



Q4 Fiscal Year 2017 Financial Results

Lausanne, April 26, 2017



FORWARD-LOOKING STATEMENTS

This presentation includes **forward-looking statements** within the meaning of the U.S. federal securities laws, including, without limitation, statements regarding: our product category strategies, product category growth and trends, regional growth, consistent profitable growth, growth momentum, capabilities, expanding opportunities, product pricing, organic growth, acquisitions, EPS roadmap, re-investment of profits, long-term targets for growth, operating expense ratio, cash conversion cycle, return of free cash flow to our shareholders, dividends, share repurchases, future performance, and Fiscal Year 2018 outlook for operating income and sales growth and related assumptions. These statements are subject to risks and uncertainties that may cause actual results and events to differ materially, including without limitation: if our product offerings, marketing activities and investment prioritization decisions do not result in the sales, profitability or profitability growth we expect, or when we expect it; the demand of our customers and our consumers for our products and our ability to accurately forecast it; if we fail to innovate and develop new products in a timely and cost-effective manner for our new and existing product categories; if we do not successfully execute on our growth opportunities or our growth opportunities are more limited than we expect; if sales of PC peripherals are less than we expect; the effect of pricing, product, marketing and other initiatives by our competitors, and our reaction to them, on our sales, gross margins and profitability; if our products and marketing strategies fail to separate our products from competitors' products; if we do not fully realize our goals to lower our costs and improve our operating leverage; if there is a deterioration of business and economic conditions in one or more of our sales regions or product categories, or significant fluctuations in exchange rates. These and other risks and uncertainties are detailed in Logitech's filings with the Securities and Exchange Commission, including its Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2016 and its Annual Report on Form 10-K for the fiscal year ended March 31, 2016, available at www.logitech.com, under the caption Risk Factors and elsewhere. Logitech does not undertake any obligation to update any forward-looking statements to reflect new information or events or circumstances occurring after the date of this presentation.

To facilitate comparisons to Logitech's historical results, we have included **non-GAAP adjusted measures** in this presentation, which exclude primarily share-based compensation expense, amortization of intangible assets, purchase accounting effect on inventory, acquisition-related costs, change in fair value of contingent consideration for business acquisition, restructuring charges (credits), gain (loss) on equity-method investment, investigation and related expenses, non-GAAP income tax adjustment, and other items detailed under "Supplemental Financial Information" in our quarterly earnings press release and posted to our website at <http://ir.logitech.com>. Historical GAAP and corresponding non-GAAP measures are provided with our earnings releases and presentations in the Investors section of our website. We also present percentage sales growth in constant currency ("CC") to show performance unaffected by fluctuations in currency exchange rates. Percentage sales growth in constant currency is calculated by translating prior period sales in each local currency at the current period's average exchange rate for that currency and comparing that to current period sales. Logitech believes this information will help investors to evaluate its current period performance, outlook and trends in its business. For historical financials provided in this presentation, reconciliation between non-GAAP amounts and GAAP amounts is provided on the Investors page of our website, together with this presentation and with our earnings releases. With respect to financial outlook, most of the excluded amounts pertain to events that have not yet occurred and are not currently possible to estimate with a reasonable degree of accuracy. Therefore, no reconciliation to GAAP amounts has been provided for non-GAAP outlook.

KEY MESSAGE – Q4 FY17

Highest retail sales growth over the past six years, with **retail sales up 17% (CC) to \$496M**

PC peripherals, Video Collaboration, Mobile Speaker, Gaming, and Smart Home sales all grew double digits

Record-high **gross margins of 37.4%** allowed us to re-invest in our capabilities to capture long-term market opportunities

Operating profits rose 61% to \$36M in one of our seasonally slower quarters

Cash flow from operations was strong at \$44M

KEY MESSAGE – FISCAL YEAR 2017

Fourth consecutive year of retail sales growth, with **retail sales up 14% (CC) to \$2.2B**

Nearly all products delivered sales growth, with 70% of products posting double-digit gains

Gross margins of 36.9% improved 300 basis points, driven by continued focus on cost containment as well as increasing adoption of design-for-cost initiatives

Operating profits rose 33% to \$238M, reaching the highest level since FY2008

Robust cash flow from operations at \$279M, up from \$183M last year

WHAT'S NEW FROM LOGITECH



POINTING DEVICE

Spotlight Presentation Remote lets you effortlessly navigate slides and interact with on-screen content from up to 100 feet away

Advanced pointer system enables you to highlight and magnify points on your slide in great detail

Mouse-like cursor control to play videos and open links

Spotlight app allows you to toggle pointer mode, set timed vibration alerts, and activate other more advanced functions



WEBCAM

BRIO 4K Pro Webcam is our most sophisticated webcam yet, delivering high- quality desktop video experience

Packed with industry-leading features, including Logitech RightLight 3 with HDR, 4K Ultra HD video quality, and 5x zoom

Supports Windows Hello and other secure infrared-based facial recognition applications

Named Innovation Award Honoree in the 2017 CES Innovation Awards



MOBILE SPEAKERS

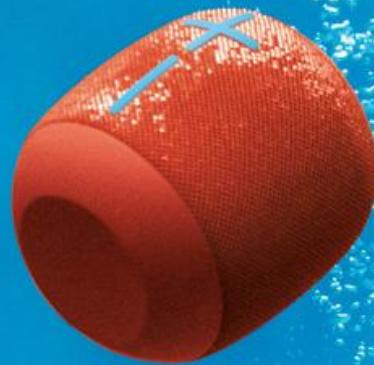
Ultimate Ears **WONDERBOOM** is our new pint-sized speaker with big sound

Available in six colors: Stone (grey), Phantom (black), Fireball (red), SubZero (blue), Cashmere (pink), and Lilac

360-degree sound with immersive, balanced bass and is drop-proof from up to five feet

10-hour battery life and 100-foot wireless Bluetooth range

IPX7 rated (so it can be immersed in water up to one meter for up to 30 minutes)



GAMING

Logitech G Pro Mechanical Gaming Keyboard is designed in collaboration with top eSports athletes

High performance, ten keyless mechanical gaming keyboard that is purpose-built for professional competition

Exclusive Romer-G mechanical switches, offering 25% faster actuation than standard mechanical keyboards

Detachable cable system, customizable RGB lighting, and onboard memory



SMART HOME

Harmony Hub now works with the Google Assistant on Google Home in addition to previously announced integration with Amazon Alexa

“Ok Google, ask Harmony to...”

“...turn on Hulu or HBO Go”

“...turn on ESPN or ABC News”

“...turn up the volume”

“...skip forward or skip back”



FINANCIAL RESULTS



Q4 FY17 RESULTS DEMONSTRATE SUSTAINABILITY

	Q4'17	Q4'16	YoY	FY'17	FY'16	YoY
Retail	496	431	15%	2,207	1,947	13%
Net Sales	496	431	15%	2,207	2,018	9%
<i>Retail YoY%</i>	15%	4%		13%	3%	
<i>Retail YoY% CC</i>	17%	6%		14%	9%	
<i>Company YoY%</i>	15%	(3%)		9%	1%	
Gross Profit	186	143	30%	814	683	19%
<i>% of Net Sales</i>	37.4%	33.1%	430bp	36.9%	33.9%	300bp
Operating Expenses	149	120	24%	577	504	14%
<i>% of Net Sales</i>	30.1%	27.9%	220bp	26.1%	25.0%	110bp
Operating Income	36	22	61%	238	179	33%
<i>% of Net Sales</i>	7.3%	5.2%	210bp	10.8%	8.9%	190bp
Other Income/(Expense)	2	2	(10%)	3	2	32%
<i>% Tax Rate</i>	8.0%	6.3%	170bp	9.1%	10.2%	(110bp)
Net Income	35	23	52%	218	162	35%
<i>% of Net Sales</i>	7.1%	5.3%	180bp	9.9%	8.0%	190bp
Earnings Per Share	\$0.21	\$0.14	50%	\$1.32	\$0.98	35%
Diluted Share Count	166.5	165.4		165.5	165.8	

Retail sales +17% (CC) to \$496M, marking the strongest growth rate in six years

Gross margin was strong at 37.4% despite sales seasonally down QoQ

Investing excess gross profit dollars in opex (+24%) to sustain continued growth momentum and enhance our capabilities

Operating profits +61% to \$36M, with record gross margins allowing us to re-invest in our business

ALMOST ALL PRODUCTS GROWING

		Q4'17	YoY	YoY CC	FY'17	YoY	YoY CC
Creativity & Productivity	Pointing Devices	116	4%	6%	498	1%	2%
	Keyboards & Combos	118	12%	14%	478	11%	12%
	PC Webcams	26	11%	13%	107	8%	9%
	Tablet & Access	17	(45%)	(43%)	76	(27%)	(26%)
VC	Video Collaboration	37	70%	73%	125	40%	42%
Music	Mobile Speakers	38	61%	61%	299	30%	30%
	Audio PC & Wearables	59	27%	29%	245	25%	26%
Gaming	Gaming	69	23%	25%	312	27%	28%
Smart Home	Home Control	15	45%	45%	65	10%	10%
Net Sales		496	15%	17%	2,207	13%	14%

PC Peripherals +10% (CC), led by Keyboards and Webcams

Video Collaboration delivered highest growth rate this year

Mobile Speakers +61% (CC) against a weaker Q4 of last year

Jaybird returned to supply/demand balance

Gaming had its 7th consecutive quarter of double-digit sales growth

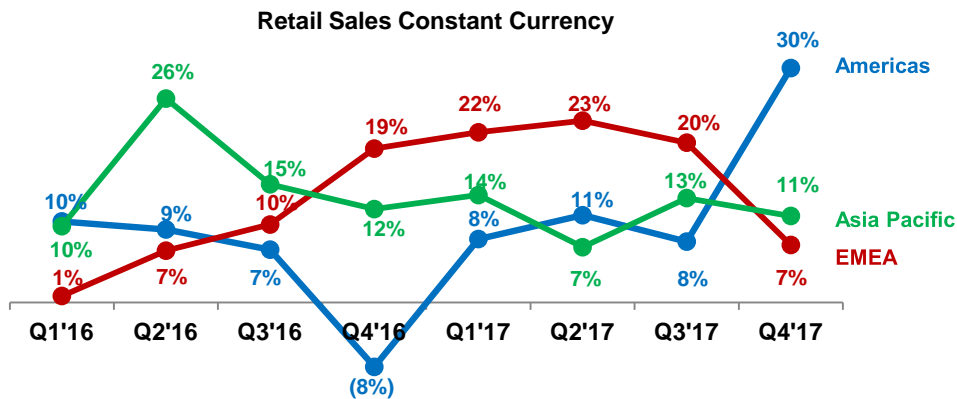
REGIONAL GROWTH, LED BY REBOUND IN AMR

	Retail Net Sales (USD)			YoY CC	Sell-Through YoY
	Q4'17	Q4'16	YoY		
Americas	210	162	30%	30%	12%
EMEA	156	151	3%	7%	19%
Asia Pacific	130	118	10%	11%	11%
Total	496	431	15%	17%	14%

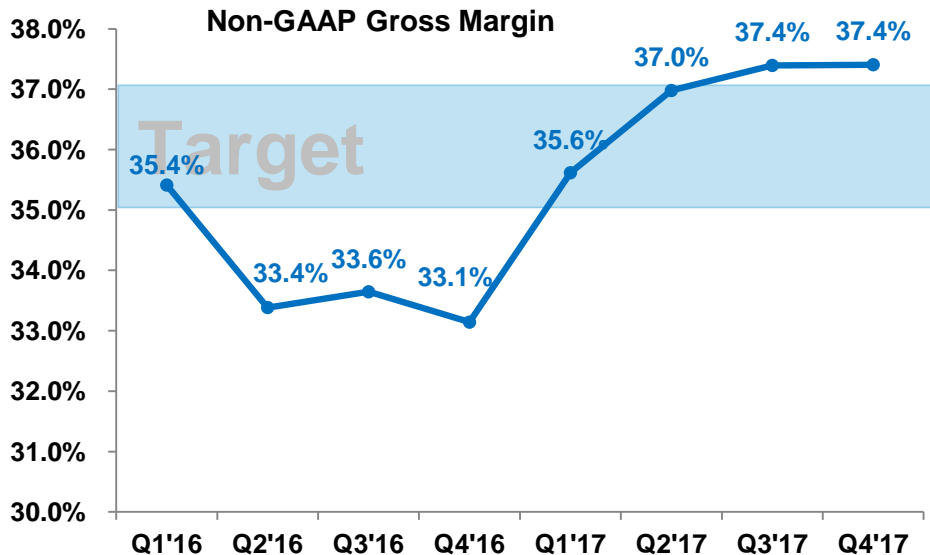
Americas saw double-digit growth across almost all products, against a weak Q4 last year

EMEA sales +7% (CC), rounding out a strong year

Asia Pacific continued its double-digit momentum, with particular strength from Mobile Speakers, Video Collaboration, and Gaming



HEALTHY GROSS MARGIN FUNDS INVESTMENTS



Gross margin stayed flat QoQ at 37.4%, despite a seasonal decline in sales

Better-than-expected gross margin helps to fund continued investments in capabilities and products

Long-term gross margin target remains 35-37%, as we balance our profitability with top-line growth

INVESTING IN OPEX TO SUPPORT FUTURE GROWTH

	Q4'17	Q4'16	YoY	FY'17	FY'16	YoY
Sales & Marketing	96	74	29%	365	310	18%
% of Retail Sales	19.3%	17.3%	200bp	16.5%	15.9%	60bp
% of Sales	19.3%	17.3%	200bp	16.5%	15.3%	120bp
Research & Development	32	26	23%	126	110	15%
% of Retail Sales	6.5%	6.1%	40bp	5.7%	5.7%	0bp
% of Sales	6.5%	6.1%	40bp	5.7%	5.5%	20bp
General & Administrative	21	20	8%	85	85	1%
% of Retail Sales	4.3%	4.5%	(20bp)	3.9%	4.3%	(40bp)
% of Sales	4.3%	4.5%	(20bp)	3.9%	4.2%	(30bp)
Operating Expenses	149	120	24%	577	504	14%
% of Retail Sales	30.1%	27.9%	220bp	26.1%	25.9%	20bp
% of Sales	30.1%	27.9%	220bp	26.1%	25.0%	110bp

Operating expenses +24% (or +18% excluding the addition of Jaybird)

Maintaining stable G&A spending, while investing in S&M and R&D to support future growth

FY2017 operating expenses as a % of sales was 26.1%, as we march toward our long-term target of 25%

HIGHEST FULL YEAR CASH FLOW IN 7 YEARS

	Q4'17	Q4'16	YoY	FY'17	FY'16	YoY
Cash from Operations	44	32	38%	279	183	52%
Ending Cash Balance	548	519	5%	548	519	5%
Inventory	253	229	11%	253	229	11%
<i>Inventory Turns</i>	<i>4.9</i>	<i>5.0</i>	<i>(0.1 Turns)</i>	<i>5.5</i>	<i>5.0</i>	<i>0.5 Turns</i>
<i>DSI</i>	<i>73</i>	<i>71</i>	<i>2 Days</i>	<i>65</i>	<i>62</i>	<i>3 Days</i>
Accounts Receivable	175	143	22%	175	143	22%
<i>DSO</i>	<i>32</i>	<i>30</i>	<i>2 Days</i>	<i>29</i>	<i>25</i>	<i>4 Days</i>
Accounts Payable	275	241	14%	275	241	14%
<i>DPO</i>	<i>79</i>	<i>75</i>	<i>4 Days</i>	<i>71</i>	<i>65</i>	<i>6 Days</i>
Cash Conversion Cycle	26	26	0 Days	23	22	1 Days

Cash flow from operations was \$279M in FY2017, up from \$183M last year

Cash conversion cycle remained stable at 23 days for FY2017, in line with our annual target of 20-25 days

Exited March 2017 with healthy cash balance of \$548M

Returned \$177M to shareholders, in the form of \$93M of dividends and \$84M of stock repurchases in FY2017

REITERATING FISCAL YEAR 2018 OUTLOOK

FY18 OUTLOOK

Sales CC growth	High single digit
Non-GAAP operating income	\$250 - 260M

ASSUMPTIONS

Currency	FY17 average rates
Non-GAAP effective tax rate	~9%
Cash from operations	~1x non-GAAP operating income
Capex	~\$50M

Note: Share count dependent on various factors, including but not limited to options exercises, RSU and PSU grants, buyback, and stock price
Amortization of intangibles attributable to Jaybird and Saitek. Saitek amortization of intangibles only in 2H FY17

Appendix



GAAP TO NON-GAAP RECONCILIATIONS

LOGITECH INTERNATIONAL S.A.

PRELIMINARY RESULTS

(In thousands, except per share amounts) - Unaudited

GAAP TO NON GAAP RECONCILIATION ^(A)	Three Months Ended	
	March 31,	
SUPPLEMENTAL FINANCIAL INFORMATION	2017	2016
Gross profit - GAAP	\$ 183,392	\$142,100
Share-based compensation expense	733	692
Amortization of intangible assets and purchase accounting effect on inventory	1,470	—
Gross profit - Non-GAAP	\$ 185,595	\$142,792
Gross margin - GAAP	37.0%	33.0%
Gross margin - Non-GAAP	37.4%	33.1%
Operating expenses - GAAP	\$ 161,461	\$131,745
Less: Share-based compensation expense	8,803	7,036
Less: Amortization of intangible assets and acquisition-related costs	1,279	537
Less: Change in fair value of contingent consideration for business acquisition	1,833	—
Less: Restructuring charges, net	67	3,784
Less: Investigation and related expenses	—	19
Operating expenses - Non-GAAP	\$ 149,479	\$120,369
% of net sales - GAAP	32.5%	30.6%
% of net sales - Non - GAAP	30.1%	27.9%

GAAP TO NON-GAAP RECONCILIATIONS

LOGITECH INTERNATIONAL S.A.

PRELIMINARY RESULTS

(In thousands, except per share amounts) - Unaudited

GAAP TO NON GAAP RECONCILIATION ^(A)

SUPPLEMENTAL FINANCIAL INFORMATION	Three Months Ended March 31,	
	2017	2016
Operating income - GAAP	\$ 21,931	\$ 10,355
Share-based compensation expense	9,536	7,728
Amortization of intangible assets	2,749	1
Purchase accounting effect on inventory	—	—
Acquisition-related costs	—	536
Change in fair value of contingent consideration for business acquisition	1,833	—
Restructuring charges, net	67	3,784
Investigation and related expenses	—	19
Operating income - Non - GAAP	\$ 36,116	\$ 22,423
% of net sales - GAAP	4.4%	2.4%
% of net sales - Non - GAAP	7.3%	5.2%
 Net income from continuing operations - GAAP	 \$ 25,038	 \$ 17,010
Share-based compensation expense	9,536	7,728
Amortization of intangible assets	2,749	1
Purchase accounting effect on inventory	—	—
Acquisition-related costs	—	536
Change in fair value of contingent consideration for business acquisition	1,833	—
Restructuring charges, net	67	3,784
Investigation and related expenses	—	19
Loss (gain) on equity-method investment	(22)	(645)
Non-GAAP income tax adjustment	(4,226)	(5,452)
Net income from continuing operations - Non - GAAP	\$ 34,975	\$ 22,981

GAAP TO NON-GAAP RECONCILIATION NOTES

Note: These preliminary results for the three and twelve months ended March 31, 2017 are subject to adjustments, including subsequent events that may occur through the date of filing our Annual Report on Form 10-K.

(A) Non-GAAP Financial Measures

To supplement our condensed consolidated financial results prepared in accordance with GAAP, we use a number of financial measures, both GAAP and non-GAAP, in analyzing and assessing our overall business performance, for making operating decisions and for forecasting and planning future periods. We consider the use of non-GAAP financial measures helpful in assessing our current financial performance, ongoing operations and prospects for the future as well as understanding financial and business trends relating to our financial condition and results of operations. For full GAAP to non-GAAP reconciliation information and cautionary information regarding the use of non-GAAP measures, please refer to “Supplemental Financial Information” in our earnings press release or “Financial Statements only” posted to our website under “Quarterly Results” at <http://ir.logitech.com>.

SELL-THROUGH DATA

- Measures sales of our products by retailer customers to consumers and by our distributor customers to their customers
- Compiled by Logitech from data supplied by our customers
- Customers supplying sell-through data vary by geographic region and from period to period, but typically represent a majority of our retail sales
- Data is subject to limitations and possible error sources and may not be an entirely accurate indicator of actual consumer demand for our products. Limitations and possible error sources include the following:
 - Data supplied by our customers may not be indicative of sell-through experienced by our customers as a whole
 - Reliability of the data depends on accuracy and timeliness of information supplied to us by our customers, and the processes by which they collect their sell-through data are largely outside our control
 - In the U.S., Canada, and to a lesser extent Asia Pacific, and a still lesser extent, EMEA, sell-through data is based on Point of Sale electronic data. Where POS data is not available, the data is collected largely through manual processes, including the exchange of spreadsheets or other non-automated methods of data transmission, which are subject to typical human errors, including errors in data entry, transmission and interpretation

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