



April 28, 2015

# Q1 2015 Preliminary Earnings Results Summary

Some of the information in this presentation may contain projections or other forward-looking statements regarding future events. These statements involve risks and uncertainties, and actual events or results may differ materially. Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are the effects of the highly competitive market in which we operate; our dependence on sales of our capture devices for substantially all of our revenue; our reliance on third-party suppliers, some of which are sole-source suppliers, to provide components for our products; the fact that we do not expect to continue to grow in the future at the same rate as we have in the past, and profitability in recent periods might not be indicative of future performance; difficulty in accurately predicting our future customer demand; the importance of maintaining the value and reputation of our brand; any inability to successfully manage frequent product introductions and transitions; the effects of international business uncertainties; our reliance on our Chief Executive Officer; and other factors detailed in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2014, which is on file with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof or as of the date otherwise stated herein. GoPro disclaims any obligation to update these forward-looking statements.

# Q1 2015 and Other Selected Highlights



- Exceeded Q1 15 revenue, gross margin, and EPS guidance
- Q1 15 revenue of \$363.1 million up 54.0% vs. Q1 14; second highest revenue quarter in GoPro history
- Q1 15 adjusted EBITDA of \$56.5 million up 97.4% vs Q1 14
- Shipped 1.3 million capture devices in Q1 15; third consecutive quarter of 1 million plus unit shipments
- According to NPD, GoPro's capture device models accounted for all five of the top five in the combined digital camera and camcorder category, on a unit basis, in the U.S. for Q1 15
- GoPro Mobile App was downloaded 2.6 million times in Q1 15, totaling nearly 16 million cumulative downloads; Q1 15 installs of GoPro Studio exceeded 1.7 million with average daily exports of nearly 40,000, a 68% year-over-year increase
- Content submissions to GoPro's Photo and Video of the Day program increased 50% sequentially
- GoPro agreed to acquire Kolor, a leader in virtual reality and spherical media solutions

Note: As presented above, gross margin, EPS, and adjusted EBITDA are non-GAAP metrics. See reconciliation in Appendix.

We report gross profit, operating expenses, operating income, net income and diluted net income per share in accordance with generally accepted accounting principles (GAAP) and additionally on a non-GAAP basis, often referred to as pro forma. Additionally, we report non-GAAP adjusted EBITDA. We believe that non-GAAP information is useful because it can enhance the understanding of our ongoing economic performance. We use non-GAAP reporting internally to evaluate and manage our operations. We have chosen to provide this information to investors to enable them to perform comparisons of operating results in a manner similar to how we analyze our own operating results.

A full reconciliation of GAAP to non-GAAP financial data can be found in the appendix to this slide package and in our Q1 2015 earnings press release issued on April 28, 2015, which should be reviewed in conjunction with this presentation.

# Q1 2015 Actuals vs. Guidance

<i>(\$ in millions, except EPS)</i>	<b>Actuals Q1 2015</b>	<b>Guidance Q1 2015</b>	<b>Q1 vs. Guidance</b>	<b>Comments</b>
<b>Revenue</b>	\$363.1	\$330.0 - \$340.0	Above range	Strong HERO4 shipments; solid international growth
<b>Gross margin*</b>	45.2%	44.0% - 45.0%	Above range	Favorable product mix
<b>Operating expenses*</b>	\$115.1	\$115.0 +/- \$2.5	Within range	Within range
<b>Diluted EPS*</b>	\$0.24	\$0.15 - \$0.17	Above range	Higher revenue, better GM% and lower tax rate

\* Non-GAAP metrics. See reconciliation in Appendix.

# Quarterly Non-GAAP Income Statement Summary

(\$ in millions, except EPS)	Q1 2014	Q1 2015	Q1 2015 vs. Q1 2014	
			\$ Chg	% Chg
<b>Revenue</b>	\$ 235.7	\$ 363.1	\$ 127.4	54.0%
<b>Gross margin*</b>	41.1%	45.2%		410 bps
<b>Operating expenses*</b>	\$ 76.0	\$ 115.1	\$ 39.1	51.4%
<b>Operating income*</b>	\$ 20.9	\$ 49.1	\$ 28.2	135.2%
% of revenue	8.9%	13.5%		
<b>Net income*</b>	\$ 14.3	\$ 35.6	\$ 21.3	149.4%
<b>Diluted EPS*</b>	\$ 0.10	\$ 0.24	\$ 0.14	140.0%

\* Non-GAAP metrics. See reconciliation in Appendix.

# Quarterly Revenue Metrics

(\$ in millions)			
<b>Revenue by Channel:</b>			
Direct			
Distribution			
<b>Total Revenue</b>			
<b>Revenue by Geography:</b>			
Americas			
Europe, Middle East and Africa			
Asia and Pacific area countries			
<b>Total Revenue</b>			

Q1 2014	
\$	% of Rev
\$ 109.8	46.6%
125.9	53.4%
<b>\$ 235.7</b>	<b>100.0%</b>
\$	% of Rev
\$ 125.2	53.1%
84.1	35.7%
26.4	11.2%
<b>\$ 235.7</b>	<b>100.0%</b>

Q1 2015	
\$	% of Rev
\$ 162.4	44.7%
200.7	55.3%
<b>\$ 363.1</b>	<b>100.0%</b>
\$	% of Rev
\$ 180.1	49.6%
139.1	38.3%
43.9	12.1%
<b>\$ 363.1</b>	<b>100.0%</b>

(\$ in millions, units in thousands)	Q1 2014	Q1 2015	Q1 2015 vs. Q1 2014	
			Chg	% Chg
<b>Units shipped</b> <sup>(1)</sup>	852	1,342	490	57.5%
<b>Adjusted EBITDA</b> <sup>(2)</sup>	\$ 28.6	\$ 56.5	\$ 27.9	97.4%
<b>Headcount</b>	718	1,076	358	49.9%

(1) Units shipped represents the number of individual packaged capture devices, which include selected accessories, that are shipped during a reporting period, net of any returns.

(2) Non-GAAP metric. See reconciliation in Appendix.

# Selected Balance Sheet Metrics

(\$ in millions)	Q1 2014	Q4 2014	Q1 2015	Q1 2015 vs. Q1 2014		Q1 2015 vs. Q4 2014	
				Chg	% Chg	Chg	% Chg
<b>Cash, cash equivalents and marketable securities</b>	\$ 111.2	\$ 422.3	\$ 491.9	\$ 380.7	342.3%	\$ 69.6	16.5%
<b>Cash flow from operations</b>	\$ 20.9	\$ 43.2	\$ 66.3	\$ 45.4	216.9%	\$ 23.1	53.4%
<b>Days sales outstanding</b>	18.1	26.1	26.3	8.2	45.3%	0.2	0.7%
<b>Inventory</b>	\$ 90.2	\$ 153.0	\$ 164.0	\$ 73.8	81.8%	\$ 11.0	7.2%
<b>Annualized inventory turns</b>	5.5	9.8	5.0	(0.5)	(9.1%)	(4.8)	(49.0%)
<b>Inventory days</b>	58.5	41.8	74.2	15.7	26.8%	32.4	77.5%

To supplement our unaudited selected financial data presented on a basis consistent with GAAP, we disclose certain non-GAAP financial measures, including non-GAAP gross profit, operating expenses, operating income, net income, earnings per share and adjusted EBITDA. These non-GAAP measures are not in accordance with, nor serve as an alternative for GAAP. We believe that these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our GAAP results of operations. These non-GAAP measures should only be viewed in conjunction with corresponding GAAP measures.

In calculating non-GAAP financial measures, we exclude certain items to facilitate a review of the comparability of our core operating performance on a period-to-period basis. The excluded items represent stock-based compensation and charges that are primarily driven by discrete events that we do not consider to be directly related to core operating performance. We use non-GAAP measures to evaluate the core operating performance of our business, for comparison with forecasts and strategic plans and for calculating return on investment. In addition, management's incentive compensation is determined using non-GAAP measures. Since we find these measures to be useful, we believe that investors benefit from seeing results reviewed by management in addition to seeing GAAP results. We believe that these non-GAAP measures, when read in conjunction with our GAAP financials, provide useful information to investors by facilitating:

- the comparability of our on-going operating results over the periods presented;
- the ability to identify trends in our underlying business; and
- the comparison of our operating results against analyst financial models and operating results of other public companies that supplement their GAAP results with non-GAAP financial measures.

The following are explanations of each type of adjustment that we incorporate into non-GAAP financial measures:

- Stock-based compensation expense relates to equity awards granted primarily to our workforce. We exclude stock-based compensation expense because we believe that the non-GAAP financial measures excluding this item provide meaningful supplemental information regarding operational performance. In particular, we note that companies calculate stock-based compensation expense for the variety of award types that they employ using different valuation methodologies and subjective assumptions. These non-cash charges are not factored into our internal evaluation of net income as we believe their inclusion would hinder our ability to assess core operational performance. We believe that excluding this expense provides greater visibility to the underlying performance of our business operations, facilitates comparison of our results with other periods, and may also facilitate comparison with the results of other companies in our industry.
- Acquisition-related charges include the amortization of acquired intangible assets primarily consisting of acquired technology, customer relationships, tradenames and covenants not to compete related to our acquisitions. These charges are not factored into our evaluation of potential acquisitions, or of our performance after completion of acquisitions, because they are not related to our core operating performance, and the frequency and amount of such charges vary significantly based on the timing and magnitude of our acquisition transactions and the maturities of the businesses being acquired.
- Adjustment for taxes relates to the tax effect of the adjustments that we incorporate into non-GAAP measures in order to provide a more meaningful measure of non-GAAP net income. We believe that these adjustments provide us with the ability to more clearly view trends in our core operating performance.
- Adjustment to shares includes the conversion of the redeemable convertible preferred stock into shares of common stock as though the conversion had occurred at the beginning of the period and the initial public offering shares issued July 2014, as if they had been outstanding since the beginning of the period.

# Appendix: GAAP to Non-GAAP Reconciliation

Reconciliations of non-GAAP financial measures are set forth below (in thousands, except per share data):

	Three months ended	
	March 31, 2014	March 31, 2015
<b>GAAP net income</b>	\$ 11,049	\$ 16,752
Stock-based compensation		
Cost of revenue	168	283
Research and development	1,401	3,535
Sales and marketing	1,414	3,066
General and administrative	1,054	19,617
Total stock-based compensation	4,037	26,501
Amortization of acquisition-related intangible assets		
Cost of revenue	222	222
Research and development	20	87
Sales and marketing	42	33
Total amortization of acquisition-related intangible assets	284	342
Income tax adjustments	(1,088)	(7,976)
<b>Non-GAAP net income</b>	<b>\$ 14,282</b>	<b>\$ 35,619</b>
<b>GAAP shares for diluted net income per share</b>	100,783	148,573
Add: preferred shares conversion	30,523	-
Add: initial public offering shares	8,900	-
<b>Non-GAAP shares for diluted net income per share</b>	<b>140,206</b>	<b>148,573</b>
<b>Non-GAAP diluted net income per share</b>	<b>\$ 0.10</b>	<b>\$ 0.24</b>

# Appendix: GAAP to Non-GAAP Reconciliation

Reconciliations of non-GAAP financial measures are set forth below (\$ in thousands):

	Three months ended	
	March 31, 2014	March 31, 2015
<b>GAAP gross profit</b>	\$ 96,514	\$ 163,733
Stock-based compensation	168	283
Amortization of acquisition-related intangible assets	222	222
<b>Non-GAAP gross profit</b>	<u>\$ 96,904</u>	<u>\$ 164,238</u>
<b>GAAP gross profit as a % of revenue</b>	40.9%	45.1%
Stock-based compensation	0.1	0.1
Amortization of acquisition-related intangible assets	0.1	—
<b>Non-GAAP gross profit as a % of revenue</b>	<u>41.1%</u>	<u>45.2%</u>
<b>GAAP operating expenses</b>	\$ 79,958	\$ 141,465
Stock-based compensation	(3,869)	(26,218)
Amortization of acquisition-related intangible assets	(62)	(120)
<b>Non-GAAP operating expenses</b>	<u>\$ 76,027</u>	<u>\$ 115,127</u>
<b>GAAP operating income</b>	\$ 16,556	\$ 22,268
Stock-based compensation	4,037	26,501
Amortization of acquisition-related intangible assets	284	342
<b>Non-GAAP operating income</b>	<u>\$ 20,877</u>	<u>\$ 49,111</u>
<b>GAAP operating income as a % of revenue</b>	7.0%	6.1%
Stock-based compensation	1.7	7.3
Amortization of acquisition-related intangible assets	0.2	0.1
<b>Non-GAAP operating income as a % of revenue</b>	<u>8.9%</u>	<u>13.5%</u>

# Appendix: Adjusted EBITDA Reconciliation

Reconciliations of non-GAAP financial measures are set forth below (\$ in thousands):

	Three months ended	
	March 31, 2014	March 31, 2015
GAAP net income	\$ 11,049	\$ 16,752
Income tax expense	3,882	3,272
Interest expense, net	1,335	65
Depreciation and amortization	3,811	5,369
POP display amortization	4,513	4,548
Stock-based compensation	4,037	26,501
<b>Adjusted EBITDA</b>	<b>\$ 28,627</b>	<b>\$ 56,507</b>