

The background of the slide is a black and white photograph of a person with long hair, seen from behind, standing in the ocean. They are holding a surfboard. The sun is low on the horizon, creating a bright reflection on the water's surface. The overall mood is serene and adventurous.

# **Q1 2022 Preliminary Earnings Results Summary**

**May 5, 2022**

This presentation may contain projections or other forward-looking statements within the meaning Section 27A of the Private Securities Litigation Reform Act. Words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “should,” “will” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements in this presentation may include, but are not limited to, planned growth and expansion of our total addressable market through subscription services; increased profitability in 2021 and beyond; overall consumer demand, and the impact of the COVID-19 pandemic on our business. 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 include our cumulative GAAP income from the past three years may not be sustainable in future periods, we may not be able to achieve our forecast, sustain revenue growth or profitability, and our operating results may fluctuate unpredictably; our ability to effectively grow our direct-to-consumer and subscription business; the impact of the COVID-19 pandemic and its effect on the United States and global economies and our business in particular; the risk that our sales fall below our forecasts, especially during the holiday season; our ability to further penetrating our total addressable market; the fact that sales of our cameras, mounts and accessories for substantially all of our revenue, and any decrease in the sales or change in sales mix of these products could harm our business; any inability to successfully manage product introductions, product transitions, product pricing and marketing; our reliance on third party suppliers, some of which are sole source suppliers, to provide components for our products which may be impacted due to supply shortages, long lead times for components, and supply changes, any of which could disrupt our supply chain; the effects of the highly competitive market in which we operate, including new market entrants; the fact that we may experience fluctuating gross margin, revenue, expenses and profitability in the future; our ability to attract, engage and retain qualified personnel; any changes to trade agreements, trade policies, tariffs, and import/export regulations; risks related to inventory, purchase commitments and long-lived assets; the fact that a small number of retailers and distributors account for a substantial portion of our revenue and our level of business with them could be significantly reduced; our transition away from some distributors and retailers; the threat of a security breach or other disruption including cyberattacks; the challenges and risks faced by our international operations; the importance of maintaining the value and reputation of our brand; the concern that our intellectual property and proprietary rights may not adequately protect our products and services; and other factors detailed in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2021, and as updated in future filings with the SEC including the Annual Report on Form 10-Q for the quarter ended March 31, 2022, each of which is on file with the SEC. These forward-looking statements speak only as of the date hereof or as of the date otherwise stated herein. Forward-looking statements are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. GoPro disclaims any obligation to update these forward-looking statements.

We report gross margin, operating expenses, operating income (loss), net income (loss) and diluted net income (loss) per share in accordance with U.S. generally accepted accounting principles (GAAP) and on a non-GAAP basis. 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 2022 earnings press release issued on May 5, 2022, which should be reviewed in conjunction with this presentation.

# QUARTERLY NON-GAAP INCOME STATEMENT SUMMARY



(\$ in millions, except per share data)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
<b>Revenue</b>	\$ 216.7	\$ 391.1	\$ 316.7	\$ 249.6	\$ 203.7	\$ 357.8	\$ 280.5	\$ 134.2	\$ 119.4
<b>Camera units shipped</b> (in thousands)	523	1,033	832	724	556	1,108	923	448	341
<b>Gross margin*</b>	42.0%	41.3%	43.8%	40.1%	39.2%	38.3%	36.2%	31.6%	34.2%
<b>Operating expenses*</b>	\$ 72.9	\$ 92.3	\$ 79.9	\$ 79.4	\$ 73.0	\$ 73.0	\$ 68.1	\$ 69.0	\$ 87.5
<b>Operating income (loss)*</b>	\$ 18.1	\$ 69.2	\$ 58.8	\$ 20.7	\$ 6.9	\$ 64.2	\$ 33.4	\$ (26.7)	\$ (46.7)
<b>Net income (loss)*</b>	\$ 15.2	\$ 66.1	\$ 55.3	\$ 19.9	\$ 4.8	\$ 61.1	\$ 31.0	\$ (29.7)	\$ (49.6)
<b>Diluted net income (loss) per share*</b>	\$ 0.09	\$ 0.41	\$ 0.34	\$ 0.12	\$ 0.03	\$ 0.39	\$ 0.20	\$ (0.20)	\$ (0.34)
<b>Adjusted EBITDA*</b>	\$ 20.6	\$ 71.6	\$ 60.4	\$ 25.1	\$ 10.7	\$ 67.7	\$ 39.2	\$ (22.4)	\$ (41.4)
<b>Headcount</b>	796	766	778	774	765	758	740	741	923

\* Non-GAAP metric. See reconciliations in Appendix.

# QUARTERLY REVENUE METRICS



(\$ in millions)	Q1 2022		Q4 2021		Q3 2021		Q2 2021		Q1 2021	
Revenue by Channel:	\$	% of Rev	\$	% of Rev	\$	% of Rev	\$	% of Rev	\$	% of Rev
GoPro.com	\$ 88.6	40.9 %	\$ 127.8	32.7 %	\$ 94.4	29.8 %	\$ 87.8	35.2 %	\$ 82.1	40.3 %
Retail	128.1	59.1	263.3	67.3	222.3	70.2	161.8	64.8	121.6	59.7
<b>Total Revenue</b>	<b>\$ 216.7</b>	<b>100.0 %</b>	<b>\$ 391.1</b>	<b>100.0 %</b>	<b>\$ 316.7</b>	<b>100.0 %</b>	<b>\$ 249.6</b>	<b>100.0 %</b>	<b>\$ 203.7</b>	<b>100.0 %</b>
GoPro.com Revenue:	\$	% of Rev	\$	% of Rev	\$	% of Rev	\$	% of Rev	\$	% of Rev
Hardware	\$ 70.0	79.0 %	\$ 110.7	86.6 %	\$ 80.0	84.7 %	\$ 76.0	86.6 %	\$ 71.3	86.8 %
Subscription and service	18.6	21.0	17.1	13.4	14.4	15.3	11.8	13.4	10.8	13.2
<b>Total GoPro.com Revenue</b>	<b>\$ 88.6</b>	<b>100.0 %</b>	<b>\$ 127.8</b>	<b>100.0 %</b>	<b>\$ 94.4</b>	<b>100.0 %</b>	<b>\$ 87.8</b>	<b>100.0 %</b>	<b>\$ 82.1</b>	<b>100.0 %</b>
Revenue by Geography:	\$	% of Rev	\$	% of Rev	\$	% of Rev	\$	% of Rev	\$	% of Rev
Americas	\$ 102.6	47.3 %	\$ 193.4	49.5 %	\$ 160.9	50.8 %	\$ 146.6	58.8 %	\$ 106.7	52.4 %
Europe, Middle East and Africa	61.5	28.4	108.9	27.8	85.8	27.1	61.2	24.5	49.8	24.4
Asia and Pacific	52.6	24.3	88.8	22.7	70.0	22.1	41.8	16.7	47.2	23.2
<b>Total Revenue</b>	<b>\$ 216.7</b>	<b>100.0 %</b>	<b>\$ 391.1</b>	<b>100.0 %</b>	<b>\$ 316.7</b>	<b>100.0 %</b>	<b>\$ 249.6</b>	<b>100.0 %</b>	<b>\$ 203.7</b>	<b>100.0 %</b>

# SELECT BALANCE SHEET METRICS

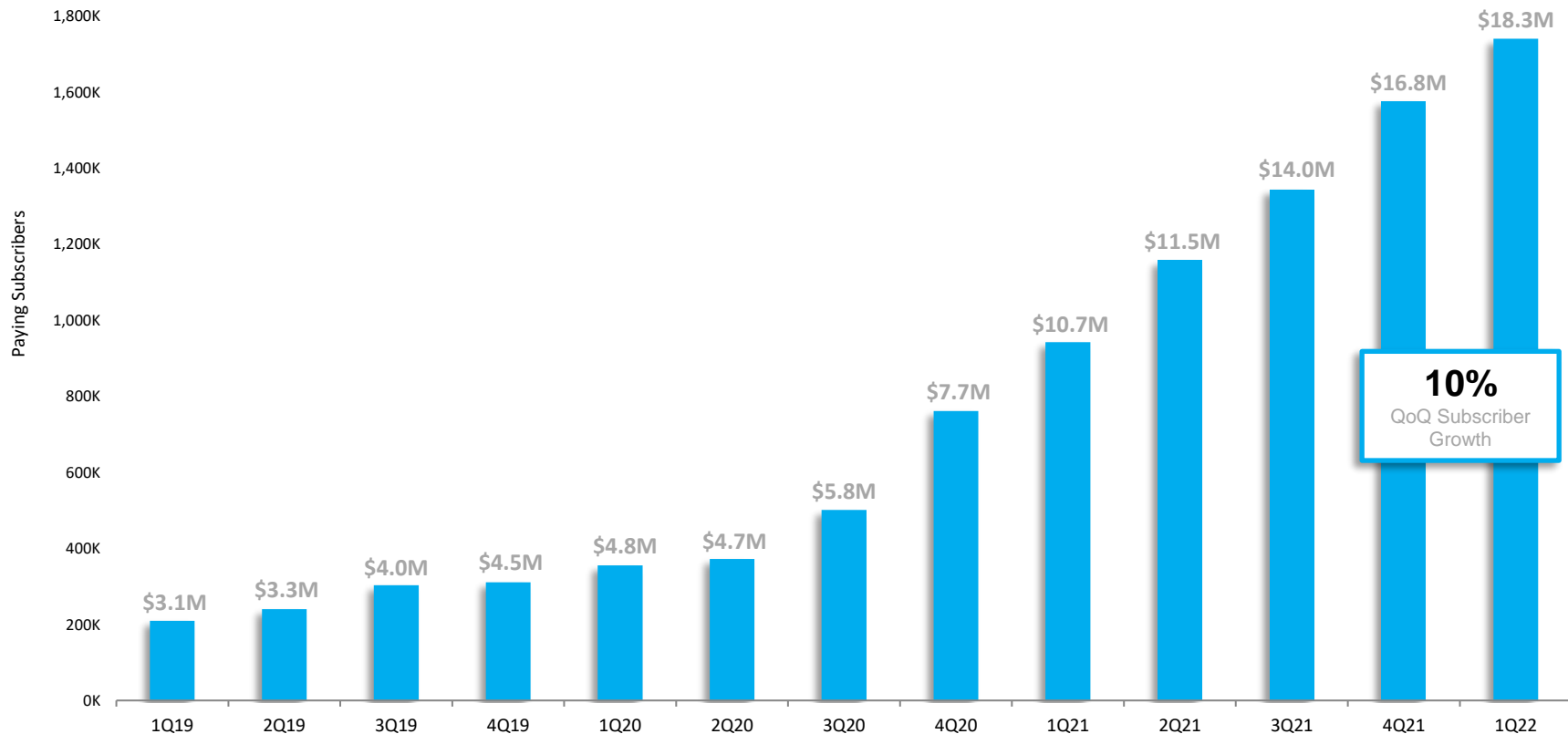


(\$ in millions)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Cash, cash equivalents, restricted cash and marketable securities	\$449.9	\$ 538.9	\$ 378.5	\$ 318.7	\$ 296.8	\$ 327.7	\$ 146.9	\$ 79.7	\$ 124.9
Days sales outstanding	29	26	28	35	30	27	34	46	38
Inventory	\$119.4	\$ 86.4	\$ 120.9	\$ 106.8	\$ 111.8	\$ 97.9	\$ 132.8	\$ 142.2	\$ 172.0
Annualized inventory turns	4.9x	8.9x	6.3x	5.5x	4.7x	7.6x	5.2x	2.3x	2.0x
Inventory days	85	34	61	64	81	40	67	139	197

# GoPro Subscription



Subscribers & Subscription Revenue (\$M)



**85%**

YoY Subscriber Growth

**10%**

QoQ Subscriber Growth

# Appendix

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 margin, operating expenses, operating income (loss), net income (loss), diluted net income (loss) per share and adjusted EBITDA. We use non-GAAP financial measures to help us understand and evaluate our core operating performance and trends, to prepare and approve our annual budget, and to develop short-term and long-term operational plans. Our management uses, and believes that investors benefit from referring to these non-GAAP financial measures in assessing our operating results. These non-GAAP financial measures should not be considered in isolation from, or as an alternative to, the measures prepared in accordance with GAAP, and are not based on any comprehensive set of accounting rules or principles. 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.

These non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP. Some of these limitations are:

- adjusted EBITDA does not reflect tax payments that reduce cash available to us;
- adjusted EBITDA excludes depreciation and amortization and, although these are non-cash charges, the property and equipment being depreciated and amortized often will have to be replaced in the future, and adjusted EBITDA does not reflect any cash capital expenditure requirements for such replacements;

# APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS



- adjusted EBITDA excludes the amortization of point of purchase (POP) display assets because it is a non-cash charge, and is treated similarly to depreciation of property and equipment and amortization of acquired intangible assets;
- adjusted EBITDA and non-GAAP net income (loss) exclude restructuring and other related costs which primarily include severance-related costs, stock-based compensation expenses and facilities consolidation charges recorded in connection with restructuring actions, including right-of-use asset impairment charges, and the related ongoing operating lease cost of those facilities recorded under Accounting Standards Codification 842, *Leases*. These expenses do not reflect expected future operating expenses and do not contribute to a meaningful evaluation of current operating performance or comparisons to the operating performance in other periods;
- adjusted EBITDA and non-GAAP net income (loss) exclude stock-based compensation expense related 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 (loss) as we believe their inclusion would hinder our ability to assess core operational performance;
- adjusted EBITDA and non-GAAP net income (loss) exclude the loss on extinguishment of debt because it is not reflective of ongoing operating results in the period, and such losses vary in the frequency and amount;

# APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS



- non-GAAP net income (loss) excludes acquisition-related costs including the amortization of acquired intangible assets (primarily consisting of acquired technology), the impairment of acquired intangible assets (if applicable), as well as third-party transaction costs incurred for legal and other professional services. These costs are not factored into our evaluation of potential acquisitions, or of our performance after completion of the acquisitions, because these costs are not related to our core operating performance or reflective of ongoing operating results in the period, and the frequency and amount of such costs vary significantly based on the timing and magnitude of our acquisition transactions and the maturities of the businesses being acquired. Although we exclude the amortization of acquired intangible assets from our non-GAAP net income (loss), management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation;
- non-GAAP net income (loss) excludes non-cash interest expense. Prior to the adoption of ASU 2020-06 in fiscal year 2022, we were required to recognize non-cash interest expense related to the amortization of a debt discount associated with our 2022 Notes and 2025 Notes in accordance with the prior authoritative accounting guidance for convertible debt that may be settled in cash. From fiscal year 2022 and onwards, this debt discount accounting requirement was removed, and as a result non-cash interest expense will no longer be a reconciling item between GAAP and non-GAAP net income (loss);
- non-GAAP net income (loss) includes income tax adjustments. We utilize a cash-based non-GAAP tax expense approach (based upon expected annual cash payments for income taxes) for evaluating operating performance as well as for planning and forecasting purposes. This non-GAAP tax approach eliminates the effects of period specific items, which can vary in size and frequency and does not necessarily reflect our long-term operations. Historically, we computed a non-GAAP tax rate based on non-GAAP pre-tax income on a quarterly basis, which considered the income tax effects of the adjustments above; and
- other companies may calculate these non-GAAP financial measures differently than we do, limiting their usefulness as comparative measures.

# APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS



(\$ in thousands, except per share data)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
<b>GAAP net income (loss)</b>	\$ 5,685	\$ 52,626	\$ 311,761	\$ 16,952	\$ (10,168)	\$ 44,413	\$ 3,307	\$ (50,975)	\$ (63,528)
Stock-based compensation:									
Cost of revenue	447	374	483	508	429	373	340	332	503
Operating expenses	9,389	10,049	8,846	9,521	8,440	7,664	8,073	5,544	7,134
Total stock-based compensation	9,836	10,423	9,329	10,029	8,869	8,037	8,413	5,876	7,637
Acquisition-related costs:									
Cost of revenue	47	71	70	288	723	723	964	1,024	1,887
Total acquisition-related costs	47	71	70	288	723	723	964	1,024	1,887
Restructuring and other costs:									
Cost of revenue	5	7	51	49	50	11	938	336	(4)
Operating expenses	74	106	747	856	783	58	14,277	11,015	(60)
Total restructuring and other costs	79	113	798	905	833	69	15,215	11,351	(64)
Non-cash interest expense	—	3,673	3,590	3,512	3,433	3,018	2,498	2,477	2,373
Loss on extinguishment of debt	—	—	—	—	—	5,389	—	—	—
Income tax adjustments	(451)	(759)	(270,324)	(11,824)	1,145	(585)	652	526	2,082
<b>Non-GAAP net income (loss)</b>	\$ 15,196	\$ 66,147	\$ 55,224	\$ 19,862	\$ 4,835	\$ 61,064	\$ 31,049	\$ (29,721)	\$ (49,613)
<b>GAAP shares for diluted net income (loss) per share</b>	188,737	162,742	162,746	164,857	152,181	156,464	151,849	148,497	147,560
Add: Non-GAAP only dilutive shares	—	—	—	—	7,671	—	—	—	—
<b>Non-GAAP shares for diluted net income (loss) per share</b>	188,737	162,742	162,746	164,857	159,852	156,464	151,849	148,497	147,560
<b>GAAP diluted net income (loss) per share</b>	\$ 0.04	\$ 0.32	\$ 1.92	\$ 0.10	\$ (0.07)	\$ 0.28	\$ 0.02	\$ (0.34)	\$ (0.43)
<b>Non-GAAP diluted net income (loss) per share</b>	\$ 0.09	\$ 0.41	\$ 0.34	\$ 0.12	\$ 0.03	\$ 0.39	\$ 0.20	\$ (0.20)	\$ (0.34)

# APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS



(\$ in thousands)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
<b>GAAP gross margin</b>	41.8 %	41.2 %	43.6 %	39.8 %	38.6 %	38.0 %	35.4 %	30.3 %	32.2 %
Stock-based compensation	0.2	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.4
Acquisition-related costs	—	—	—	0.1	0.4	0.2	0.3	0.8	1.6
Restructuring and other costs	—	—	—	—	—	—	0.3	0.3	—
<b>Non-GAAP gross margin</b>	42.0%	41.3%	43.8%	40.1%	39.2%	38.3%	36.2%	31.6%	34.2%
<b>GAAP operating expenses</b>	\$ 82,314	\$ 102,449	\$ 89,452	\$ 89,780	\$ 82,208	\$ 80,728	\$ 90,458	\$ 85,606	\$ 94,541
Stock-based compensation	(9,389)	(10,049)	(8,846)	(9,521)	(8,440)	(7,664)	(8,073)	(5,544)	(7,134)
Restructuring and other costs	(74)	(106)	(747)	(856)	(783)	(58)	(14,277)	(11,015)	60
<b>Non-GAAP operating expenses</b>	\$ 72,851	\$ 92,294	\$ 79,859	\$ 79,403	\$ 72,985	\$ 73,006	\$ 68,108	\$ 69,047	\$ 87,467
<b>GAAP operating income (loss)</b>	\$ 8,162	\$ 58,625	\$ 48,601	\$ 9,502	\$ (3,512)	\$ 55,355	\$ 8,854	\$ (44,914)	\$ (56,114)
Stock-based compensation	9,836	10,423	9,329	10,029	8,869	8,037	8,413	5,876	7,637
Acquisition-related costs	47	71	70	288	723	723	964	1,024	1,887
Restructuring and other costs	79	113	798	905	833	69	15,215	11,351	(64)
<b>Non-GAAP operating income (loss)</b>	\$ 18,124	\$ 69,232	\$ 58,798	\$ 20,724	\$ 6,913	\$ 64,184	\$ 33,446	\$ (26,663)	\$ (46,654)

# APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS



(\$ in thousands)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
<b>GAAP net income (loss)</b>	\$ 5,685	\$ 52,626	\$ 311,761	\$ 16,952	\$ (10,168)	\$ 44,413	\$ 3,307	\$ (50,975)	\$ (63,528)
Income tax expense (benefit)	(51)	(392)	(270,228)	(11,670)	1,219	116	1,242	1,069	2,399
Interest expense, net	2,111	5,701	5,697	5,484	5,796	5,442	5,241	4,629	4,681
Depreciation and amortization	2,302	2,363	2,371	2,694	3,534	3,570	4,802	4,711	5,982
POP display amortization	687	737	714	671	637	708	959	972	1,537
Stock-based compensation	9,836	10,423	9,329	10,029	8,869	8,037	8,413	5,876	7,637
Loss on extinguishment of debt	—	—	—	—	—	5,389	—	—	—
Restructuring and other costs	79	113	798	905	833	69	15,215	11,351	(64)
<b>Adjusted EBITDA</b>	\$ 20,649	\$ 71,571	\$ 60,442	\$ 25,065	\$ 10,720	\$ 67,744	\$ 39,179	\$ (22,367)	\$ (41,356)