



Investor Presentation

March 2020

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 profitability in 2020. 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 our ability to effectively manage late stage production delay; the risk that our reduction in operating expenses may impact our ability to meet our business objectives and achieve our revenue targets, and may not result in the expected improvement in our profitability; our ability to continue to focus on expense management; the fact that our future growth depends in part on further penetrating our addressable market and growing internationally, and we may not be successful in doing so; the risk that growing our direct to consumer business while reducing our reliance on our other sales channels could impact profitability; the impact of the COVID-19 pandemic and its effect on the United states and global economies and our business in particular; any inability to successfully manage frequent product introductions (including roadmap for new hardware, software and subscription products) and transitions, including managing our sales channel and inventory, and accurately forecasting future sales; 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 due to retail closures related to COVID-19; our reliance on third party suppliers, some of which are sole source suppliers, to provide components for our products and our reliance on third party logistics partners to deliver without interruption; our dependence on sales of our cameras, mounts and accessories, and subscription services for substantially all of our revenue (and the effects of changes in the sales mix or decrease in demand for these products); the fact that an economic downturn or economic uncertainty in our key U.S. and international markets, as well as fluctuations in currency exchange rates, may adversely affect consumer discretionary spending; any changes to trade agreements, trade policies, tariffs, and import/export regulations; the effects of manufacturing U.S.-bound production in Mexico; the effects of the highly competitive market in which we operate, including new market entrants; the fact that we may not be able to achieve revenue growth or profitability in the future; risks related to inventory, purchase commitments and long-lived assets; difficulty in accurately predicting our future customer demand; the importance of maintaining the value and reputation of our brand; the risk that the e-commerce technology systems that give consumers the ability to shop online do not function effectively; the risk that we will encounter problems with our distribution system; the threat of a security breach or other disruption including cyberattacks; 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, 2019, and as updated in future filings with the Securities and Exchange Commission including the Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, each of 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.

ESTABLISHED
IN 2004

HQ IN
SAN MATEO

37M+
CAMERAS¹

44M+
FOLLOWERS²



- Revenue for Q1 2020 was \$119 million, in-line with the preliminary results published on April 15, and down from \$243 million for the same prior year period
- GoPro.com represented a record percentage of revenue in Q1 2020 at 17%, up from 11% in Q1 2019
- On April 15, GoPro announced Aimée Lopic, former Pandora and Banana Republic Chief Marketing Officer, as its Chief Digital Officer to lead direct-to-consumer growth initiatives
- PLUS Subscription Service ended Q1 2020 with 355,000 paid subscribers, up 14% sequentially and up 69% year-over-year
- Sold More Than 37 Million Cameras Since the First HD HERO in 2009
- Sales in >100 Countries; >30,000 Retail Locations³
- HERO8 Black offers a streamlined design, making it more pocketable than ever. Swapping mounts takes just seconds, thanks to built-in folding fingers
- MAX is three cameras in one. Shoot traditional HERO-style video with unbreakable stabilization, capture immersive 360 footage and vlog like a pro
- GoPro's YouTube Channel Surpassed 2.5 Billion Lifetime Views

¹ Cumulative HERO cameras sold since first HD HERO in 2009 through Q1 2020

² GoPro followers across all social media platforms, as of Q1 2020

³ As of 03/31/20



MAX

MSRP: **\$499.99**



HERO 8 BLACK

MSRP: **\$399.99**



HERO 7 BLACK

MSRP: **\$329.99**



HERO 7 SILVER

MSRP: **\$199.99**



HERO **8** BLACK

- Streamlined Design - The reimagined shape is more pocketable, and folding fingers at the base let you swap mounts quickly. A new side door makes changing batteries even faster, and the lens is now 2x more impact resistant.
- Expandable Mods System - Vloggers, pro filmmakers and aspiring creators can do more than ever imagined with our HERO8 Black mods. 2 Media Mod gives you shotgun-mic performance and lets you attach Light Mod and Display Mod to up your capture game.
- HyperSmooth 2.0 - Smooth just got smoother. Now HERO8 Black has three levels of stabilization—On, High and Boost—so you can pick the best option for whatever you do. Get the widest views possible or boost it up to the smoothest video ever offered in a HERO camera. Plus, HyperSmooth works with all resolutions and frame rates, and features in-app horizon leveling.
- TimeWarp 2.0 - Capture super stabilized time lapse videos while you move through an activity. And now, TimeWarp automatically adjusts speed based on motion, scene detection and lighting. You can even slow down the effect to real time—savoring interesting moments—and then tap to speed it back up.
- LiveBurst - Record the moments 1.5 seconds before and after your shot, so you can choose the best single frame for the perfect photo—or an awesome shareable video.
- SuperPhoto + HDR - Capture killer 12MP photos with improved HDR—while in motion or stationary—with reduced blur and serious detail even in low-light areas.
- Night Lapse Video - Shoot awesome time lapse videos at night in 4K, 2.7K 4:3, 1440p or 1080p, all processed in-camera.
- Digital Lenses - Framing your shot is as easy as tapping a new digital lens. Now you can toggle between Narrow, Linear, Wide and SuperView.
- Live Streaming in 1080p - Share while you're there. Live stream in 1080p on social, get HyperSmooth stabilization as you broadcast via the GoPro app and save footage to your SD card to check out later.
- Voice Control - Go hands-free with 14 voice commands.
- Advanced Wind-Noise Reduction - Enjoy crisper, clearer audio quality with a new front mic location and improved algorithms that actively filter out wind noise.
- RAW in All Photo Modes- RAW mode delivers the most flexibility and is now available for time lapse and burst photos.
- Presets - HERO8 Black comes preloaded with recommended video presets for Standard, Activity, Cinematic and Slo-Mo shots. You can even create custom presets for quick access to your favorite settings.



MAX

- **Three Cameras in One** - Maximize your creative freedom. With MAX you can shoot traditional HERO-style video and photos or capture immersive 360 footage. Vlog to the max with shotgun-mic performance and a front-facing screen.
- **Max HyperSmooth** - MAX gives you unbreakable stabilization by using 180° capture as the ultimate buffer.
- **Horizon Leveling** - In HERO mode, game-changing horizon leveling gives you that silky-smooth cinematic look whether you're getting sideways, flipping through the air or chasing your kids.
- **PowerPano** - Pano without the pan. Take incredible 270° distortion-free panoramic photos without having to scan the horizon. Take PowerPano selfies, action shots and vertical pics—all with a level horizon.
- **Premium 360 + Stereo Audio** - Six mics capture true-to-life 360 audio and deliver the best stereo sound ever from a GoPro.
- **Shotgun-Mic Performance** - Directional audio in HERO mode lets you prioritize sound from either side of the camera, no matter which lens you're using—perfect for vlogging.
- **Digital Lenses** - Choose from four digital lenses in HERO mode to get the shot. Capture video and photos in Narrow, Linear, Wide and Max SuperView—our widest view yet.
- **Max TimeWarp** - Capture super stabilized time lapse videos while you move through an activity. In HERO mode, TimeWarp automatically adjusts speed based on motion, scene detection and lighting. You can even slow down the effect to real time—savoring interesting moments—and then tap to speed it back up.
- **Intuitive Touch Screen** - Be a smooth operator. With a touch screen, it's easy to control your camera. Or frame up your shot, play back footage and snap a selfie in HERO mode.
- **Live Streaming in 1080p** - Shoot in HERO mode and share while you're there. Live stream in 1080p on social, get Max HyperSmooth stabilization as you broadcast via the GoPro app and save footage to your SD card to check out later.
- **Voice Control** - You call the shots. Easily control MAX with 12 voice commands.
- **In-Camera Stitching** - With in-camera stitching, it's super easy to offload and edit your 360 footage in the GoPro app.
- **Reframe + the GoPro App** - Use the app to easily reframe 360 footage into traditional videos and photos you can play back, edit or share.
- **Compact Design** - With a light compact design and folding fingers, you can go anywhere and capture everything.
- **Rugged + Waterproof** - It's a GoPro—built tough. Snap on the included protective lenses and charge. And it's waterproof down to 16ft (5m).

#1

HERO8 BLACK BEST-SELLING
CAMERA IN THE CAMCORDER
AND DIGITAL STILL MARKET¹

2.5B+

GOPRO'S YOUTUBE
CHANNEL SURPASSED 2
BILLION LIFETIME VIEWS²

84%

OF THE ACTION CAMERA
CATEGORY³

243M

ORGANIC, NON-PAID
VIEWERSHIP⁴

355k

ACTIVE PAYING PLUS
SUBSCRIBERS, UP 69% YoY⁵

44M+

SOCIAL FOLLOWERS
ACROSS ALL PLATFORMS



**WE HELP THE WORLD CELEBRATE
AND SHARE ITSELF IN IMMERSIVE
AND EXCITING WAYS**

WHAT WE MAKE

Versatile Storytelling Solutions



WHAT WE DO

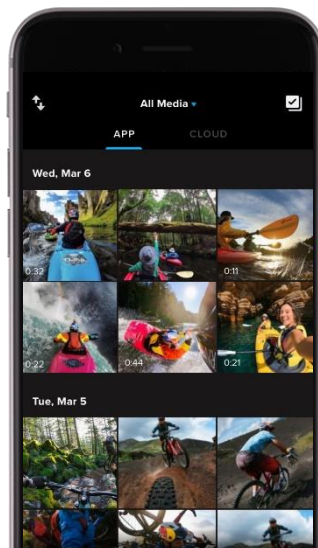
Enable Immersive Sharing



CAPTURE



APP



CLOUD



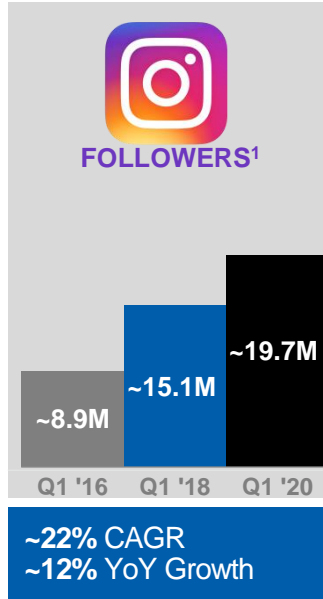
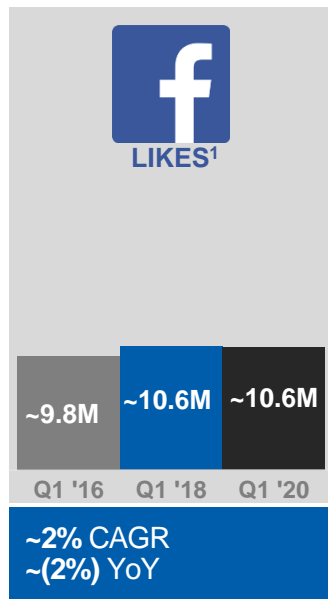
37M+ CAMERAS SOLD

SEAMLESS APP EXPERIENCE

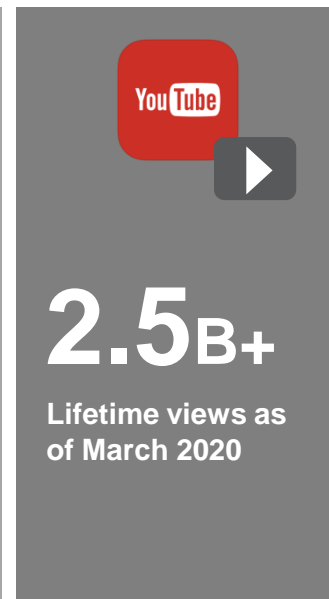
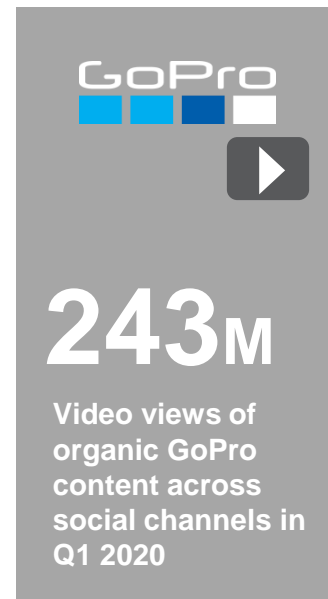
355K PAYING SUBSCRIBERS



GROWING FOLLOWERS



HIGHLY ENGAGED



Note: GoPro has approx. 44 million followers across all social platforms

¹ Social media numbers are as of Q1 of each year

Creating value for our customers, shareholders, ourselves

Strengthen our core business

Super-serve our target customers with high-value, high-end, high-margin products

High-quality + on-time launch

Strategic channel realignment

Maximize our direct business

Aggressively scale Direct to Consumer to maximize profitability + customer lifetime value

Maximize cost-effective traffic to .com

Maximize .com conversions

Drive 'GoPro Subscription' awareness + conversions

Platform readiness

Expand branded product offerings

Grow our digital service offerings

Maximize experience for GoPro owners + expand TAM, profitability with monetization of new App experience

Launch new app experience this Fall

Drive awareness for new app experience

Continue to add value + drive awareness for 'GoPro Subscription'

Improve efficiency and reliability

Strengthen operational excellence to ensure reliability + predictability

OPEX optimization

Improve long-term, strategic planning

Empower our people

Deepen our talent development, culture, and commitment

Engagement + retention

Learning + development

Diversity, Inclusion + Belonging (DIB)

Workplace reimagined



Our Products | **GoPro**
■ ■ ■ ■



MAX

		2x
15.6MP	5.6K30	Slo-Mo
Max HyperSmooth	Max TimeWarp	1080p Live Streaming
	PowerFraming	
16ft (5m)	GPS	

MSRP: **\$499.99**



HERO8 BLACK

		8x
12MP	4K60 1080p240	Slo-Mo
HyperSmooth 2.0	TimeWarp 2.0	1080p Live Streaming
LiveBurst	SuperPhoto + HDR	RAW
33ft (10m)	GPS	

MSRP: **\$399.99**



HERO7 BLACK

12MP	4K60 1080p240	
Waterproof 33ft (10m)	Voice Control	
	8x	
Touch Screen	Slo-Mo	
	[HDR]	
GPS		
HyperSmooth	Live Streaming	

MSRP: **\$329.99**



HERO7 SILVER

10MP	4K30 1080p60	
Waterproof 33ft (10m)	Voice Control	
	2x	
Touch Screen	Slo-Mo	
	[WDR]	
GPS		

MSRP: **\$199.99**

CAPTURE INNOVATION



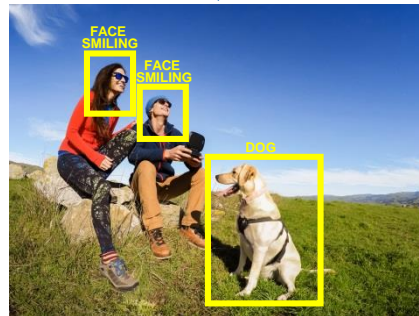
**Next Gen Capture Leads
To Next Gen Sharing**

GOPRO APP



**Mobile & Cloud
Automated Storytelling**

COMPUTER VISION + MACHINE LEARNING



**Improved Capture &
Storytelling Automation**

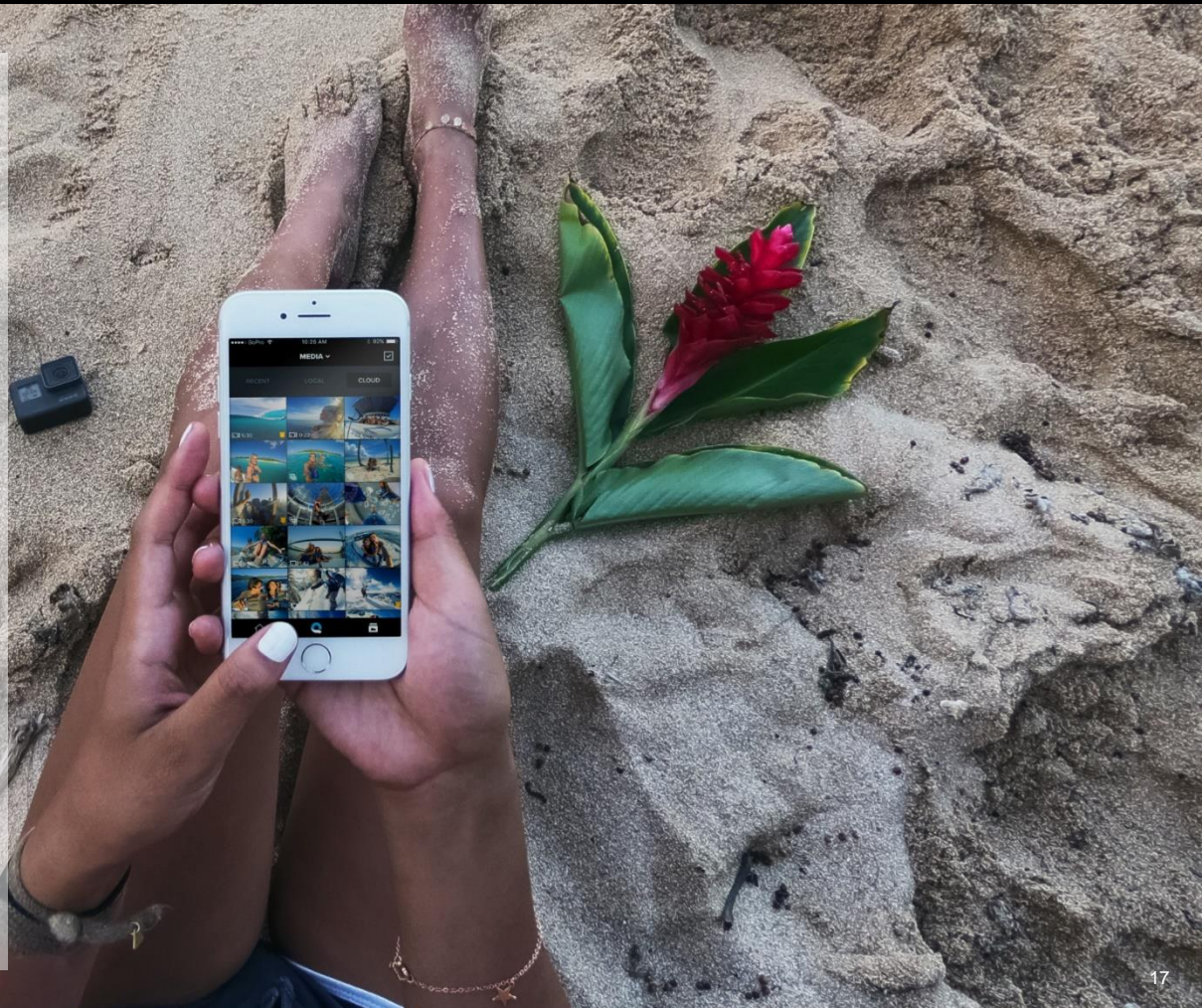
\$4.99 / Month

\$49.99 / Annual

355K Subscribers¹



- **Damage Replacement²**
- **Auto Cloud Backup**
- **Share on the Go**
- **Save Unlimited Photos and Videos at Original Resolution to the Cloud**
- **Up to 50% Off Accessories**
- **VIP Support**





Marketing & Distribution



MULTI-CHANNEL STRATEGY

CONSUMER

LIFESTYLE

SOCIAL	PRINT ADS	GLOBAL RESORTS	CHANNEL MARKETING	GLOBAL TRADESHOWS	OUTDOOR	ATHLETES & SOCIAL INFLUENCERS	TOP TIER EVENTS

GLOBAL FOOTPRINT

>30,000 RETAIL LOCATIONS; >100 COUNTRIES¹

RETAIL DIRECT (54% OF Q1 2020 REVENUE)

OUTSIDE THE U.S. (52% OF Q1 2020 REVENUE)

BIG BOX RETAIL



MID MARKET RETAIL



SPECIALTY RETAIL



ONLINE



- In Europe, during Q1 2020, GoPro had four of the top five cameras in our category.²
- In Europe, during Q1 2020, GoPro market share of action cameras increased from 43% to 48% year-over-year.²
- In APAC, during Q1 2020, GoPro had three of the top five cameras in our category.²
- In China, GoPro market share of the action camera category increased from 20% to 22% and 26% to 28% in units and dollars respectively in Q1 2020, year-over-year.³

¹ As of 03/31/20

² By unit volume, according to GfK in March 2020

³ According to GfK, in March 2020

POINT OF
PURCHASE
DISPLAYS
GLOBALLY



~30K

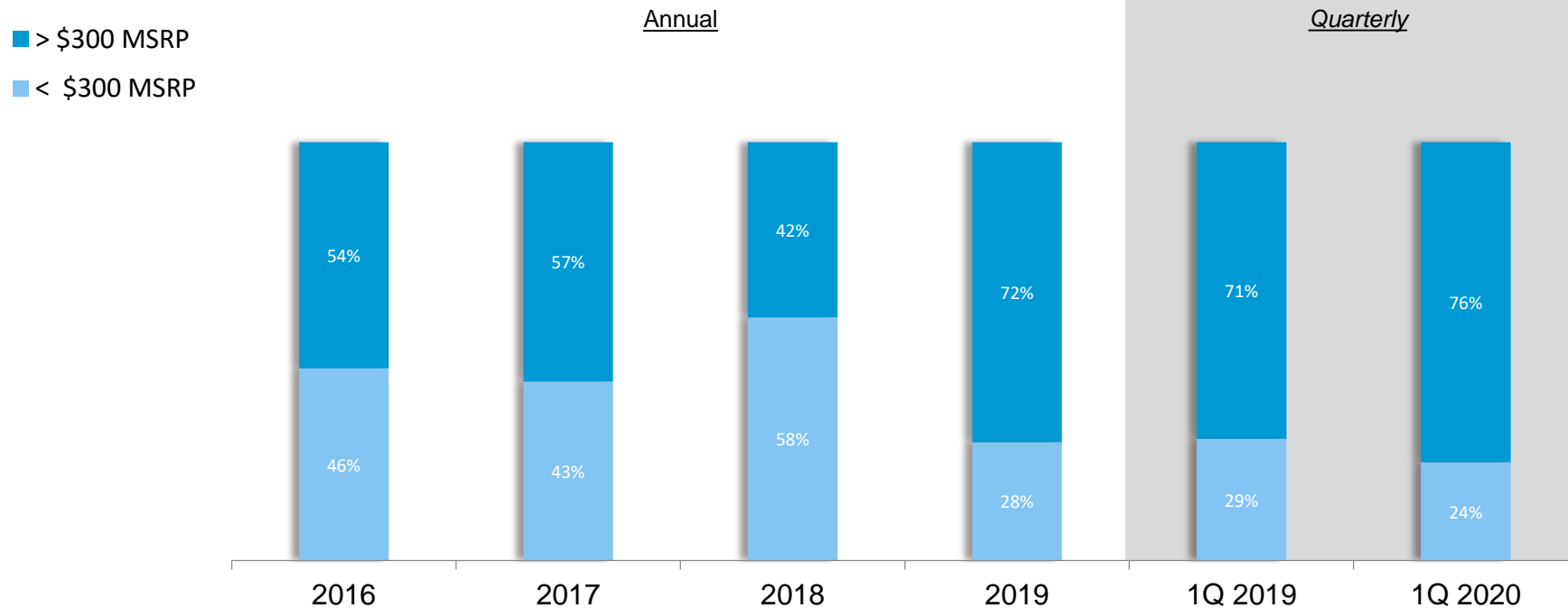




Financial Overview

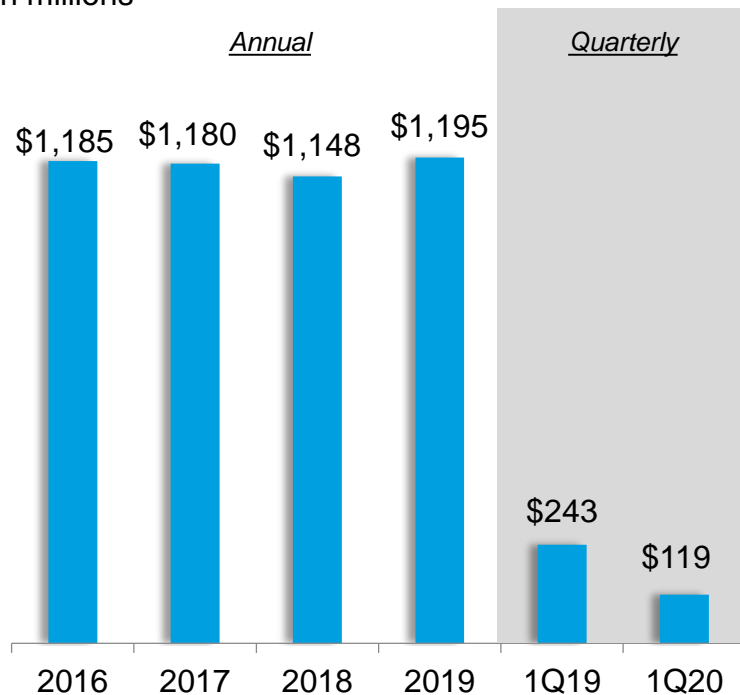


CAMERA UNITS SELL-THROUGH MIX



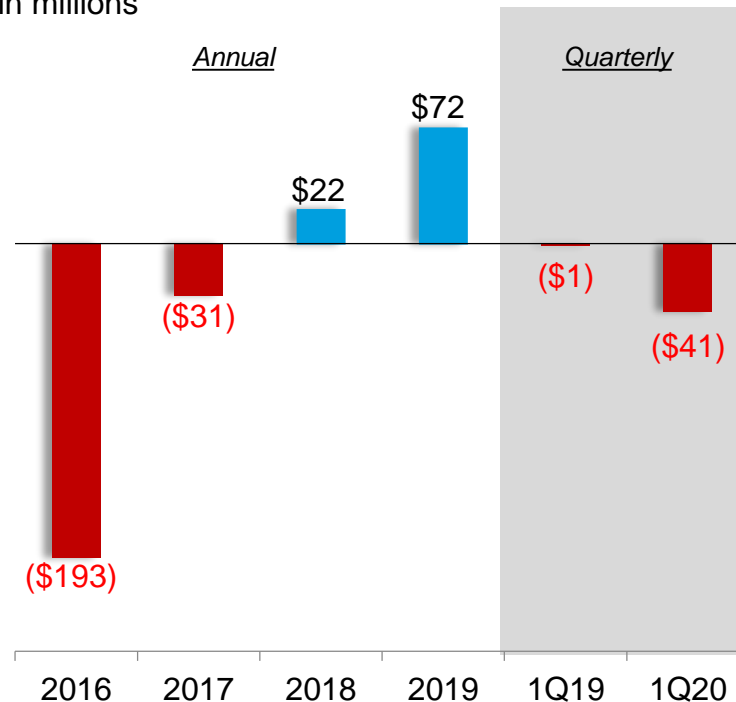
REVENUE

\$ in millions

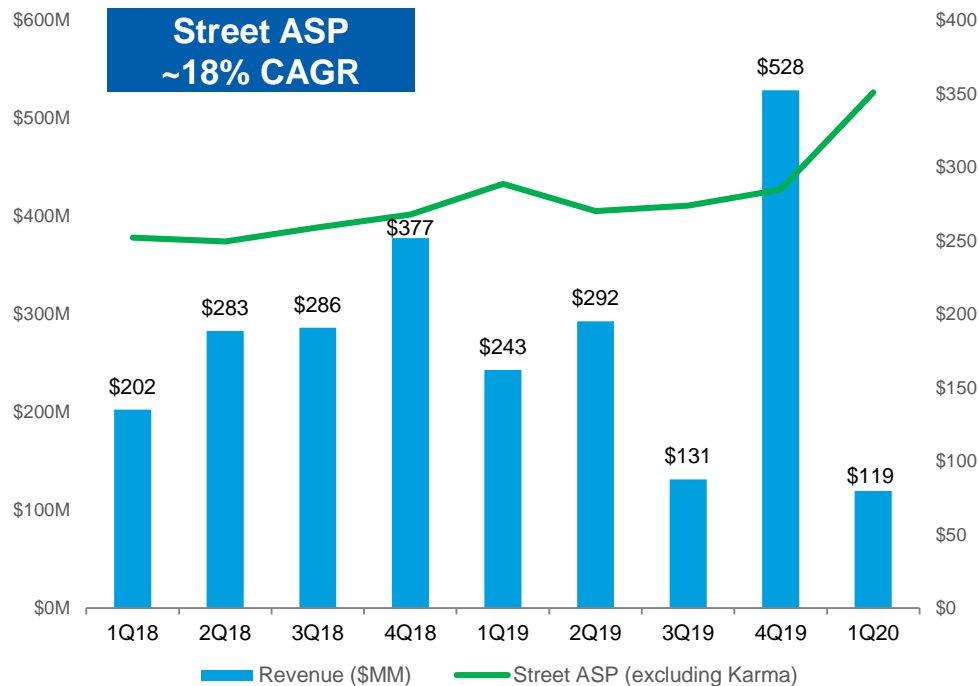


EBITDA

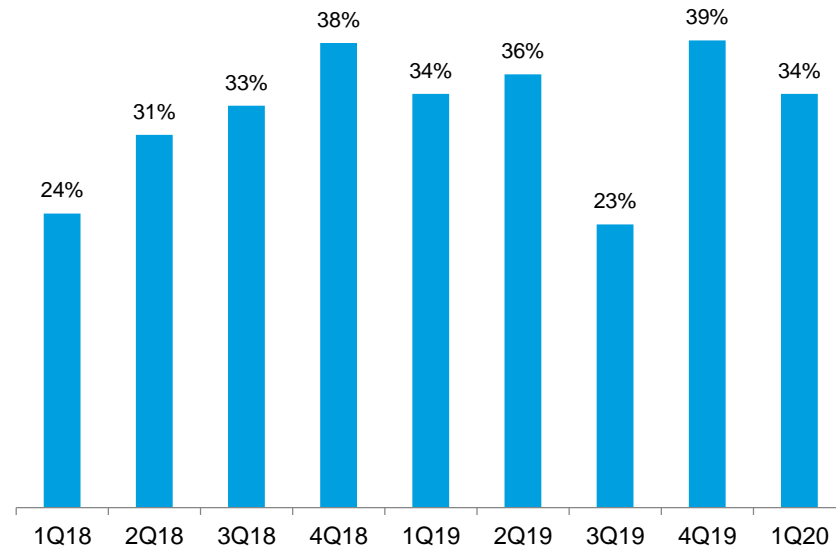
\$ in millions



QUARTERLY REVENUE & STREET ASP



QUARTERLY NON-GAAP GROSS MARGIN¹



¹ See reconciliation in Appendix

QUARTERLY NON-GAAP INCOME STATEMENT SUMMARY



(\$ in millions, except per share data)	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Revenue	\$ 119.4	\$ 528.3	\$ 131.2	\$ 292.4	\$ 242.7	\$ 377.4	\$ 285.9	\$ 282.7	\$ 202.3
Camera units shipped (in thousands)	341	1,857	479	1,082	842	1,413	1,095	1,071	758
Gross margin*	34.2%	38.6%	23.4%	35.8%	34.2%	38.4%	33.2%	30.8%	24.3%
Operating expenses*	\$ 87.5	\$ 99.1	\$ 90.3	\$ 97.3	\$ 91.1	\$ 98.8	\$ 98.7	\$ 103.9	\$ 93.7
Operating income (loss)*	\$ (46.7)	\$ 105.0	\$ (59.6)	\$ 7.5	\$ (8.1)	\$ 46.0	\$ (3.6)	\$ (16.7)	\$ (44.5)
Net income (loss)*	\$ (49.6)	\$ 102.5	\$ (61.3)	\$ 4.2	\$ (10.2)	\$ 42.4	\$ (6.1)	\$ (20.8)	\$ (47.4)
Diluted net income (loss) per share*	\$ (0.34)	\$ 0.70	\$ (0.42)	\$ 0.03	\$ (0.07)	\$ 0.30	\$ (0.04)	\$ (0.15)	\$ (0.34)
Adjusted EBITDA*	\$ (41.4)	\$ 112.1	\$ (52.7)	\$ 13.6	\$ (1.0)	\$ 58.8	\$ 6.2	\$ (8.7)	\$ (34.5)
Headcount	923	926	912	900	903	891	927	948	1,020

* Non-GAAP metric. See reconciliations in Appendix.

QUARTERLY REVENUE METRICS



(\$ in millions)	Q1 2020		Q4 2019		Q3 2019		Q2 2019		Q1 2019	
Revenue by Channel:	\$	% of Rev	\$	% of Rev	\$	% of Rev	\$	% of Rev	\$	% of Rev
Direct *	\$ 64.9	54.3%	\$ 230.3	43.6%	\$ 71.7	54.7%	\$ 135.3	46.3%	\$ 110.9	45.7%
Distribution	54.5	45.7	298.0	56.4	59.5	45.3	157.1	53.7	131.8	54.3
Total Revenue	\$ 119.4	100.0%	\$ 528.3	100.0%	\$ 131.2	100.0%	\$ 292.4	100.0%	\$ 242.7	100.0%
Revenue by Geography:	\$	% of Rev	\$	% of Rev	\$	% of Rev	\$	% of Rev	\$	% of Rev
Americas	\$ 57.3	47.9%	\$ 212.2	40.2%	\$ 60.4	46.0%	\$ 142.3	48.7%	\$ 109.1	45.0%
Europe, Middle East and Africa	29.7	24.9	156.0	29.5	49.4	37.7	82.9	28.3	70.9	29.2
Asia and Pacific	32.4	27.2	160.1	30.3	21.4	16.3	67.2	23.0	62.7	25.8
Total Revenue	\$ 119.4	100.0%	\$ 528.3	100.0%	\$ 131.2	100.0%	\$ 292.4	100.0%	\$ 242.7	100.0%

* Revenue from gopro.com is included as a component of our direct channel and represents \$20.2 million, \$56.4 million, \$19.0 million, \$22.8 million and \$26.7 million for the quarters ended March 31, 2020, December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019, respectively.

SELECT BALANCE SHEET METRICS

(\$ in millions)	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Cash, cash equivalents and marketable securities	\$ 124.9	\$ 165.1	\$ 79.0	\$ 130.1	\$ 133.3	\$ 197.5	\$ 148.2	\$ 139.8	\$ 144.8
Days sales outstanding	38	34	49	45	44	31	47	37	36
Inventory	\$ 172.0	\$ 144.2	\$ 250.0	\$ 129.2	\$ 119.0	\$ 116.5	\$ 123.2	\$ 86.1	\$ 132.6
Annualized inventory turns	2.0x	6.6x	2.1x	6.0x	5.4x	7.8x	7.3x	7.2x	4.3x
Inventory days	197	40	224	62	67	45	58	40	78



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;

- 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 the impairment of intangible assets because it is a non-cash charge that is inconsistent in amount and frequency;
- 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 announced in the fourth quarter of 2016, first quarter of 2017 and first quarter of 2018, and the related ongoing operating lease cost of those facilities recorded under Accounting Standards Codification 842, *Leases*. These expenses were tied to unique circumstances related to organizational restructuring, 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;
- 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 are inconsistent and 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. In connection with the issuance of the Convertible Senior Notes in April 2017, we are required to recognize non-cash interest expense in accordance with the authoritative accounting guidance for convertible debt that may be settled in cash;
- non-GAAP net income (loss) excludes a gain on the sale and license of intellectual property. This gain is not related to our core operating performance or reflective of ongoing operating results in the period, and the frequency and amount of such gains are inconsistent;
- non-GAAP net income (loss) includes income tax adjustments. For all periods presented, 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 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
GAAP net income (loss)	\$ (63,528)	\$ 95,820	\$ (74,810)	\$ (11,287)	\$ (24,365)	\$ 31,671	\$ (27,089)	\$ (37,269)	\$ (76,347)
Stock-based compensation:									
Cost of revenue	503	419	448	522	513	548	534	490	382
Operating expenses	7,134	6,609	9,321	10,084	9,272	9,168	9,803	9,521	10,441
Total stock-based compensation	7,637	7,028	9,769	10,606	9,785	9,716	10,337	10,011	10,823
Acquisition-related costs:									
Cost of revenue	1,887	1,864	1,863	2,009	2,082	2,082	3,363	3,334	2,655
Operating expenses	—	—	—	—	—	19	—	—	3
Total acquisition-related costs	1,887	1,864	1,863	2,009	2,082	2,101	3,363	3,334	2,658
Restructuring and other costs:									
Cost of revenue	(4)	—	—	71	16	22	115	3	1,239
Operating expenses	(60)	29	—	1,793	287	1,195	3,901	769	15,499
Total restructuring and other costs	(64)	29	—	1,864	303	1,217	4,016	772	16,738
Non-cash interest expense	2,373	2,354	2,255	2,236	2,142	2,124	2,036	2,018	1,934
Gain on sale and license of intellectual property	—	—	—	—	—	(5,000)	—	—	—
Income tax adjustments	2,082	(4,597)	(342)	(1,235)	(118)	527	1,279	291	(3,170)
Non-GAAP net income (loss)	\$ (49,613)	\$ 102,498	\$ (61,265)	\$ 4,193	\$ (10,171)	\$ 42,356	\$ (6,058)	\$ (20,843)	\$ (47,364)
GAAP shares for diluted net income (loss) per share	147,560	147,052	145,617	144,668	142,601	143,401	140,072	139,166	137,857
Add: dilutive shares	—	—	—	1,622	—	—	—	—	—
Non-GAAP shares for diluted net income (loss) per share	147,560	147,052	145,617	146,290	142,601	143,401	140,072	139,166	137,857
GAAP diluted net income (loss) per share	\$ (0.43)	\$ 0.65	\$ (0.51)	\$ (0.08)	\$ (0.17)	\$ 0.22	\$ (0.19)	\$ (0.27)	\$ (0.55)
Non-GAAP diluted net income (loss) per share	\$ (0.34)	\$ 0.70	\$ (0.42)	\$ 0.03	\$ (0.07)	\$ 0.30	\$ (0.04)	\$ (0.15)	\$ (0.34)

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS



(\$ in thousands)	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
GAAP gross margin	32.2%	38.2%	21.7%	34.9%	33.1%	37.7%	31.8%	29.5%	22.2%
Stock-based compensation	0.4	0.1	0.3	0.2	0.2	0.1	0.2	0.2	0.2
Acquisition-related costs	1.6	0.3	1.4	0.7	0.9	0.6	1.2	1.1	1.3
Restructuring and other costs	—	—	—	—	—	—	—	—	0.6
Non-GAAP gross margin	34.2%	38.6%	23.4%	35.8%	34.2%	38.4%	33.2%	30.8%	24.3%
GAAP operating expenses	\$ 94,541	\$ 105,725	\$ 99,630	\$ 109,132	\$ 100,635	\$ 109,150	\$ 112,386	\$ 114,205	\$ 119,655
Stock-based compensation	(7,134)	(6,609)	(9,321)	(10,084)	(9,272)	(9,168)	(9,803)	(9,521)	(10,441)
Acquisition-related costs	—	—	—	—	—	(19)	—	—	(3)
Restructuring and other costs	60	(29)	—	(1,793)	(287)	(1,195)	(3,901)	(769)	(15,499)
Non-GAAP operating expenses	\$ 87,467	\$ 99,087	\$ 90,309	\$ 97,255	\$ 91,076	\$ 98,768	\$ 98,682	\$ 103,915	\$ 93,712
GAAP operating income (loss)	\$ (56,114)	\$ 96,100	\$ (71,198)	\$ (6,947)	\$ (20,288)	\$ 32,967	\$ (21,354)	\$ (30,836)	\$ (74,739)
Stock-based compensation	7,637	7,028	9,769	10,606	9,785	9,716	10,337	10,011	10,823
Acquisition-related costs	1,887	1,864	1,863	2,009	2,082	2,101	3,363	3,334	2,658
Restructuring and other costs	(64)	29	—	1,864	303	1,217	4,016	772	16,738
Non-GAAP operating income (loss)	\$ (46,654)	\$ 105,021	\$ (59,566)	\$ 7,532	\$ (8,118)	\$ 46,001	\$ (3,638)	\$ (16,719)	\$ (44,520)

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

(\$ in thousands)	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
GAAP net income (loss)	\$ (63,528)	\$ 95,820	\$ (74,810)	\$ (11,287)	\$ (24,365)	\$ 31,671	\$ (27,089)	\$ (37,269)	\$ (76,347)
Income tax expense (benefit)	2,399	(3,928)	(273)	(605)	378	1,655	1,780	706	(2,782)
Interest expense, net	4,681	5,032	4,278	4,479	4,083	4,470	4,297	4,299	4,212
Depreciation and amortization	5,982	6,445	6,421	6,552	6,850	7,290	9,693	9,173	8,907
POP display amortization	1,537	1,666	1,900	2,007	1,931	2,788	3,171	3,611	3,912
Stock-based compensation	7,637	7,028	9,769	10,606	9,785	9,716	10,337	10,011	10,823
Restructuring and other costs	(64)	29	—	1,864	303	1,217	4,016	772	16,738
Adjusted EBITDA	\$ (41,356)	\$ 112,092	\$ (52,715)	\$ 13,616	\$ (1,035)	\$ 58,807	\$ 6,205	\$ (8,697)	\$ (34,537)



THANK YOU

