
TURTLE BEACH
CORPORATION
FIRST QUARTER 2025
EARNINGS PRESENTATION
NASDAQ: TBCH | MAY 8, 2025

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 are only predictions and are not guarantees of performance. 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 trade policies, including the imposition of tariffs on imported goods and other trade restrictions, the release and availability of successful game titles, macroeconomic conditions affecting the demand for our products, logistic and supply chain challenges and costs, dependence on the success and availability of third-parties to manufacture and manage the logistics of transporting and distributing our products, 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, 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 in the appendix, certain financial metrics, 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 the three months ended March 31, 2025 and March 31, 2024.

FIRST QUARTER 2025 OVERVIEW

Q1 revenue of $64M, up 14% vs. prior year
- Revenue growth primarily driven by incremental PDP sales, partially offset by gaming accessory market decrease

Improved Q1 gross margins by 470 bps YOY and grew Adjusted EBITDA 180% to $4.1M
- Reflects higher net revenue, improved cost structure and synergy benefits from PDP integration

Repurchased $1.8M in common shares during Q1, bringing total to $29.5M over past 4 quarters

Authorized a new stock repurchase program of up to $75M over the next two years
- The amount and timing of specific repurchases are subject to market conditions, applicable legal requirements, restrictions in debt agreements, and other factors

Turtle Beach gained share in an otherwise down Gaming Headset market[1]
- While the overall gaming headset market was down Q1 2025, Turtle Beach gained 40bps in revenue share
- In March, while the gaming headset market was down ~19% Turtle Beach gained 160bps in revenue share

Turtle Beach products continue to be top sellers in Q1 2025[2]
- 10 of the top 20 bestselling gaming headsets were Turtle Beach
- Turtle Beach's PS5 Victrix BFG is the second bestselling controller in the 3rd party market and the top selling wireless controller
- Turtle Beach's XBO VelocityOne flight control system continues to be the best-selling SKU in the category
- The Riffmaster wireless guitar on XBO and PS4 continues to be the dominant seller in the music controller's category

1. *Circana, Retail Tracking Service, US, Video Games, Headsets and Headphones, Dollar & Unit Share, Jan – Mar 2025*
2. *Circana, Retail Tracking Service, US, Video Games, Gamepads, Music Controllers, Flight Controllers, Headsets and Headphones/By Item/Jan – Mar 2025*

Q1'25 FINANCIAL REVIEW

$ Millions (except per-share data)	Q1 25	Q1 24	Commentary
Revenue	$63.9	$55.9	**+14%** YOY primarily driven by a full quarter of contribution from PDP and partially offset by gaming accessory market decrease
Gross Margin	36.6%	31.8%	**+470** basis point YOY improvement driven by cost efficiencies and operational improvements
Operating Expenses	$21.8	$23.5	Decreased to **34%** of revenue, compared to 42% in the prior year, reflecting ongoing efforts to expand operational leverage on a higher revenue base, as well as a $3.4M insurance recovery related to the inventory in transit loss from Q4 2024
Net Income (Loss)	($0.7)	$0.1	Reflects above factors
Diluted EPS	($0.03)	$0.01	Reflects above factors
Adjusted EBITDA[1]	$4.1	$1.4	**+180%** increase from the prior year due to revenue growth combined with cost efficiencies
Diluted Shares	20.5M	19.4M	

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

LONG-TERM GROWTH REMAINS THE GUIDING PRINCIPLE

2025 GUIDANCE	
Net Revenue **$340M – $360M**	**Adj. EBITDA** **$47M – $53M**

Guidance assumes gaming accessories markets declining YOY 2025 and returning to growth in 2026.

LONG-TERM FINANCIAL TARGETS	
Metric	**Target**
Revenue	10%+ CAGR
Gross Margins %	Mid-to-High 30's
Adjusted EBITDA Margins	Mid-to-High Teens

- Long-term financial targets remain unchanged from prior outlook
- Maintain leadership in gaming headsets
- Continue driving growth in controllers and adjacent accessories categories
- Proactively manage operating expenses
- Drive inorganic growth via M&A

BALANCE SHEET SUMMARY

Balance Sheet Highlights $ Millions	
	As of March 31, 2025
Cash & Cash Equivalents	$11.7
Inventories	$73.7
Revolving Credit Facility	$6.6
Term Loan	$48.6
Net Debt (debt less cash)	$43.6



UNLOCKING POTENTIAL IN THE $11 BILLION GAMING ACCESSORIES MARKET

STRENGTHENING TURTLE BEACH'S POSITION AS A LEADING 3RD PARTY GAMING ACCESSORIES MAKER

Headsets

$2.9B
Market

Continue Leadership in Gaming Headsets



Controllers

$3.0B
Market

Continue Growth in Gamepads/Controllers



PC Peripherals

$3.9B
Market

Continue Expanding Turtle Beach Brand in PC Gaming Peripherals & Microphones



Simulation

$1.2B
Market

Continue Growth in Gaming Simulation Accessories



Source: Newzoo Peripheral Market Forecast, June 2023 & Internal Estimates updated June 2024

APPENDIX

RECENTLY REVEALED PRODUCTS & HIGHLIGHTS

RECON 70 NOW OFFICIALLY LICENSED BY NINTENDO

TURTLE BEACH'S BEST-SELLING WIRED GAMING HEADSET GETS THE NINTENDO SWITCH TREATMENT

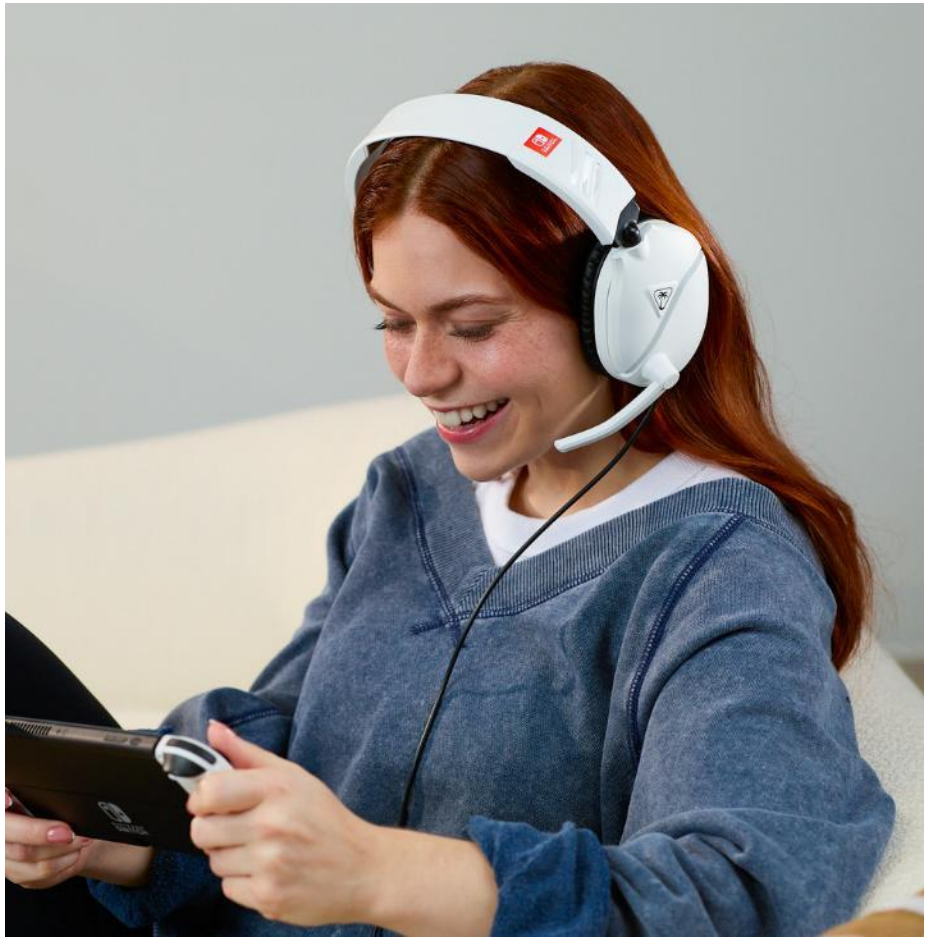


"With its attractive design, solid sound quality, and strong gaming performance, the Turtle Beach Recon 70 is a great budget headset." — **IGN**

Turtle Beach's best-selling wired gaming headset makes it official with Nintendo

Turtle Beach's Recon 70 has been a top-rated and best-selling wired gaming headset for years due to its combination of high-quality sound, crystal clear chat, and lightweight comfort for an affordable $39.99 MSRP.

Turtle Beach's officially licensed by Nintendo Recon 70 model is available in white with black accents and dons the official Nintendo Switch red seal of approval.



INTRODUCING THE TURTLE BEACH AIRLITE FIT FOR NINTENDO SWITCH

TURTLE BEACH'S AIRLITE FIT IS THE NEXT EVOLUTION OF PDP'S ORIGINAL AIRLITE HEADSET



Turtle Beach Airlite Fit
Wired Gaming Headset for Nintendo Switch
Launches May 18, 2025

Powerful game audio and clear chat, vibrant designs, and exceptional lightweight comfort for gamers on Nintendo Switch

The original Airlite was formerly a top-3 best-selling gaming headset for Nintendo Switch under PDP. The new Airlite Fit is Turtle Beach's next evolution of the original. The new Airlite Fit is lightweight and comfortable and comes in three bold colorways, including red and blue, black and white, and ghost purple.

The Turtle Beach Airlite Fit has a new over-ear design, while still maintaining the original model's features like high-quality 40mm drivers and a flip-to-mute microphone.

With an affordable $27.99 MSRP, the Turtle Beach Airlite Fit wired gaming headset is an easy choice for Nintendo fans and gamers on Nintendo Switch systems.

NEW REMATCH WIRELESS CONTROLLERS FOR NINTENDO SWITCH

INSPIRED GLOW-IN-THE-DARK SUPER MARIO-THEMED DESIGNS FOR NINTENDO FANS



Rematch Wireless Controller for Nintendo Switch - Invincible Mario Launches May 18, 2025

Merging Gaming Accessories, Fandom & Collectability

Turtle Beach's latest Rematch Wireless Controllers for Nintendo Switch are perfect for Mario and Nintendo fans and officially licensed gear collectors.

The new Invincible Mario and Super Mario Star designs glow-in-the-dark after exposure to light, giving each model two distinct looks.

Additional features include quick-action buttons on the back of the controller, motion control, plus a 40-hour battery life to make a controller that's great for Nintendo Switch gamers of all ages.



Rematch Wireless Controller for Nintendo Switch – Super Mario Star Launches May 18, 2025

AN EXPANDING ROSTER OF DESIGNED FOR XBOX CONTROLLERS

10 NEW WIRED CONTROLLERS DESIGNED FOR XBOX & WINDOWS PC



Afterglow Wave Wired RGB Controller

An expanding catalog of affordable, Designed for Xbox and Windows PC wired controllers, including two new models available in 10 different colorways

The Afterglow Wave is a wired game controller that delivers striking RGB lighting aesthetics and precision gameplay to gamers on Xbox Series X|S, Xbox One, and Windows 10/11 PCs for $49.99 MSRP.

Turtle Beach's Rematch Core is a wired controller that delivers impressive features at an incredible $29.99 MSRP that's too good to ignore.



Rematch Core Wired Controller



All Afterglow Wave and Rematch Core Controllers for Xbox & Windows PC Launch May 18, 2025



GROWING TURTLE BEACH LEADERSHIP IN CONTROLLERS

TURTLE BEACH CONTINUES EXPANDING IN THE GLOBAL $4.2B CONTROLLERS & SIM MARKET

Turtle Beach is the second largest third-party controllers brand with nearly 30% share[1].



Premium Wireless & Wired Controllers

Groundbreaking, industry-leading wireless controllers for Xbox, Windows PCs, PlayStation, Nintendo Switch, & more



Gaming Simulation Controllers

Stunning realism is fueling the $1.2B gaming simulation market including flight and racing[2]





Officially Licensed Controllers

2024 launches include Call of Duty, Minecraft, Sonic the Hedgehog and other officially licensed 1st party controllers merging fandom & collectibles



Music Controllers & Fight Sticks

Continued leadership in the specialty fight sticks category, and 95% share of music controller market[3]

1. *Circana, Retail Tracking Service, U.S., Video Games, Gamepads, Dollar share Jan - Mar 2025*
2. *Newzoo Peripheral Market Forecast, June 2023 & Internal Estimates updated June 2024*
3. *Circana, Retail Tracking Service, U.S., Video Games, Music Controllers, Dollar share Jan - Mar 2025*

GAAP NET INCOME TO ADJUSTED EBITDA RECONCILIATION

FIRST QUARTER 2025 COMPARED TO 2024

	Three Months Ended	
	March 31, 2025 (in thousands)	**March 31, 2024** (in thousands)
Net (loss) Income	($664)	$155
Interest expense	2,006	150
Depreciation and amortization	3,126	1,476
Stock-based compensation	1,912	1,105
Income tax benefit[1]	(109)	(6,388)
Restructuring expense[2]	5	41
Acquisition-related expense[3]	608	4,910
Insurance Recovery[4]	(3,439)	—
Loss on inventory in transit and other costs[5]	605	—
Adjusted EBITDA	**$4,050**	**$1,449**

1. *An income tax benefit of $7.0 million was recorded in the three months ended March 31, 2024 as a result of the reversal of a portion of the Company's deferred tax asset valuation allowance*
2. *Restructuring charges are expenses that are paid in connection with reorganization of our operations. These costs primarily include severance and related benefits*
3. *Acquisition-related cost includes one-time costs we incurred in connection with acquisitions, including warehouse lease impairment, professional fees such as legal and accounting along with other certain integration-related costs*
4. *Insurance proceeds from claims related to a loss of inventory while in transit that occurred in the fourth quarter of 2024*
5. *Certain professional fees related to recovery initiatives in connection with a loss of inventory while in transit that occurred in the fourth quarter of 2024*

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THANK YOU