



TURTLE BEACH

C O R P O R A T I O N

INVESTOR 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.

A light gray, stylized graphic of a palm tree and a beach scene is positioned on the left side of the slide. The palm tree has several fronds and a curved trunk. The beach area is represented by a series of curved lines suggesting waves or sand dunes. The text "WELCOME TO THE BEACH!" is centered over this graphic.

WELCOME TO THE BEACH!



TURTLE BEACH IS...

A TOP 5 GAMING ACCESSORY LEADER and the second largest third-party brand in the \$8.4B⁽¹⁾ multi-category global gaming accessories market.

THE BEST-SELLING GAMING HEADSET BRAND for the past 14 years, and one of the most recognized brand names in gaming.

- **Gaming Headsets** with over 72-million headsets sold since 2010
- **PC Gaming Peripherals** featuring award-winning keyboards, mice, & more
- **Simulation & Game Controllers** including the top-selling flight simulation model in the US⁽²⁾

AN INDUSTRY-LEADING INNOVATOR WITH OVER 400 PATENTS at the forefront of technology, with accessories for every gamer at every price point.

1. Newzoo Peripheral Market Forecast, June 2023 & Internal Estimates

2. Source: Circana, Retail Tracking Service, U.S., Video Game Accessories, Flight Controllers, Dollar Sales by Item, January-December 2023

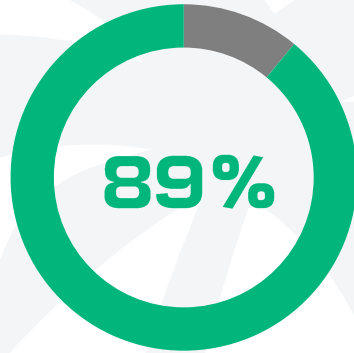




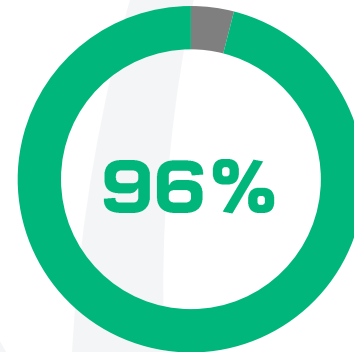
TOP BRAND LOYALTY & CUSTOMER SERVICE

MILLIONS OF FANS TRUST TURTLE BEACH TO PROVIDE THE BEST GAMING EXPERIENCE, INCLUDING CUSTOMER SUPPORT

Turtle Beach had the **highest headset brand loyalty**⁽¹⁾ among active PC and/or console headset owners in the U.S.



of consumers **will buy more from companies that deliver an exceptional customer support experience**⁽²⁾.



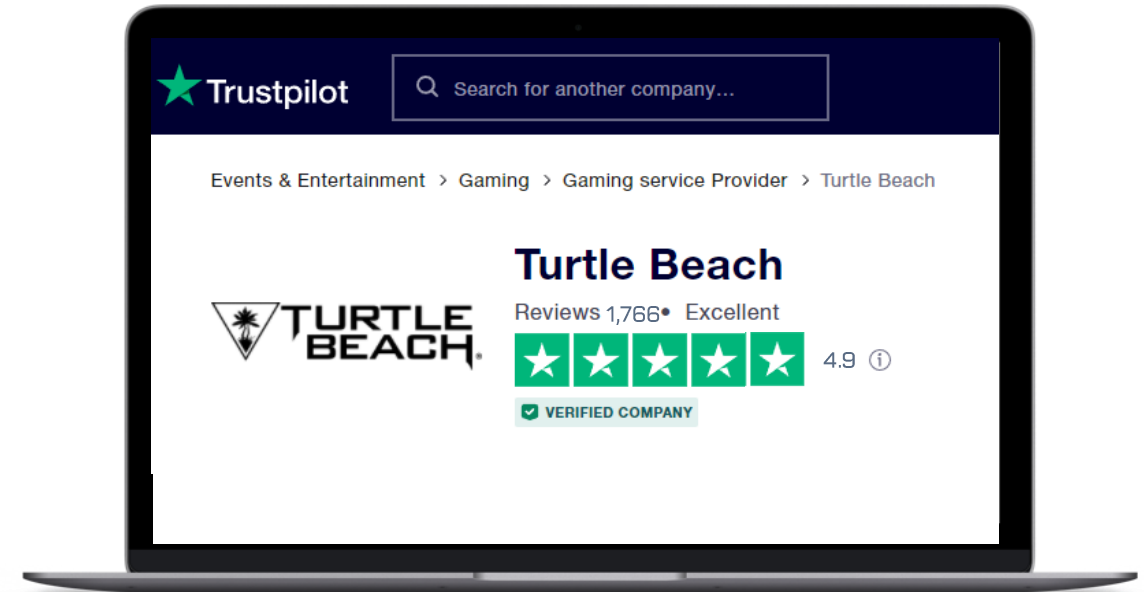
of customers say **customer service is important in their choice of loyalty to a brand**⁽³⁾.

1. Newzoo consumer research, May-August 2023. Gamers play at least once a month on either platform. Console manufacturers excluded.

2. NICE CXone CX Transformation Benchmark – Study 2018 via Salesforce

3. HubSpot Annual State of Service Research Report 2020

On Trustpilot, Turtle Beach is a **top-rated brand** with hundreds of reviews and a still rising 4.9/5 review score average with an "Excellent" rating.



FROM 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."



COMPELLING PARTNERSHIPS

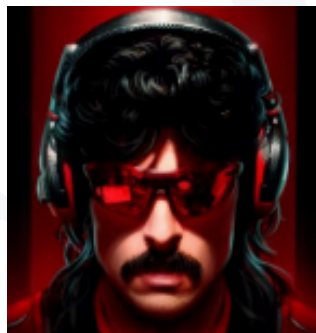
A SAMPLING OF TURTLE BEACH'S CURRENT CREATOR & ESPORTS PARTNERSHIPS



Ali-A
41M Reach



Mahluna
951k Reach



DrDisrespect
11M Reach



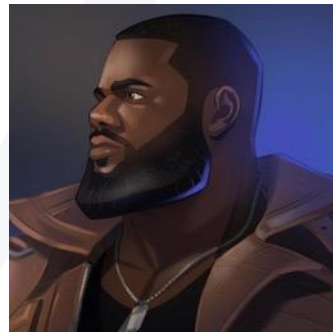
Shlorox
663k Reach



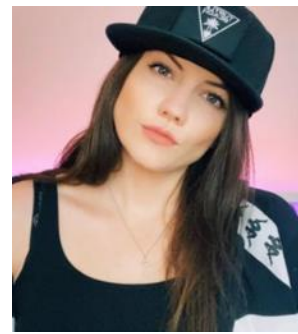
Nicewigg
1.2M Reach



BlackKrystel
2M Reach



BigCheese
227k Reach



KayPea
2M Reach



Gen.G Esports
Global Esports Team



UCSD Esports
1st Collegiate
Partnership



Team GO
French Esports Team
Competing in LoL,
Fortnite, Super Smash
Bros.



A HISTORY OF INNOVATION

TURTLE BEACH HAS A RICH HISTORY OF LAUNCHING PRODUCTS WITH GROUNDBREAKING FEATURES



2005

Industry First
Xbox Headset



2008

Industry First
Wireless
Surround Sound
Headset



2014

Industry First
Wireless
Xbox One
Headset



2018

Vulcan
Series Keyboards
Launched



2021

Controller
Category
Entry



2021

Flight Sim
Category
Entry



2022

Mobile
Controllers
Entry



2023

First Ultra-
Premium
Headset



2024

Sim Racing
Category
Entry

2005 - 2007

2008 - 2017

2018 - 2021

2021 - 2022

2023

2024

2007

Industry
First
Wireless for
Xbox 360



2008

Kone Series
Mice
Launched



2017

Stealth
700/600
Series
Launched



2019

Acquired
ROCCAT
PC Brand



2021

Microphone
Category
Entry



2022

VR Charging
Category
Entry



2023

First Carbon
Neutral
Products



2023

First
Wireless
Controller





ENVIRONMENTAL, SOCIAL, & GOVERNANCE

Turtle Beach has published its inaugural Environmental, Social, and Governance report.

The Stealth 600 Gen 2 MAX Pink & Teal headsets were Turtle Beach's first carbon neutral products, and the Company has now published its inaugural ESG report outlining its ESG leadership and progress against ESG goals set in 2022.

To view the report and learn more about Turtle Beach's ESG goals, visit our Play With Purpose & ESG Policy pages below:

<https://corp.turtlebeach.com/play-with-purpose-with-turtle-beach/>

<https://corp.turtlebeach.com/corporate-governance/esg/>



CERTIFIED
**CARBON
NEUTRAL**
product

CarbonNeutral.com





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



TRANSFORMERS

Differentiated Product Offering



Controllers



Headsets



Accessories



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





GAMING ACCESSORY MARKETS & PRODUCTS



GAMING MARKET IS GROWING

GAMING HIGHLIGHTS

Console Hardware Growth

\$17B in 2022 expected to grow to \$22B by 2025^[2] with current generation supply vastly improved

Global Gamer #'s Surging

Forecast to reach 3.7B gamers around the world in 2026.
CAGR 3.7% 2021-2026^[1]

Gaming Engagement & Share of Time Spent

Leads among most entertainment, including sports and fitness, movies, and music

Gaming Simulation Growth

Stunning realism is fueling the \$1.2B gaming simulation market including racing and flight^[3]

Gaming Software Growth

\$184B in 2023 expected to grow to over \$205B by 2026^[1].



~30 – 130
Hours to Complete



~30 – 80
Hours to Complete



1. Newzoo Games Market Report and Forecast January 2024

2. DFC Hardware Forecast July 2023

3. Internal Estimates updated Feb 2024



EXECUTING OUR GROWTH STRATEGY

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



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

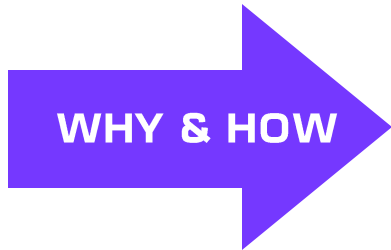


THE MARKET LEADER IN CONSOLE GAMING HEADSETS – BY FAR

FOR THE PAST 14 YEARS AND COUNTING

#1 GAMING HEADSET⁽¹⁾
PROVIDER FOR XBOX & PLAYSTATION

#1 SHARE POSITION⁽¹⁾
HIGHEST REVENUE AND UNIT SHARE



STRONG BRAND & REPUTATION
AMONG GAMERS, RETAILERS, GAMING INDUSTRY

PRODUCT INNOVATION
WITH UNIQUE FEATURES, MANY PATENTED

GLOBAL RETAIL STRENGTH
~320K+ GLOBAL POINTS OF DISTRIBUTION

STRONG PARTNERSHIPS
WITH LEADING INFLUENCERS, CONTENT CREATORS

7 OF THE TOP 10 SELLERS⁽²⁾
OVERALL ARE TURTLE BEACH

10 OF THE TOP 20 SELLERS⁽¹⁾
OVERALL ARE TURTLE BEACH








1. Circana, Retail Tracking Service, U.S., Video Game Accessories, Headsets/Headphones, Dollar Sales, January-December 2023
2. Circana, Retail Tracking Service, U.S., Video Game Accessories, Headsets/Headphones, Unit Sales by item, January-December 2023



A COMPLETE PORTFOLIO OF CONSOLE GAMING HEADSETS

ENABLES CONSUMER UPGRADES OVER TIME, FROM ENTRY-LEVEL TO ULTRA-PREMIUM

Feature Upgrades & Improvements

40 mm Speakers Performance Microphone	Wired Multiplatform Connectivity	Memory Foam Glasses-Friendly Cushions	Metal-Reinforced Headband	Wireless Connectivity Large 50mm Speakers	Mic Monitoring Audio Presets	Bluetooth & App-Based Settings Active Noise-Cancellation	Ultra-Premium Everything Audiophile Sound
 RECON™ 50 \$24.99	 RECON™ 70 \$39.99	 RECON™ 200 GEN 2 \$59.95		 STEALTH™ 600 GEN 2 USB \$99.95	 STEALTH™ 600 GEN 2 MAX \$129.95	 STEALTH™ 700 GEN 2 MAX \$199.95	 STEALTH™ PRO \$329.99
Entry-Level & Casual Gamers Plays Approx. 4-6 Hours Per Week			Enthusiast/Core Gamers Plays 7-15 Hours Per Week			High-End Gamers Plays 15+ Hours Per Week	

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



PC GAMING ACCESSORIES

\$3.2B PC Gaming Accessories Market

Total addressable market for PC gaming accessories, including keyboards, mice, PC headsets is roughly \$3.2B⁽¹⁾.

Award-Winning Product Line

Turtle Beach entered the PC gaming accessories market in 2019 and has significantly expanded its lineup of award-winning PC gaming accessories.

Performance Meets Stunning Design

PC gaming accessories are well-known for combining performance-driven features and functionality with the brand's sleek modern style and beautiful RGB lighting.





GAMING CONTROLLERS

\$500M 3rd Party Controllers Market

Total addressable market for third-party gamepad controllers is roughly \$500M⁽¹⁾ with the same retail footprint and consumer base that knows and loves Turtle Beach headsets.

Microsoft Partnership

Leveraged Microsoft partnership to enter the gamepad controller market with wired products for Xbox consoles and Windows PCs, and unique wireless mobile controllers.

Award-Winning Products

Powerful game controller market entry with the multi award-winning, top-rated Designed for Xbox Recon Controller. First and only controller products with proprietary audio features like Superhuman Hearing.

Controller Portfolio Expansion

Growing portfolio of game controllers including mobile and cloud with additional launches planned.



CONNECTED
COMMAND DISPLAY





GAMING SIMULATION ACCESSORIES

\$1.2B Simulation Accessories Markets

PC/console flight sim hardware adds over \$419M⁽¹⁾ in global market opportunity and is ripe for new products and innovation. Racing sim adds another \$773M⁽¹⁾.

Flight Sim 2020 PC Launch

MSFT Flight Sim 2020 launched on PC August 2020, on Xbox Series X|S in 2021 capturing gamers on console, then Xbox Cloud in 2022 for Xbox One, PC's and mobile.

VelocityOne Flight Best-Seller

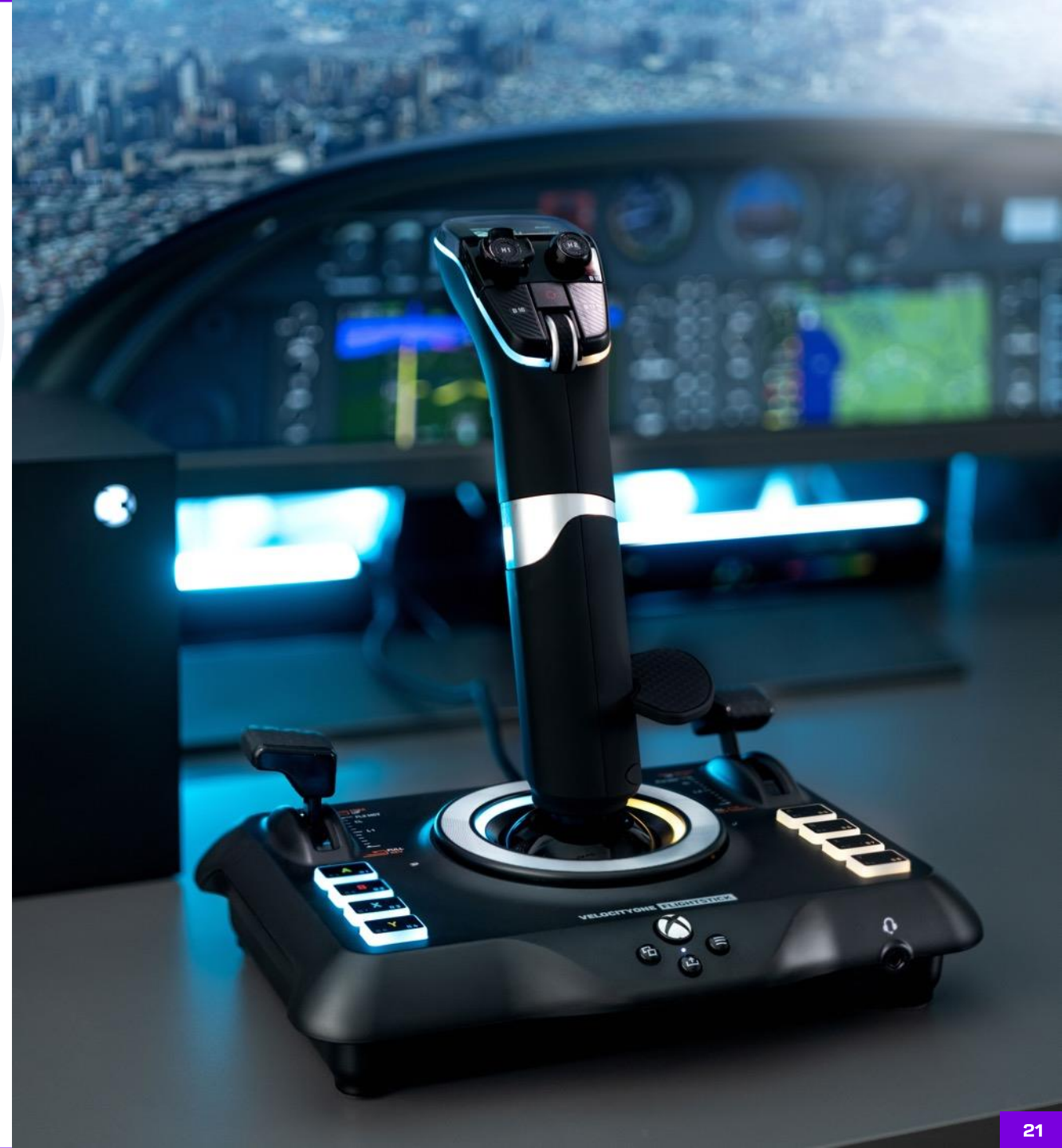
Turtle Beach launched its first simulation product, VelocityOne Flight Universal Control System, in late 2021, which became the gaming industry's market share leader for flight controllers in the U.S.⁽²⁾.

Simulation Accessory Expansion

In 2022, Turtle Beach launched the follow-on VelocityOne Rudder pedals, Stand, and Flightstick products, and all received top ratings from flight sim enthusiasts and reviewers. Entry into Racing sim is in process.

1. Internal Estimates, Updated February 2024

2. Circana /Video Game Accessories/Flight Controllers/Dollars/FY23, YTD 2024





LEADERSHIP ACROSS GAMING CATEGORIES

CONSOLE HEADSETS



- Global market leader
- #1 share position both in value & volume in US & UK for Console Gaming Headsets in 2023
- 10 of top-20 in US and 11 of the top 20 in UK best-selling console gaming headsets by revenue in 2023

PC PERIPHERALS



- #3 best-selling keyboard in Germany in 2023
- #3 in market share in keyboards in Germany
- Multi-award-winning PC gaming peripherals

GAME CONTROLLERS



- First game controller with built-in audio & EQ settings
- Expanding wired & wireless controller line for Xbox, PC, mobile
- Vibrant new colors and game-winning features

GAMING SIMULATION



- #1 selling flight controller in 2022 & YTD 2023 in US, & #2 Seller in UK YTD 2023
- Developed in collaboration with aeronautical engineers & pilots
- Team with 25+ years experience designing gaming sim accessories



MEET TURTLE BEACH'S LEADERSHIP TEAM



**CRIS
KEIRN**
CEO

**Joined in 2013 & named CEO in 2024
following several years leading global sales**

- Previously was Interim CEO & SVP of Global Sales at Turtle Beach
- Nearly 30 years in gaming accessories, consumer electronics and automotive
- 17 years with Motorola in engineering, product management, operations, quality & customer relations



**JOHN
HANSON**
CFO

Joined in 2013 & and oversees all of Turtle Beach's finance operations

- 15+ years in CFO roles at multiple publicly traded companies
- EVP & CFO at Dialogic
- CFO at One Communications Corp



**JOE
STACHULA**
CTO & SVP,
PRODUCT
DEVELOPMENT

**Joined in 2017 & ensures Turtle Beach stays
at the forefront of technology**

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



**MEGAN
WYNNE**
GENERAL
COUNSEL

**Joined in 2014 as the head of Turtle Beach's
Legal & oversees Human Resources**

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



**DREW
JOHNSON**
SVP,
GLOBAL
SALES

**Joined in 2015 & leads the Turtle Beach's
best-in-class global sales team**

- 16+ years in video games and consumer electronics
- Nearly a decade holding various sales leadership roles with Sony Electronics, Belkin International, and Best Buy



**MATT
SEYMOUR**
SVP,
PRODUCT
MANAGEMENT

**Joined in 2013 & leads the teams that design
and produce Turtle Beach accessories**

- 25+ years in the consumer electronics industry
- Previously with Sony leading television portfolio planning & development, product marketing



**JOSE
ROSADO**
SVP,
GLOBAL
OPERATIONS

**Joined in 2014 & makes sure Turtle Beach
products can be found the world over**

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



**RYAN
DELL**
SVP,
GLOBAL
MARKETING

**Joined in 2020 & drives all of Turtle Beach's
global marketing initiatives**

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



**JESSICA
MORROW**
VP,
BUSINESS
DEVELOPMENT

**Joined in 2024 & manages Turtle Beach's
global partner/licensor relationships**

- Former Vice President, Business Development for PDP
- 20 years of gaming accessories licensing & bus dev with PDP and PowerA



MEET TURTLE BEACH'S BOARD OF DIRECTORS



**TERRY
JIMENEZ**

CHAIRMAN

Nearly 30 years of experience in executive leadership, M&A, and capital allocation

- Former CEO, President, and board member at Tribune Publishing, a media company with \$1B annual revenue
- Former Partner, IBM Global Business Services, and former board Chairman for BestReviews
- Currently board member for NIU College of Business



**CRIS
KEIRN**

Nearly 30 years of experience as a leader in gaming accessories and consumer electronics

- Currently CEO, Turtle Beach Corporation
- Previously Interim CEO & SVP of Global Sales at Turtle Beach
- 17 years with Motorola in engineering, product management, operations, quality & customer relations



**GREGORY
BALLARD**

40 years of experience as an executive, investor and entrepreneur

- General partner with Eleven Ventures
- Former SVP, Mobile & Social Games at Warner Bros, and former CEO of Glu Mobile
- Former President or CEO at Virgin USA, SonicBlue Inc, Ancestry.com, 3DFX Interactive and Capcom



**DAVE
MUSCATEL**

Nearly 20 years of experience operating and managing private equity-backed businesses

- Senior Operating Partner with Diversis Capital
- Former CEO of Rand McNally, ArrowStream, Inc., and Blue Software
- Former COO and CFO of Performance Designed Products



**KATHERINE L.
SCHERPING**

Nearly 40 years of finance, accounting and senior management experience

- Currently CEO, KLS Advisors, Inc. – a financial & exec leadership firm
- Former CFO for National CineMedia, Inc..
- Former CEO/CFO of Quiznos



**JULIA W.
SZE**

25+ years senior leadership experience in capital markets and investment management

- Impact investor supporting clients' strategies and generating growth
- Board member for Cavco Industries, Inc, Laird Norton Wealth Mgt., Tern Bicycles
- Former CIO, Wells Fargo Family Wealth Group



**MICHELLE D.
WILSON**

20+ years of financial, investing, and senior management experience

- Co-Founder and Co-Chief Executive Officer of Isos Capital Management, an independent investment firm
- Former Co-President, board member and Chief Revenue & Marketing Officer for World Wrestling Entertainment, Inc.



**DR. ANDREW
WOLFE**

30+ years of experience with Fortune 500 companies and tech startups

- Founder & principal of Wolfe Consulting
- Former CTO for SONICblue, Inc.
- Expert in IP strategy and licensing; Lecturer at Santa Clara University



**WILLIAM
WYATT**

15+ years financial services industry experience

- Founder & CIO of The Donerail Group – an investment & advisory firm
- Former Portfolio Manager, Starboard Value LP – a New York-based investment advisor
- Formerly held investment, advisory, & leadership roles at Empery Capital, Magnetar Capital, & Goldman Sachs

A large, light gray graphic on the left side of the slide. It features a stylized palm tree with several fronds and a thick, curved line that starts from the bottom left, goes up and over the palm tree, and then curves back down towards the bottom right.

FINANCIALS & INVESTOR HIGHLIGHTS



2023 KEY RESULTS

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



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



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



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



A large, light gray, stylized palm tree logo is positioned on the left side of the slide. The logo consists of a thick, curved line forming a partial circle, with a palm tree silhouette inside it. The palm tree has a long, slender trunk and several large, pointed fronds.

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>
Net Income (Loss)	\$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.



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

- 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



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

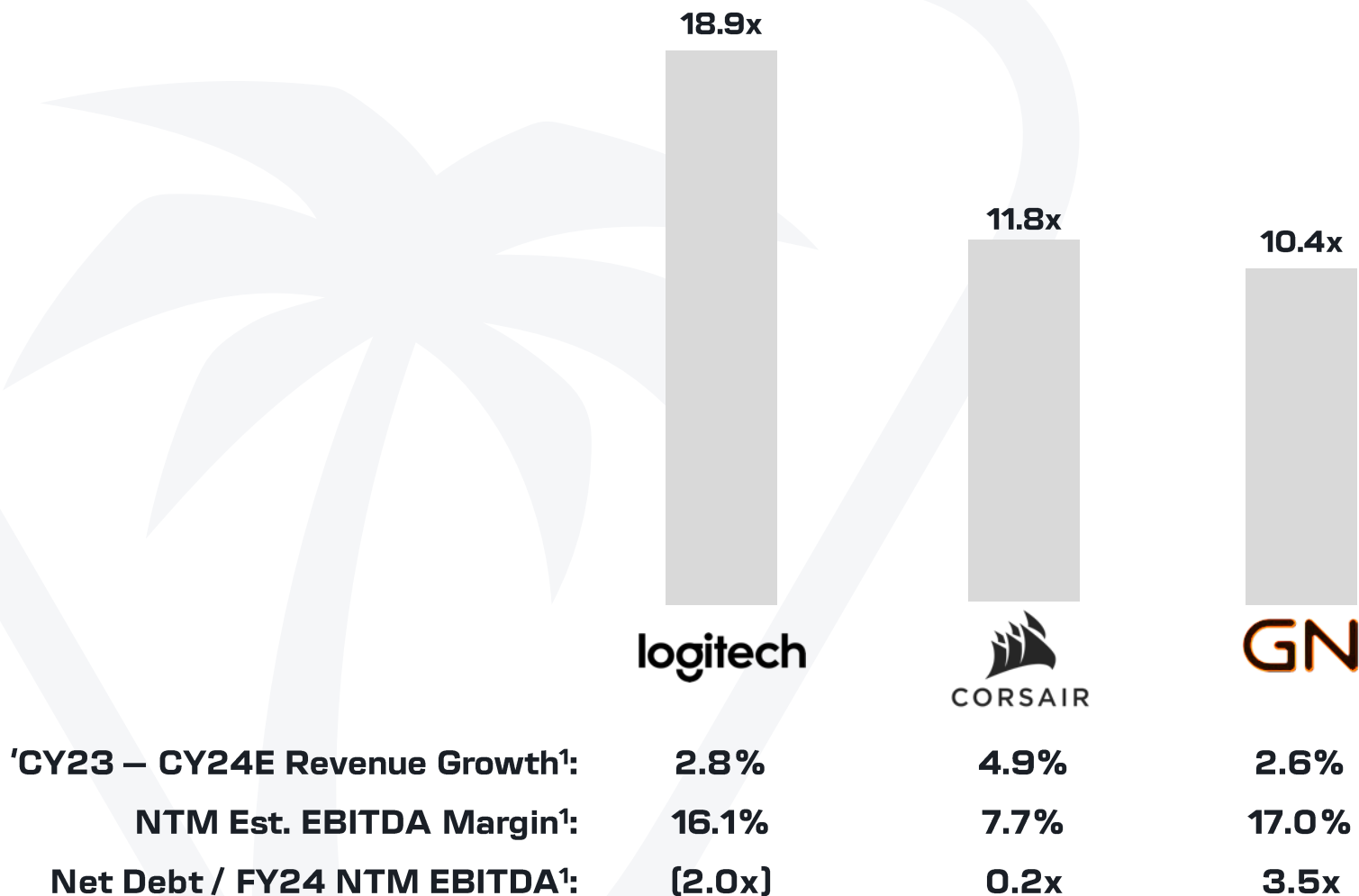


1.2x Net Debt / NTM Adjusted EBITDA at close, assuming full exhaustion of the \$30M Tender



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

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