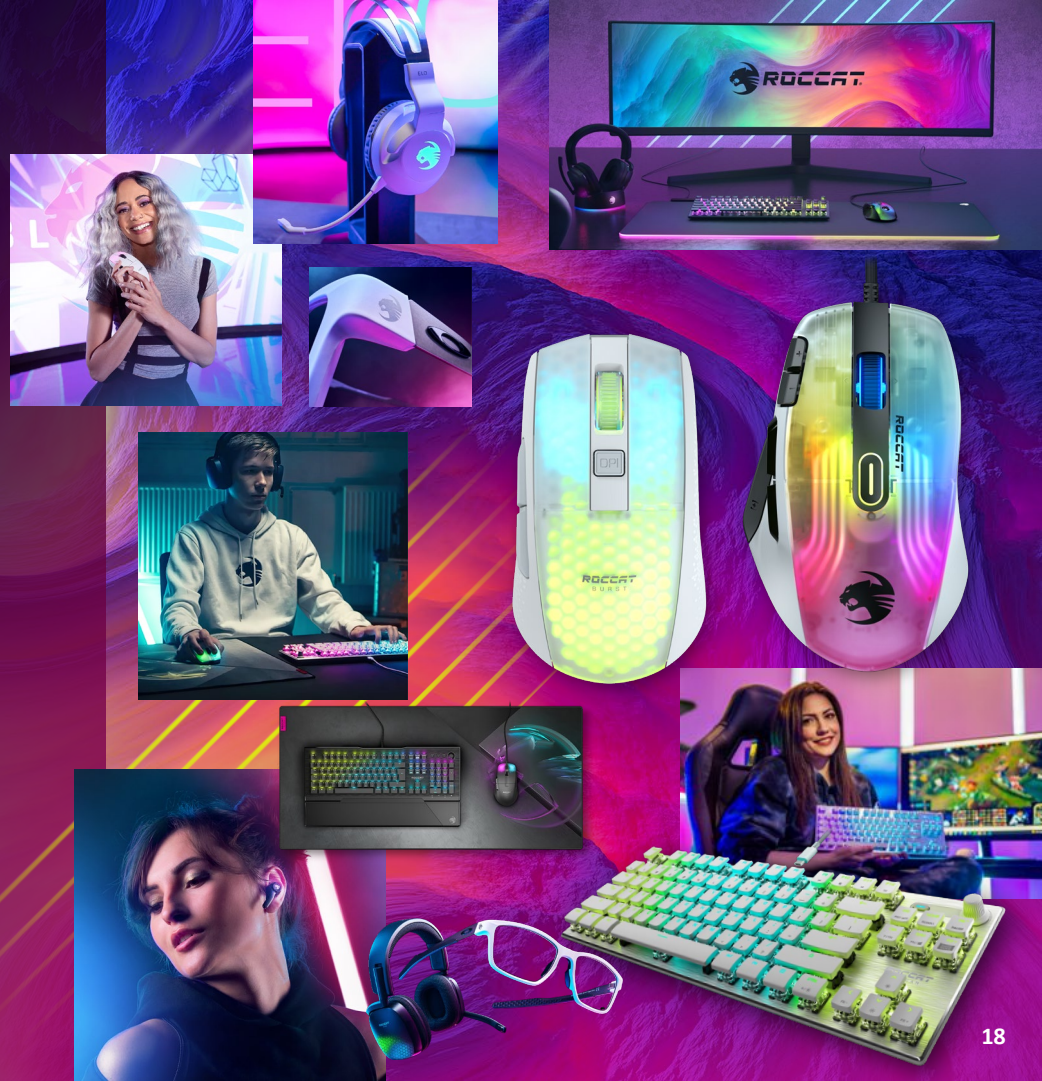


AWARD-WINNING
German Design

A BROAD, GROWING PORTFOLIO
Including PC Mice, Keyboards, Headsets, and More

ROCCAT SALES GROWTH
Outpaced the Market in Core Markets in 2021

U.S. SELL-THROUGH GREW
Over 60% in 2021⁽¹⁾



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

OUTSHINE, OUTLAST, OUTCLASS

BURST PRO AIR

Launched April 2022
MSRP: \$99.99



STELLAR
WIRELESS

4.5/5 – Digital Trends
*"The ROCCAT Burst Pro Air
is just as fantastic to use
as it is to look at"*

 NVIDIA
NVIDIA REFLEX
COMPATIBLE MOUSE



High-Performing, Unrestricted Gameplay

Symmetrical, wireless, lightweight, and visually stunning with its RGB lighting, the Burst Pro Air is packed with ROCCAT's core performance components and technologies.

Lightweight for a wireless mouse at 81g, the Burst Pro Air features ROCCAT's core performance components like the Owl-Eye Optical 19K DPI sensor and ridiculously fast Titan Optical Switches, while **Stellar Wireless technology optimizes and manages wireless signal strength and battery use for optimal performance.**

The Burst Pro Air's revolutionary transparent Bionic Shell also returns, this time **updated with additional LEDs for a more consistent and vibrant RGB lighting experience.**

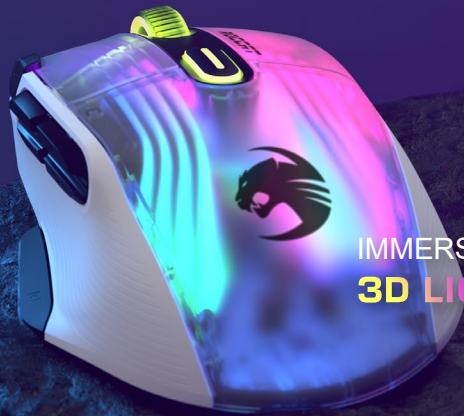
NEXT-GEN CUSTOMIZATION GAMING MOUSE

KONE XP

Launched March 2022
MSRP: \$89.99



MULTI-BUTTON DESIGN



IMMERSIVE
3D LIGHTING

100/100 – Gaming Trend
*"This is what peak
performance looks like"*



NVIDIA REFLEX
COMPATIBLE MOUSE



Control Your XP

ROCCAT's Kone XP Next-Gen Customization Gaming Mouse **utilizes the refined ergonomics of the iconic Kone shape and is ideal for gamers who play a variety of PC games.**

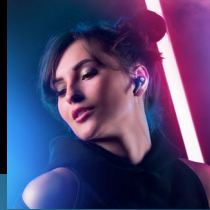
The translucent shell sets the stage for the Kone XP's LEDs and light guides, creating an **unprecedented and immersive 3D lighting experience.**

Kone XP is one of the most customizable mice available, with multiple buttons and 29 possible button functions thanks to ROCCAT's Easy-Shift[+] duplicator technology. The Krystal 4D Wheel not only adds to the number of inputs, but also enhances the experience, beautifully diffusing the RGB lighting.

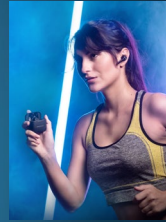
TRUE WIRELESS GAMING EARBUDS

SYN BUDS AIR

Launched March 2022
MSRP: \$99.99



TOUCH
CONTROLS



RAPID
CHARGE



IPX4
RATED



True Wireless Freedom

ROCCAT's SYN Buds Air true wireless gaming earbuds are designed to connect to Bluetooth 5.1 equipped devices like compatible Android and iOS mobile devices, Nintendo Switch, Windows PCs, and Mac.

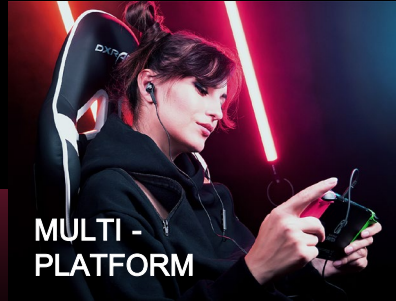
The SYN Buds Air feature a 60ms low-latency Game Mode to ensure critical in-battle audio recognition, and built-in dual mics to deliver crystal-clear chat.

Battery life is 20 hours total playback time, with five hours in the earbuds and an additional 15-hours in the charging case.

MEET YOUR NEW BEST BUDS

SYN BUDS CORE

Launched January 2022
MSRP: \$24.99



MULTI -
PLATFORM

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.





NEAT MICROPHONES

DIGITAL USB & ANALOG MICROPHONES

Today's global microphone market is \$2.3B⁽¹⁾ overall,
with ~\$700M⁽¹⁾ 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 microphone products

A NEW PRODUCT LINE

In 2022, Neat's new generation of award-winning "Bee" XLR and USB microphones sees continued NA momentum and officially enters EU markets





NEAT XLR MICROPHONES

KING BEE II

"This microphone easily earns its place alongside that list of favorites with its natural, full sound, and it does so while costing \$50+ less"

— TOM'S HARDWARE

"Impressively clear, accurate, and rich sound for well under \$200."

— WIRED

WORKER BEE II

"I have never appreciated the sound of my own voice, but after listening to my recordings during testing, it became clear that somehow, this microphone not only captured the essence of my voice but it actually improved it"

— GAMES REVIEWS

"This is THE mic to get for anyone looking to take their voice recordings to the next level but at a budget price"

— WE THE NERDY



KING BEE II



WORKER BEE II



NEAT USB MICROPHONES

BUMBLEBEE II

"One of the best-sounding, best-performing \$100 USB condenser microphones currently available"

— POPULAR SCIENCE

"I absolutely recommend the Neat Bumblebee II USB microphone"

— THE SOUND GUYS

"The second generation of Neat microphones are stunningly clear"

— GAMING TREND

SKYLINE

"A beautiful blend of form and function"

— ALEX ROWE, MEDIUM.COM



BUMBLEBEE II

SKYLINE

OTHER NEWS



TURTLE BEACH CORPORATION LAUNCHES "PLAY WITH PURPOSE" PROGRAM AND ESG GOALS TO FURTHER IMPROVE GLOBAL IMPACT

In April, Turtle Beach Corporation officially announced the Company's Environmental, Social, and Governance (ESG) program, entitled Play with Purpose. The program formalizes the Company's ESG initiatives and sets goals that are, and will continue to be, a vital part of Turtle Beach Corporation's business. Play with Purpose highlights Turtle Beach Corporation's current and future initiatives and goals to reduce its carbon footprint, eliminate plastic packaging, reduce packaging size, and add carbon impact labels on select products across its Turtle Beach, ROCCAT, and Neat Microphones brands, and provides insight into the Company's diversity and inclusion and community involvement commitments.

TURTLE BEACH & ROCCAT TEAM-UP WITH MRBEAST TO LAUNCH HIS NEW FEASTABLES SNACK LINE

In early February, Turtle Beach and ROCCAT announced a new partnership with popular online personality and entrepreneur, Jimmy Donaldson, aka "MrBeast." MrBeast is one of YouTube's biggest channels with nearly 88 million subscribers enjoying his outrageous stunts and impressive philanthropic efforts. The partnership celebrates the launch of MrBeast's better-for-you snack portfolio, Feastables, rooted in gamified experiences. Gaming and snacking go hand-in-hand, so naturally it makes sense that one of the world's top gaming accessory makers and one of the most watched YouTubers came together to create epic video gaming accessory bundles and more as part of Feastables' massive sweepstakes.



TURTLE BEACH IS COMMITTED TO CONTINUALLY BUILDING OUR ESG STRATEGY AND REPORTING OUR PROGRESS



ESG COMMITTEE

Our **ESG Committee** meets regularly to identify ESG risks and opportunities, establish and measure progress against ESG goals, and implement ESG initiatives.



DIVERSITY & INCLUSION

We track diversity metrics through our recruiting process; include diversity statements in all job postings, on our website, and on social media channels; and work with diversity-focused job websites in an effort to **increase the diversity of our candidate pool**.



REDUCING OUR CARBON FOOTPRINT

We're taking steps to reduce and mitigate our carbon footprint, **with the aim to neutralize our carbon footprint across our corporate offices by 2025**.



REDUCING PRODUCT IMPACT

We're incorporating sustainability **features into our products** while maintaining the industry-leading quality that has always set us apart.

ALIGNING WITH LEADERS



SCIENCE
BASED
TARGETS



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



CLEAR & MEASURABLE GOALS

2023

- Place carbon impact label on select products
- Start offering carbon neutral products
- 100% of manufacturers to sign the manufacturer's code of conduct

2024

- Use 10% of post-consumer recycled (PCR) plastic in select products
- Eliminate plastic use in packaging in select products

2025

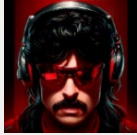
- Neutralize carbon footprint across all our corporate offices

U.S. PARTNERSHIPS

OVER 900M GAMERS IN THE AMERICAS AND EUROPE, AND OVER 240M ESPORTS FANS GLOBALLY⁽¹⁾



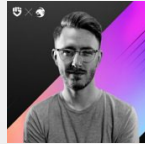
SypherPK – RC
14M Reach



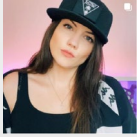
Dr. Disrespect – TB/RC
8M Reach



Castro_1021 – TB
7.5M Reach



GoldGlove – RC
3M Reach



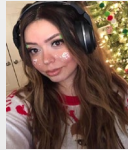
KayPea – TB/RC
2M Reach



Josh Hart – TB/RC
1M Reach



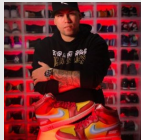
Coconut Brah – RC
2M Reach



Adept – TB/RC
1M Reach



Grayson Allen – TB
658k Reach



Kickstradomis – TB/RC
600k Reach



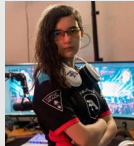
Immanuel Quickley – TB/RC
311k Reach



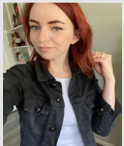
Archonaut – TB/RC
278k Reach



Javier Rodriguez – TB
132k Reach



FabuRocks – TB/RC
100k Reach



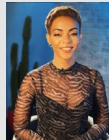
C6urtney – TB/RC
37k Reach



88bitmusic – TB/RC
44k Reach



BlackKrystal – TB/RC
78k Reach



Erin Simon – TB/RC
50k Reach



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
1st 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 April 2022 and Global Games Market Report January 2022

QUARTERLY FINANCIAL OVERVIEW



\$ Millions (except per-share data)	Q1 2021	Q1 2022	Commentary
Revenue	\$93.1	\$46.7 (\$47.1 in constant currency)	In line with expectations. Quarterly revenue decreased as expected as 2021 benefitted from stay-at-home orders and stimulus checks and the Company's outperformance of the market and peers resulting in growth of 166%.
Gross Margin	37.5%	30.1%	Significantly higher freight costs, fixed cost de-leveraging, more normalized promotional credits partially offset by business mix and above expectations due to lower volume-based program and product spend.
Operating Expenses	\$22.6	\$22.3	Decrease reflects lower revenue-based sales and lower marketing expenses partially offset by higher product development expenses to support market and geographic expansion.
Adjusted EBITDA⁽¹⁾	\$15.3	\$(5.7)	Modestly above expectations. Reflects lower revenue and increased freight costs and factors covered above.
Net Income (Loss)	\$8.8	\$(6.5)	Reflects above factors.
Diluted EPS	\$0.49	\$(0.40)	Reflects above factors.
Adjusted Diluted EPS⁽¹⁾	\$0.52	\$(0.39)	Reflects above factors.
Diluted Shares	18.1M	16.2M	See appendix.

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

BALANCE SHEET



Balance Sheet Highlights \$ Millions		
	At March 31, 2021	At March 31, 2022
Cash & Cash Equivalents	\$63.0	\$23.7
Inventories	\$59.1	\$117.4
Revolver (asset-based)	\$0	\$0
Total Debt	\$0	\$0

Balance Sheet Comments

- Inventory managed to higher levels to reflect the doubling in lead times and uncertainty around supply and component availability.
- 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.

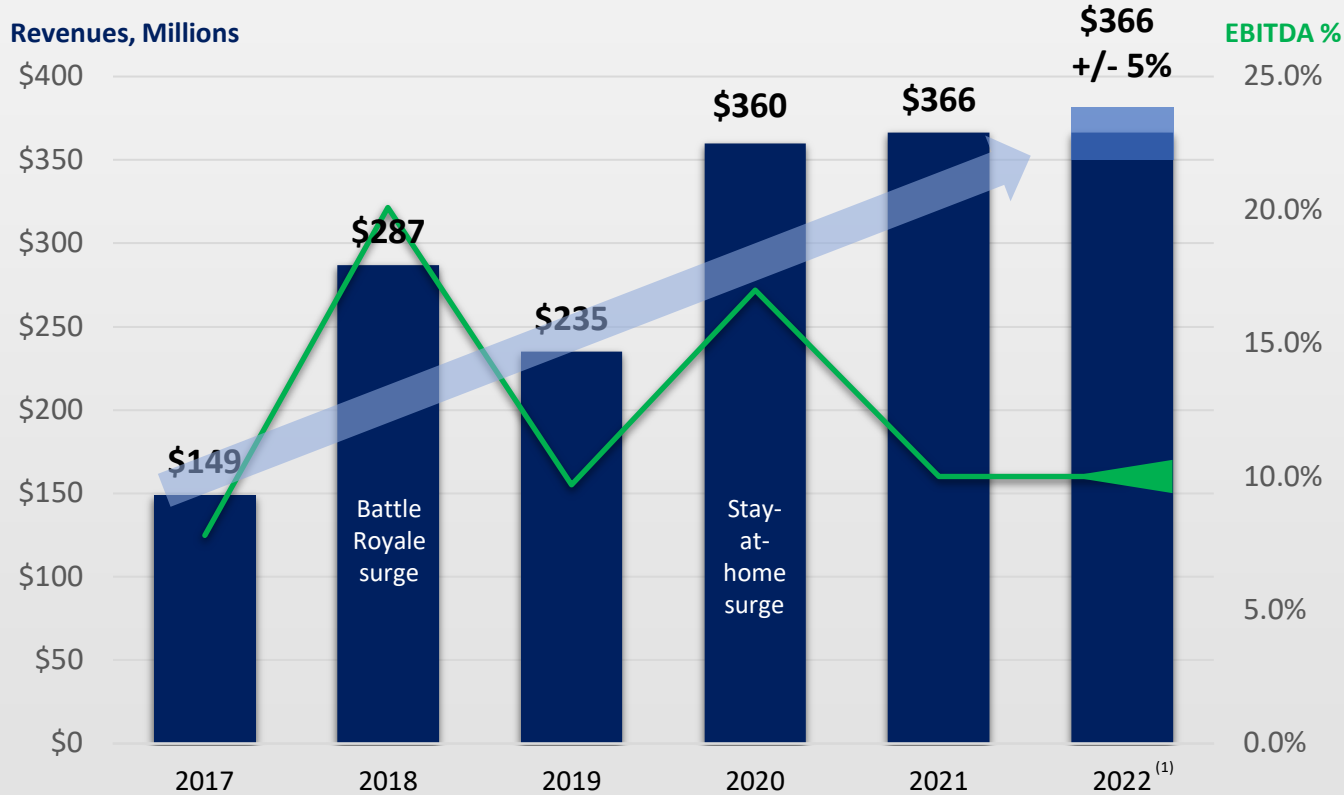
2022 OUTLOOK⁽¹⁾



	2022	2022 Outlook Commentary
Net Revenue	\$366M +/- 5%	Maintaining full year 2022 outlook - revenue approximately flat, plus or minus 5%, from record 2021. Anticipates stronger growth in the second half of 2022 driven by the launch of new triple A games in advance of the holiday season, lesser constraints on console supplies, pent-up demand created by short-term consumer caution, and the impact from new product launches.
Gross Margin	Low 30%'s	Expected to be roughly 2-3% below the Company's mid 30's target range, reflecting the impact of 3-4% in higher freight and component costs which the Company anticipates will abate somewhat over time, 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	



REVENUE AND EBITDA PROFILE AND TARGETS



TAM Expanded from \$1.7B to \$8.8B⁽²⁾

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

2022 Guidance⁽¹⁾

- \$366M +/- 5%
- Growth weighted to 2nd 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

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APPENDIX



GAAP NET INCOME TO ADJUSTED NET INCOME RECONCILIATION

FIRST QUARTER 2022 COMPARED TO 2021



	Three Months Ended	
	March 31, 2022	March 31, 2021
<u>Net Income (Loss)</u>		
GAAP Net Income (Loss)	\$ (6,476)	\$ 8,838
Adjustments, net of tax:		
Non-recurring business costs	173	465
Acquisition integration costs	-	118
Non-GAAP Earnings	<u>\$ (6,303)</u>	<u>\$ 9,421</u>
Diluted Earnings Per Share		
GAAP- Diluted	\$ (0.40)	\$ 0.49
Non-recurring business costs	0.01	0.03
Acquisition integration costs	-	0.01
Non-GAAP- Diluted	<u>\$ (0.39)</u>	<u>\$ 0.52</u>



GAAP NET INCOME TO ADJUSTED EBITDA RECONCILIATION

THREE MONTHS ENDED MARCH 31, 2022

	Three Months Ended March 31, 2022					
	As	Adj	Adj	Adj	Adj	Adj
	Reported	Depreciation	Amortization	Stock	Other ⁽¹⁾	EBITDA
Net revenue	\$ 46,662	\$ -	\$ -	\$ -	\$ -	\$ 46,662
Cost of revenue	<u>32,633</u>	<u>(585)</u>	<u>-</u>	<u>(26)</u>	<u>-</u>	<u>32,022</u>
Gross Profit	14,029	585	-	26	-	14,640
Operating expenses	<u>23,316</u>	<u>(607)</u>	<u>(312)</u>	<u>(1,511)</u>	<u>(232)</u>	<u>19,654</u>
Operating income (loss)	(8,287)	1,192	312	1,537	232	(5,014)
Interest expense	109					
Other non-operating expense (income), net	<u>719</u>					<u>719</u>
Income (loss) before income tax	(9,115)					
Income tax expense	<u>(2,639)</u>					
Net loss	\$ (6,476)					Adjusted EBITDA
						\$ (5,733)

1. Other includes certain business acquisition costs and non-recurring business costs



GAAP NET INCOME TO ADJUSTED EBITDA RECONCILIATION

THREE MONTHS ENDED MARCH 31, 2021

	Three Months Ended March 31, 2021					
	As	Adj	Adj	Adj	Other ⁽¹⁾	Adj
	Reported	Depreciation	Amortization	Stock Compensation		EBITDA
Net revenue	\$ 93,053	\$ -	\$ -	\$ -	\$ -	\$ 93,053
Cost of revenue	58,198	(237)	-	(397)	-	57,564
Gross Profit	34,855	237	-	397	-	35,489
Operating expenses	22,575	(502)	(303)	(1,389)	(801)	19,580
Operating income	12,280	739	303	1,786	801	15,909
Interest expense	97					
Other non-operating expense (income), net	579					579
Income before income tax	11,604					
Income tax expense	2,766					
Net income	\$ 8,838					Adjusted EBITDA \$ 15,330

1. Other includes certain business acquisition costs and non-recurring business costs