



TURTLE BEACH

C O R P O R A T I O N

FOURTH QUARTER & FULL-YEAR 2023 EARNINGS PRESENTATION

NASDAQ: HEAR | MARCH 13, 2024



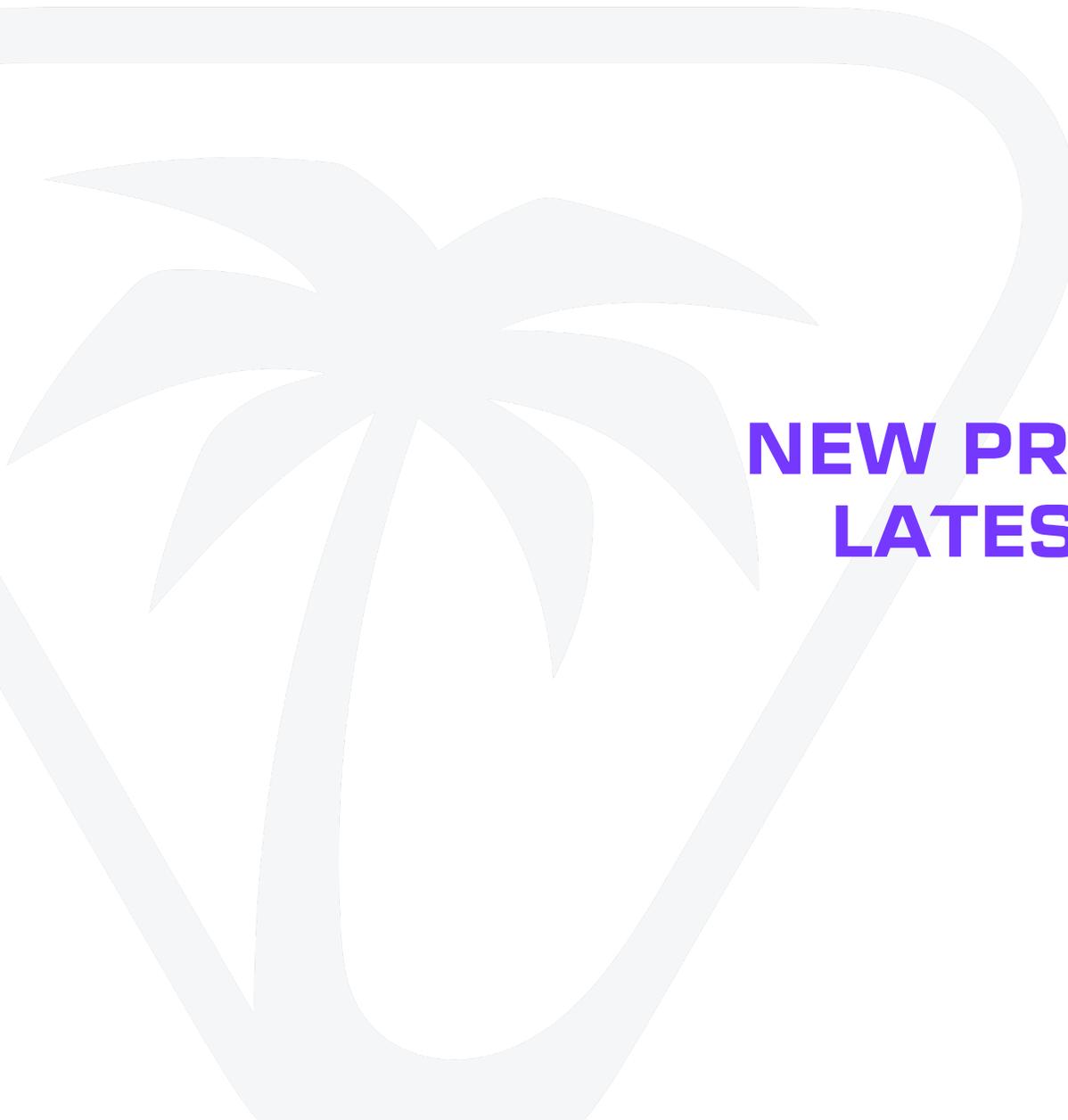
SAFE HARBOR STATEMENT & IMPORTANT INFORMATION

Forward-Looking Information and Statements

This presentation, including the appendix, 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. The inclusion of such information should not be regarded as a representation by the Company, or any person, that the objectives of the Company will be achieved. 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 inflationary pressures, optimizing our product portfolio, reducing our cost of goods and operating expenses, reductions in logistic and supply chain challenges and costs, 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, including promotional credits and discounts, general business and economic conditions, risks associated with the future direction or governance of the Company, 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, 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 presentation, including the appendix, certain financial results, including adjusted EBITDA, that the Securities and Exchange Commission define 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 financial measures are not an alternative to the Company's GAAP financial results and may not be calculated in the same manner as similar measures presented by other companies. "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, as further described in the Appendix hereto. 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 EBITDA included in the Appendix hereto for each of the three and nine months ended September 30, 2023 and 2022.

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NEW PRODUCTS & LATEST NEWS



VELOCITYONE RACE

UNIVERSAL WHEEL & PEDAL RACING SIMULATION SYSTEM

Grab the Wheel and Floor It

VelocityOne Race launched late February 2024 as Turtle Beach's initial entry into the racing simulation gaming accessories market.

Designed for racing sim fans on Xbox and PC, this groundbreaking wheel & pedals system leaves competitors in the dust with the latest tech and premium materials to help drivers take pole positions and win races.

Racers will experience high-fidelity direct drive force feedback through VelocityOne Race's custom-built 7.2Nm K:Drive motor and removable leather wheel, while aluminum pedals and Dynamic Brake Tek load-cell brakes simulate true-to-life braking performance.



TURTLE
BEACH

VELOCITYONE™ RACE



XBOX SERIES X|S, XBOX ONE
& WINDOWS PCs



VELOCITYONE FLIGHTDECK

COMBAT HOTAS FLIGHT SIMULATION CONTROL SYSTEM

Become the Top Gun with All the Right Stuff

"5/5 – I never expected Turtle Beach to build my new favorite flight stick but the VelocityOne Flightdeck is perfect." – Windows Central

Designed for air and space flight combat fans on Windows PCs, Turtle Beach's VelocityOne Flightdeck HOTAS (Hands On Throttle And Stick) Controller was unveiled late December 2023 and launched early February 2024.

The Flightdeck's controls mirror those of today's state-of-the-art fighter jets and advanced spacecraft, offering pilots a peerless experience with its wide assortment of customization to suit their flight missions.



TURTLE BEACH™

RULE THE FIGHT!



VELOCITYONE™ FLIGHTDECK

UNIVERSAL SIMULATION HOTAS SYSTEM



STEALTH ULTRA

PREMIUM WIRELESS SMART GAME CONTROLLER

Turn Your Controller Into A Command Center

"9/10 – what The Xbox Elite Controller Should Have Been." – IGN.com

Turtle Beach's new king of wireless controllers for gamers on Xbox and PC launched December 2023 and has set the new standard for what gamers should expect in a top-of-the-line gamepad.

The Stealth Ultra's premium features include magnetic Hall Effect sensors, precise microswitch buttons, an integrated Connected Command Display, adjustable triggers, mappable buttons on the back, RGB lighting, social notifications and more.



CONNECTED
COMMAND DISPLAY





STEALTH 700 GEN 2 MAX

DR DISRESPECT LIMITED-EDITION FOR PLAYSTATION

The Best Way to Dominate Like A Champion Is to Be Like the 2X CHAMPION

In late October 2023 Turtle Beach stepped into The Arena once again with the exclusive Stealth 700 Gen 2 Dr Disrespect Limited-Edition – another devastatingly handsome collaboration with gaming's international superstar.

This Limited-Edition Stealth 700 Gen 2 MAX for PlayStation features Turtle Beach's award-winning and game-winning audio in a new, fresh Dr Disrespect-designed colorway that looks so good it makes even the Doc himself blush (previously thought impossible).





ATOM CONTROLLER

MOBILE GAME CONTROLLER

It's Time to Split the Atom

"4.5/5 – Don't struggle with on-screen controls when gaming on your iPhone. The Turtle Beach Atom Controller is the way to go." – Cult of Mac

Turtle Beach's Atom Controller for iOS is compact and portable, and its magnetic two-piece design brings something truly unique to the mobile controller's space.

The Atom Controller for iOS launched early October 2023 following last fall's launch of the Android version and is an exciting addition to Turtle Beach's growing award-winning controller lineup.





REACT-R CONTROLLER

NEW RED, NEBULA, AND PIXEL GREEN COLORWAYS

Put Victory Within Your Grasp

"5/5 – Undoubtedly one of the best Xbox controllers on the market." – The Mirror

Since its release, the officially licensed for Xbox REACT-R Controller has impressed Xbox and PC gamers by providing them with premium wired controller performance at an affordable price.

The three new colorways – Red, Nebula, and Pixel Green, not only offer gamers more options to suit their style, but they also improve upon the original by featuring two additional rumble motors for added vibration effects.

 **TURTLE BEACH.**



REACT-R™ CONTROLLER



TURTLE BEACH™

X



PDP



PDP IS A LEADING GAMING ACCESSORIES COMPANY WITH STRONG MOMENTUM

Premier Gaming Accessories Platform with Established Retail Relationships

Innovative Product Portfolio Augmented by Attractive Nintendo & PlayStation Licensing Agreement

Multifaceted Design Capabilities with a Robust Product Pipeline

Effective "Good, Better, Best" Pricing Strategy Driving Cross Channel Share Gain

Passionate and Rapidly Growing Global Consumer Following

Impressive Financial Performance with Multiple Levers for Sustainable Growth

Top 10

Global Gaming Hardware Manufacturer

Top 5

Global Gaming Controller Manufacturer

50+

Countries with Retail Distribution

30+ Years in Business

Founded in 1990

Category Leader

In Desirable Controller Category

Powerful Omni-Channel Distribution Model



Attractive License Portfolio



Differentiated Product Offering



Controllers



Headsets



Accessories



PDP'S BROAD PRODUCT PORTFOLIO WITH STRONG INNOVATION & DESIGN...

Controllers



Nintendo Switch White Afterglow Wave Wireless Controller



Nintendo Switch OLED Rematch Controller



Nintendo Switch Link Rock Candy Controller



Nintendo Switch Tails Seaside Hill Zone Realmz Wireless Controller



PS5, PS4 & PC Victrix Pro BFG Wireless Controller



Xbox Series X|S & PC Purple Afterglow Wave Controller



Xbox Series X|S & PC Phantasm Red Wired Controller



Victrix Gambit Dual Core Tournament Controller

Headsets



Nintendo Switch Moonlight Black Airlite Wired Headset



Nintendo Switch Radiant Racers Airlite Wired Headset



PS5 & PC Airlite Pro Wireless Headset



Xbox Series X|S & PC Pro AF Headset



Nintendo Switch Sonic Go Fast Realmz Wired Headset



Nintendo Switch Aloha Airlite Wired Headset



PS5 & PC Victrix Gambit Wireless Headset



Xbox Series X|S & PC Airlite Headset

Accessories



Nintendo Switch Joy-Con Charging Shuttle



Nintendo Princess Peach Travel Case



Xbox Riffmaster



Xbox Series X|S Nemesis Media Remote



Nintendo Switch Joy-Con Charging Grip Plus



Nintendo Super Mario Travel Case



PC Victrix Pro FS 12 Arcade Flight Stick



PS5 White Metavolt Dual Charger

Differentiated Product Offering Underpinned by Attractive Controller and License Business



...IS HIGHLY COMPLEMENTARY TO TURTLE BEACH'S CATALOG OF PRODUCTS

Headsets



Stealth Pro Ultra Premium Multiplatform Wireless Headset



Stealth 700 Gen 2 MAX Premium Multiplatform Wireless Headset



Stealth 700 Gen 2 MAX Dr Disrespect Limited Edition Headset for PS



Stealth 600 Gen 2 MAX Multiplatform Wireless Headset



Stealth 600 Gen 2 USB Wireless Headset for Xbox & PlayStation



Recon 70 Multiplatform Wired Headset



Recon 50 Multiplatform Wired Headset

PC Peripherals



Kone XP Air Premium Wireless Mouse



Burst Pro Air Wireless Mouse



Kone Pro Dr Disrespect Wired Mouse



Vulcan II Mini Air Optical Wireless 65% Mini Keyboard



Vulcan II MAX Premium Optical Wired Keyboard



Magma/Magma Mini Membrane Keyboards



Vulcan II Mechanical Wired Keyboard

Controllers & Simulation



Stealth Ultra Premium Wireless Controller for Xbox & PC



Recon Wired Controller for Xbox & PC



REACT-R Wired Controller for Xbox & PC



Atom Controller for iOS & Android



VelocityOne Flight Universal Flight Control System for Xbox & PC



VelocityOne Flightstick for Xbox & PC



VelocityOne Flightdeck Premium HOTAS Controller for PC



VelocityOne Race Wheel & Pedals System for Xbox & PC

Industry Leading Gaming Accessories Portfolio Built on Innovation & Groundbreaking Technology



STRATEGIC SUMMARY

Expands Complementary Overall Portfolio

- Significantly grows breadth of controllers and other incremental product categories
- Strengthens attractive licensed portfolios including valuable Nintendo and Sony partnerships
- Expands product offering including licensed models within core console headsets

Integrates Sales & Distribution Capabilities

- Adds \$115 – \$120 million of projected annualized net revenue in diversified categories
- Increases distribution footprint and consolidates retail relationships across all channels
- Expands retail positions in both the U.S. and other countries

Greatly Enhances Profitability Profile

- Combined gross margin % contribution estimated in the mid-30's
- Enables operational efficiencies with end-to-end consolidation and increased purchasing power
- Results in projected double-digit Adjusted EBITDA margin % with meaningful synergies

Combines Talented Teams

- Integrates key PDP talent into Turtle Beach structure for continuity and best results
- Strengthens organizational talent throughout all levels of the Company
- Capitalizes on shared expertise in product development, sales, marketing, and operations

Drives Meaningful & Accretive Scale

- Combines portfolios synonymous with category leadership in gaming
- Builds on diverse, strong positions in headsets, controllers, simulation, and other categories
- Modest leverage and high cash flow generation allow for investment in both organic growth and return of capital to shareholders



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FINANCIALS & OUTLOOK



2023 KEY RESULTS

FY 2023 RESULTS <i>vs. FY 2022</i>	Q4 2023 RESULTS <i>vs. Q4 2022</i>
Net Revenue +7.5% YOY <i>\$258.1M vs. \$240.2M</i>	Net Revenue -1.3% YOY <i>\$99.5M vs. \$100.9M</i>
Adjusted EBITDA +\$36.4M YOY <i>\$6.5M vs. \$(29.9)M</i>	Adjusted EBITDA +\$12.9M YOY <i>\$14.0M vs. \$1.0M</i>
Net Income +\$41.9M YOY <i>\$(17.7)M vs. \$(59.5)M</i>	Net Income +\$31.8M YOY <i>\$8.6M vs. \$(23.2)M</i>
EPS +\$2.59 YOY <i>\$(1.03) vs. \$(3.62)</i>	EPS +\$1.87 YOY <i>\$0.47 vs. \$(1.40)</i>
Continued Strong Balance Sheet	Continued Strong Balance Sheet

Strong US Video Games Market in Dec. 2023 and full year 2023

- Consumer spending on video games content, hardware, and accessories was up 1% for 2023, and 4% in December 2023 over the same period last year.
- While consumer spending on hardware stayed flat in 2023, it was up 4% in Dec 2023 YOY.
- Spending on gaming accessories was up 14% in Dec 2023 and up 4% in 2023 YOY.
- Video game content spending was up 1% for 2023 and up 3% in Dec 2023.
- Unconstrained console supply, possible new console upgrades and releases, and overwhelming success of some new games early in the year are positive indicators going into 2024.

Turtle Beach Continues Outpacing the Gaming Accessories Market

- In Dec 2023 the market was up 4.8% while **Turtle Beach was up 6.2%**.
- In Q4 2023 the market was down 4.8% while **Turtle Beach was up 2.7%**.
- In 2023 the market was down 0.7% while **Turtle Beach was up 3.1%**.
- Turtle Beach had a leading share of 38.4% in 2023, and 40.8% in Q4 2023 and Dec 2023⁽¹⁾.
- 10 of the top 20 best-selling console gaming headset models in US in 2023⁽¹⁾ were Turtle Beach.
- Significant share growth in premium tier (+\$200) for console gaming headsets in US and UK in 2023.
- Turtle Beach has the #1 selling model for flight controllers in US and grew revenue and share YOY in 2023⁽²⁾.

YOY Revenue Growth and Improved Adjusted EBITDA Q4 2023

- Reflects outperformance of accessories markets and stabilized channel inventories as well as increased demand for console gaming headsets and flight simulation.
- Improvements from business mix, lower freight costs and promotional credits.
- Proactive expense management resulted in a ~13% decline in recurring operating expenses YOY.

1. Circana, Retail Tracking Service, U.S., Gaming Accessories, Headsets/Headphones, Dollar Sales

2. Circana, Retail Tracking Service, U.S., Video Game Accessories, Flight Controllers, Dollar Sales



QUARTERLY FINANCIAL REVIEW

\$ Millions (except per-share data)	Q4 2022	Q4 2023	Commentary
Revenue	\$100.9	\$99.5	Reflects softer-than-expected console gaming headset market in October and November but returned to growth in late December.
Gross Margin	19.8%	32.0%	Year-over-year improvement primarily driven by lower freight costs and promotional credits. Excluding non-recurring costs, Q4 2022 gross margin was 24.3%.
Operating Expenses	\$28.1	\$23.4	Reflects the benefit from proactive expense management resulting in a ~13% decline in recurring operating expenses year-over-year
Net Income (Loss)	\$(23.2)	\$8.6	Reflects above factors
Diluted EPS	\$(1.40)	\$0.47	Reflects above factors
Adjusted EBITDA⁽¹⁾	\$1.0	\$14.0	Reflects higher revenue, improved margins and lower expenses
Diluted Shares	16.6M	18.4M	

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



FULL YEAR FINANCIAL REVIEW

\$ Millions (except per-share data)	2022	2023	Commentary
Revenue	\$240.2	\$258.1	Reflects outperformance of accessories markets, increased demand for console gaming headsets and flight simulation, and share gains across key categories and geographies
Gross Margin	20.5%	29.3%	Year-over-year improvement primarily driven by lower freight and logistics costs. Excluding non-recurring costs, 2022 gross margin was 24.6%.
Operating Expenses	\$100.7	\$91.9	Reflects the benefit from proactive expense management resulting in a ~11% decline in recurring operating expenses year-over-year
Net Income (Loss)	\$(59.5)	\$(17.7)	Reflects above factors
Diluted EPS	\$(3.62)	\$(1.03)	Reflects above factors
Adjusted EBITDA⁽¹⁾	\$(29.9)	\$6.5	Reflects higher revenue, improved margins and lower expenses
Diluted Shares	16.5M	17.1M	

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



BALANCE SHEET

Balance Sheet Highlights		
\$ Millions		
	<u>As of Dec 31, 2022</u>	<u>As of Dec 31, 2023</u>
Cash & Cash Equivalents	\$11.4	\$18.7
Inventories	\$71.3	\$44.0
Revolver (asset-based)	\$19.1	\$0.0
Net Debt (debt less cash)	\$7.7	\$(18.7)

Balance Sheet Comments
<ul style="list-style-type: none">• Inventory decreased from the elevated year-ago period where the Company increased product and component purchases due to longer freight transit times and to reduce risks of supply shortages• Net debt of \$(18.7)M as of December 31, 2023 improving \$26.4M from prior year• Cash flow from operations improved \$68.9M to \$27.0M for the period compared to prior year• Strong balance sheet



2024 GUIDANCE

2024 GUIDANCE ¹	
Net Revenue⁽¹⁾ \$370M - \$380M	Adj. EBITDA⁽¹⁾ \$51M - \$54M
up 43% - 47% <i>vs. 2023</i>	up \$44M - \$47M <i>vs. 2023</i>

Strong January 2024 Results: Market revenue is up YOY and Turtle Beach unit share over 50%

1. 2024 Net Revenue and Adj. EBITDA guidance incorporates approximately 9 months of operations from PDP acquisition, which closed on March 13, 2024.





TURTLE BEACH X PDP: A COMPELLING & COMPLEMENTARY FINANCIAL PROFILE



PDP

Pro Forma Company

Financial Estimate Overview



\$115M – \$120M
1st Full Four Quarters
Net Revenue



\$22M – \$28M
NTM Adjusted EBITDA,
Including Partial Synergies



\$10M - \$12M of Annual
Cost Synergies, Fully
Realized by 2H 2025



50%+ Revenue
Contribution From
Category-Leading
Controller Business



\$390M – \$410M
NTM Net Revenue
(Q2 2024 – Q1 2025)



\$60M – \$65M
NTM Adjusted EBITDA
(Q2 2024 – Q1 2025)



More Diversified
Product Mix, with
Category Leading
Positions



Scaled, Lean
Business Model



EXECUTING OUR GROWTH STRATEGY

TO FUEL TURTLE BEACH'S POSITION AS THE 2ND LARGEST 3RD PARTY GAMING ACCESSORIES MAKER

Targets:

Revenue
10%+
CAGR

EBITDA
10%+
Margins

\$1.4B

Market

Continue Leading in Gaming Headsets



\$3.2B

Market

Further Scale Our PC Gaming Accessories



\$3.8B

Market

Continue Growth in Controllers, Gaming Simulation and More



Design High-Quality, Innovative Products for Gamers on All Platforms

Continue Leadership as One of Gaming's Most Recognized and Trusted Brands

Deliver Superior Retail and Operational Execution

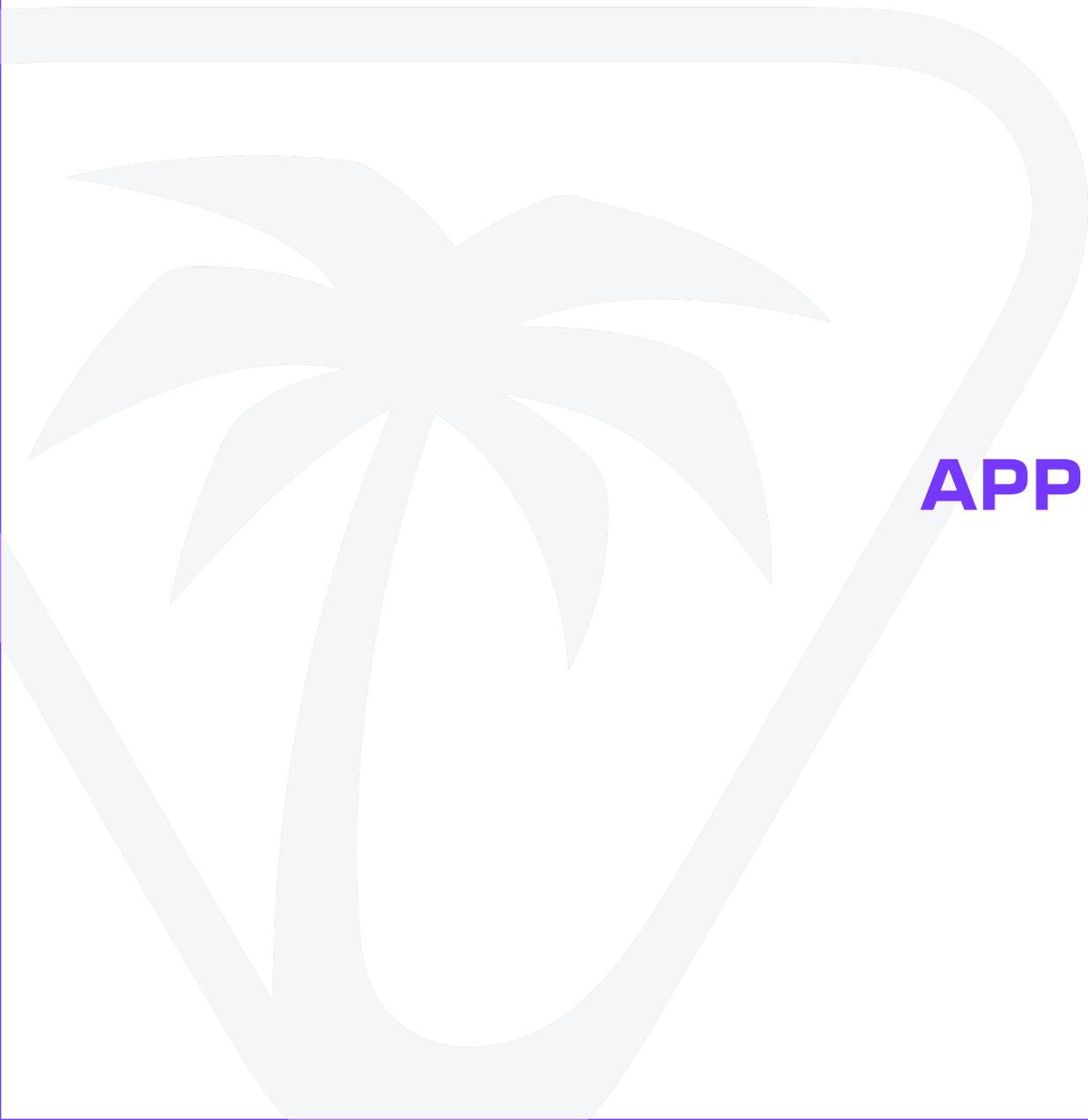


LONG-TERM FINANCIAL TARGETS

Metric	Target
Revenue	10%+ CAGR
Gross Margins %	Mid-high 30's
Adjusted EBITDA Margins	10%+

Maintain leadership in gaming headsets and controllers
Continue to drive growth in adjacent accessories categories
Proactively manage operating expenses





APPENDIX



GAAP NET INCOME TO ADJUSTED EBITDA RECONCILIATION

FOURTH QUARTER & FULL-YEAR 2023 COMPARED TO 2022

	Three Months Ended		12 Months Ended	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Net Income (Loss)</u>	\$8,552	\$(23,233)	\$(17,679)	\$(59,546)
Interest expense	251	577	504	1,220
Depreciation and amortization	1,166	1,352	4,839	5,816
Stock-based compensation ¹	3,429	2,209	11,983	7,984
Income tax expense	(39)	16,864	338	5,093
Impairment charge ²	-	1,896	-	1,896
Restructuring expense ³	(43)	-	1,061	556
CEO transition related costs ⁴	-	-	2,874	-
Business transaction expense ⁵	653	-	653	-
Proxy contest and other ⁶	(15)	1,372	1,921	7,092
Adjusted EBITDA	<u>\$13,954</u>	<u>\$1,037</u>	<u>\$6,494</u>	<u>\$(29,889)</u>

1. Increase in stock-based compensation in the year ended December 31, 2023 over the comparable prior year period primarily driven by \$4.0 million dollar charge related to accelerated vesting of equities associated with the separation of our former CEO.

2. Impairment charge includes costs related to impairment of intangible assets.

3. Restructuring charges are expenses that are paid in connection with reorganization of our operations. These costs primarily include severance and related benefits.

4. CEO transition related expense includes one-time costs associated with the separation of its former CEO. Such costs included severance, bonus, medical benefits and the tax impact of accelerated vesting of stock-based compensation.

5. Business transaction expense includes one-time costs we incurred in connection with acquisitions including professional fees such as legal and accounting along with other certain integration related costs of the acquisitions.

6. Proxy contest and other primarily includes one-time legal, other professional fees, as well as employee retention costs associated with proxy challenges presented by certain shareholder activists.



TRANSACTION OVERVIEW

Following our comprehensive strategic review, Turtle Beach announces the highly accretive acquisition of PDP to further strengthen its leading gaming accessories portfolio, improve profitability, and meaningfully enhance scale.

Strategic Rationale

- Combines two gaming leaders with best-in-class teams, significant product momentum, and proven track records of delivering profitable growth and shareholder value
- Transforms Turtle Beach's operating capabilities to add meaningful scale advantages and increase breadth of portfolio

Consideration, Funding and Structure

- Transaction value of \$118 million funded through a combination of cash and equity
 - \$79.9 million of cash from cash on balance sheet and a new \$50 million term loan
 - \$38.1 million of value from 3.45 million newly issued shares of Turtle Beach's common stock representing ~16.4% of pro forma shares outstanding
- Net Debt / Adjusted NTM Estimated EBITDA ratio of 0.7x at deal closure combined with significant free cash flow generation will provide ample opportunities to continue shareholder friendly initiatives, including further return of capital and accretive M&A
- The Transaction closed immediately upon the execution of the definitive agreements, as all necessary approvals have been met

Financial Accretion

- Transaction is expected to be accretive across all financial metrics: sales growth, gross profit margin, adjusted diluted EPS, cash flow from operations, adjusted EBITDA and adjusted EBITDA margin
- Initially anticipated annual cost synergies of \$10 – 12 million
 - Full cost synergies expected to be realized by 2H 2025, with roughly half realized in CY2024
- Implied post-synergy transaction multiple of 4.7x NTM Adjusted EBITDA

Share Repurchase

- In effort to offer liquidity to shareholders, the Company announced a large share repurchase in conjunction with the Transaction
- Announces the intent to launch a Reverse Dutch Tender Offer to repurchase up to \$30 million of Turtle Beach common stock between a range of \$13.75 - \$15.00 per share, as the Board continues to maximize value creation opportunities for shareholders
- Should the maximum amount of the shares elect to tender, PF Net Debt / Adjusted NTM Estimated EBITDA would be 1.2x



PRO FORMA FINANCIAL SUMMARY



Pro Forma Company at Close (Prior to Tender Offer)



~21.1M Shares Outstanding



**\$50M Total Debt
(\$0M drawn on ABL, \$50M of a new Term Loan)**



\$6.5M Cash on Balance Sheet



**\$370M – \$380M 2024E Net Revenue, assuming
9-months of PDP contributions**



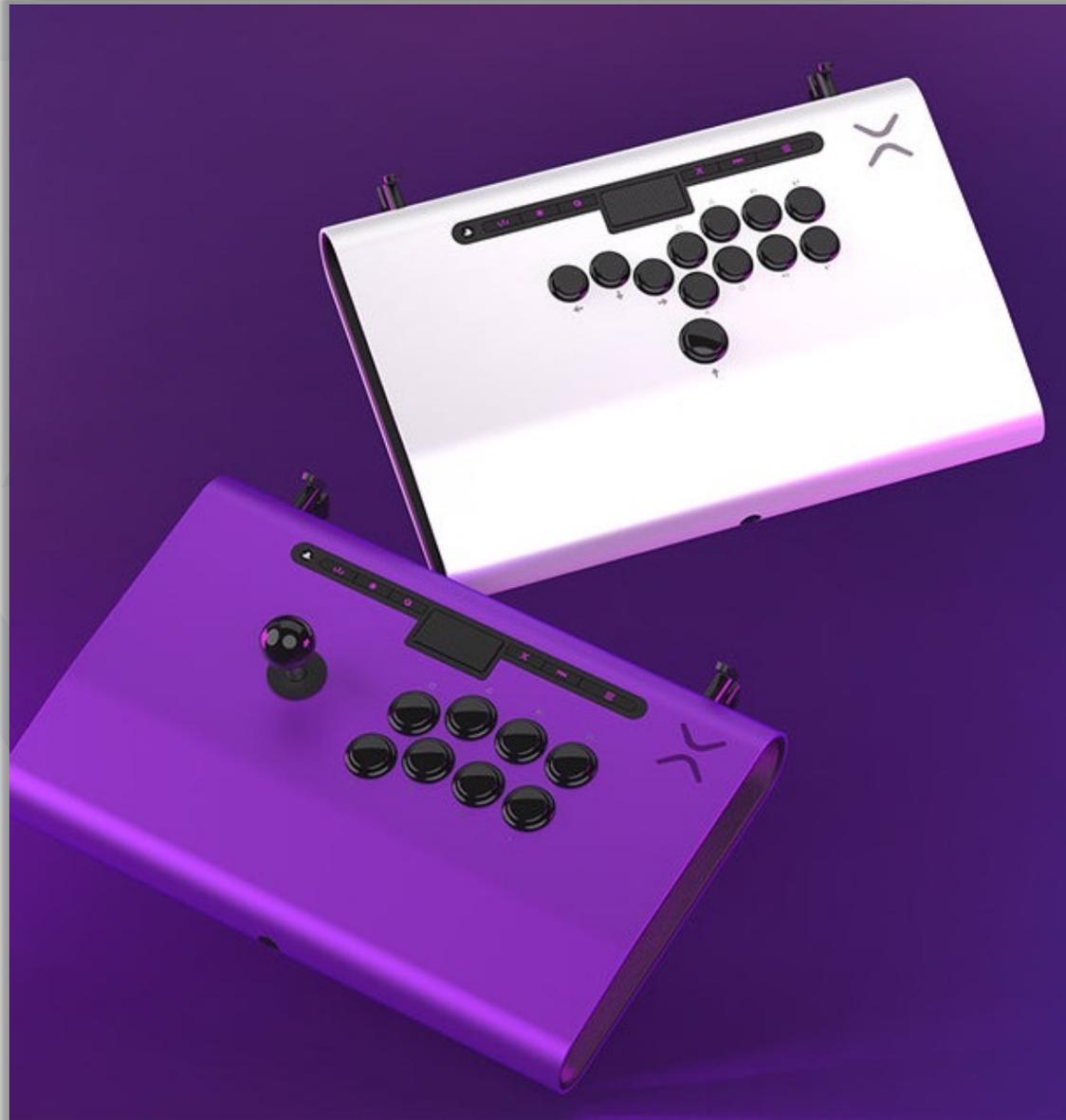
**\$51M – \$54M 2024E Adjusted EBITDA, assuming
9-months of PDP contributions and partial synergies**



**Net Debt / Adjusted NTM Estimated EBITDA
ratio of 0.7x at deal closure**



PRO FORMA FINANCIAL SUMMARY FOLLOWING MAY 2024 TENDER COMPLETION



Pro Forma Company (Following a Fully Exhausted \$30M Tender)



~18.9M – 19.1M Shares Outstanding, Predicated on Execution Price



**\$80M Total Debt
(\$30M drawn on ABL, \$50M of a new Term Loan)**



\$6.5M Cash on Balance Sheet



\$390M – \$410M NTM Net Revenue



\$60M – \$65M NTM Adjusted EBITDA

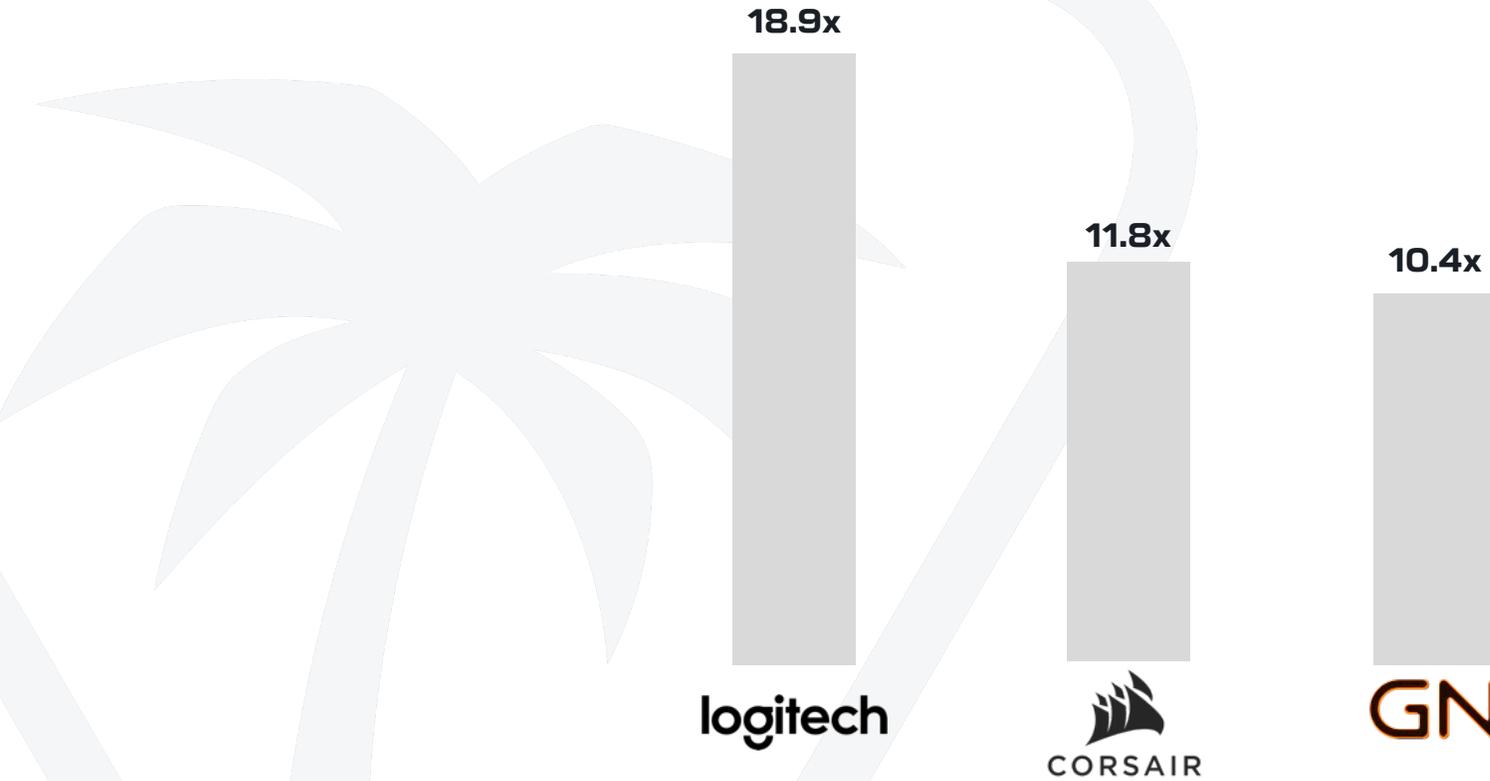


1.2x Net Debt / NTM Adjusted EBITDA at close, assuming full exhaustion of the \$30M Tender



ILLUSTRATIVE PRO FORMA MERGED COMPANY VALUATION

EV / NTM Estimated EBITDA Multiples of Publicly Traded Gaming Peers Relative to Turtle Beach



Illustrative Equity Value for Turtle Beach Post-Tender²

EV / NTM Est. EBITDA ³	Implied HEAR Share Price
12.0x	~\$36
11.0x	~\$33
10.0x	~\$29
9.0x	~\$26
8.0x	~\$23

'CY23 – CY24E Revenue Growth ¹ :	2.8%	4.9%	2.6%
NTM Est. EBITDA Margin ¹ :	16.1%	7.7%	17.0%
Net Debt / FY24 NTM EBITDA ¹ :	(2.0x)	0.2x	3.5x

12.7%
15.6%
1.2x

1. Financial estimates per Wall Street consensus as at 12-Mar-2024 (CapitalIQ) and Turtle Beach estimates
 2. Assumes \$30 million of cash is drawn from the ABL to retire shares at low end of tender range and Net Debt at \$73.5M. Excludes impact from potential stock option exercise, given the limited visibility to exact financial impact and marginal potential impact to illustrative share price
 3. Assumes mid-point of \$62.5 million of NTM EBITDA generated by Pro Forma Company

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THANK YOU