




GoPro[®]
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October 28, 2015

Q3 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.

Q3 2015 Selected Highlights



- Revenue increased 43.0% year-over-year to \$400.3 million
- Combined EMEA and APAC sales up over 175% year-over-year
- Shipped 1.6 million capture devices in Q3'15, up 46% year-over-year; 17.9 million cumulative devices shipped
- Gross margin of 46.8% increased 230 bps year-over-year
- EPS of \$0.25 up from \$0.12 in Q3 2014
- Adjusted EBITDA increased 57% year-over-year to \$56.7 million
- Launched HERO+ and new accessories; re-launched HERO4 Session
- The GoPro Mobile App was downloaded 2.7 million times; Q3 installs of GoPro Studio totaled nearly 2 million, up over 75% year-over-year, with average daily video exports of over 50,000
- Launched GoPro Awards, granting up to \$5 million annually to creators of GoPro content for sharing their best photos, raw video clips and video edits with GoPro for inclusion in GoPro channel programming, licensing and more

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 U.S. generally accepted accounting principles (GAAP) and additionally on a non-GAAP basis. Non-GAAP net income excludes, where applicable, the effects of stock-based compensation, acquisition-related costs, and the tax impact of these items. 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 Q3 2015 earnings press release issued on October 28, 2015, which should be reviewed in conjunction with this presentation.

Q3 2015 Actuals vs. Guidance

(\$ in millions, except EPS)	Actuals Q3 2015	Guidance Q3 2015	Actuals vs. Guidance	Comments
Revenue	\$400.3	\$430.0 - \$445.0	Below range	Sales of new capture devices lighter than anticipated; reflects \$19M charge for HERO4 Session price protection and MDF accruals
Gross margin*	46.8%	45.5% - 46.5%	Above range	Favorable product mix and cost reductions
Operating expenses*	\$139.8	\$140.0 - \$145.0	Below range	Continued investment in future product offerings
Diluted EPS*	\$0.25	\$0.29 - \$0.32	Below range	Lower than anticipated capture device revenue; (\$0.10) impact from HERO4 Session price protection and MDF accruals

* Non-GAAP metric. See reconciliation in Appendix.

Quarterly Non-GAAP Income Statement Summary



(\$ in millions, except EPS)	Q3 2015	Q2 2015	Q3 2014	Q3 2015 vs. Q2 2015		Q3 2015 vs. Q3 2014	
				\$ Change	% Change	\$ Change	% Change
Revenue	\$ 400.3	\$ 419.9	\$ 280.0	\$ (19.6)	(4.7)%	\$ 120.3	43.0%
Gross margin*	46.8%	46.4%	44.5%		40 bps		230 bps
Operating expenses*	\$ 139.8	\$ 129.1	\$ 96.8	\$ 10.7	8.2%	\$ 43.0	44.3%
Operating income*	\$ 47.5	\$ 65.8	\$ 27.6	\$ (18.3)	(27.9)%	\$ 19.9	71.7%
Operating margin*	11.9%	15.7%	9.9%		(380) bps		200 bps
Net income*	\$ 36.6	\$ 50.7	\$ 18.0	\$ (14.1)	(27.8)%	\$ 18.6	103.9%
Diluted EPS*	\$ 0.25	\$ 0.35	\$ 0.12	\$ (0.10)	(28.6)%	\$ 0.13	108.3%

* Non-GAAP metric. See reconciliation in Appendix.

Year-to-Date Non-GAAP Income Statement Summary



(\$ in millions, except EPS)	YTD 2015	YTD 2014	YTD 2015 vs. YTD 2014	
			\$ Change	% Change
Revenue	\$ 1,183.4	\$ 760.3	\$ 423.1	55.6%
Gross margin*	46.2%	42.7%		350 bps
Operating expenses*	\$ 384.1	\$ 258.3	\$ 125.8	48.7%
Operating income*	\$ 162.4	\$ 66.3	\$ 96.1	144.9%
Operating margin*	13.7%	8.7%		500 bps
Net income*	\$ 123.0	\$ 44.0	\$ 79.0	179.4%
Diluted EPS*	\$ 0.84	\$ 0.31	\$ 0.53	171.0%

* Non-GAAP metric. See reconciliation in Appendix.

Quarterly Revenue Metrics

(\$ in millions)	Q3 2015		Q2 2015		Q3 2014	
	\$	% of Rev	\$	% of Rev	\$	% of Rev
Revenue by Channel:						
Direct	\$ 190.8	47.7%	\$ 197.8	47.1%	\$ 187.2	66.9%
Distribution	209.5	52.3	222.1	52.9%	92.8	33.1
Total Revenue	\$ 400.3	100.0%	\$ 419.9	100.0%	\$ 280.0	100.0%
Revenue by Geography:						
Americas	\$ 190.8	47.7%	\$ 212.3	50.5%	\$ 204.9	73.2%
Europe, Middle East and Africa	156.6	39.1	137.2	32.7%	56.1	20.0
Asia and Pacific area countries	52.9	13.2	70.4	16.8%	19.0	6.8
Total Revenue	\$ 400.3	100.0%	\$ 419.9	100.0%	\$ 280.0	100.0%

Other Quarterly Metrics

(\$ in millions, units shipped in thousands)	Q3 2015	Q2 2015	Q3 2014	Q3 2015 vs. Q2 2015		Q3 2015 vs. Q3 2014	
				Change	% Change	Change	% Change
Units shipped ⁽¹⁾	1,593	1,647	1,089	(54)	(3.3)%	504	46.3%
Adjusted EBITDA ⁽²⁾	\$ 56.7	\$ 75.3	\$ 36.2	(18.6)	(24.7)%	20.5	56.8%
Headcount	1,460	1,284	869	176	13.7%	591	68.0%

⁽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)	Q3 2015	Q2 2015	Q3 2014	Q3 2015 vs. Q2 2015		Q3 2015 vs. Q3 2014	
				Change	% Change	Change	% Change
Cash, cash equivalents and marketable securities	\$ 513.1	\$ 517.0	\$ 237.7	\$ (3.9)	(0.8)%	\$ 275.4	115.8%
Cash flow from operations	\$ 4.6	\$ 65.9	\$ 47.0	\$ (61.3)	(93.0)%	\$ (42.4)	(90.2)%
Days sales outstanding	27.1	25.4	30.4	1.7	6.7%	(3.3)	(10.9)%
Inventory	\$ 289.5	\$ 219.3	\$ 117.0	\$ 70.2	32.0%	\$ 172.5	147.4%
Annualized inventory turns	3.4	4.7	6.3	(1.3)	(27.7)%	(2.9)	(46.0)%
Inventory days	122.3	87.7	67.7	34.6	39.5%	54.6	80.6%

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 costs include the amortization of acquired intangible assets (primarily consisting of acquired technology), and 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 they are not related to our core operating performance, 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.
- 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

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
<i>(in thousands, except per share data)</i>				
GAAP net income	\$ 18,799	\$ 14,620	\$ 70,582	\$ 5,828
Stock-based compensation:				
Cost of revenue	410	233	1,043	555
Research and development	4,872	2,428	12,117	5,486
Sales and marketing	3,516	3,225	9,514	6,293
General and administrative	9,072	8,027	39,886	39,809
Total stock-based compensation	17,870	13,913	62,560	52,143
Acquisition-related costs:				
Cost of revenue	222	223	739	667
Research and development	1,198	20	1,897	60
Sales and marketing	33	33	99	109
General and administrative	512	—	1,090	—
Total acquisition-related costs	1,965	276	3,825	836
Income tax adjustments	(2,008)	(10,850)	(14,007)	(14,792)
Non-GAAP net income	\$ 36,626	\$ 17,959	\$ 122,960	\$ 44,015
GAAP shares for diluted net income per share	146,055	145,186	147,201	115,578
Add: preferred shares conversion	—	—	—	20,237
Add: initial public offering shares	—	—	—	5,901
Non-GAAP shares for diluted net income per share	146,055	145,186	147,201	141,716
Non-GAAP diluted net income per share	\$ 0.25	\$ 0.12	\$ 0.84	\$ 0.31

Appendix: GAAP to Non-GAAP Reconciliation

(\$ in thousands)	Three months ended			Nine months ended	
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
GAAP gross profit	\$ 186,630	\$ 194,340	\$ 124,039	\$ 544,703	\$ 323,422
Stock-based compensation	410	350	233	1,043	555
Acquisition-related costs	222	295	223	739	667
Non-GAAP gross profit	\$ 187,262	\$ 194,985	\$ 124,495	\$ 546,485	\$ 324,644
GAAP gross profit as a % of revenue	46.6%	46.3%	44.3%	46.0%	42.5%
Stock-based compensation	0.1	0.1	0.1	0.1	0.1
Acquisition-related costs	0.1	—	0.1	0.1	0.1
Non-GAAP gross profit as a % of revenue	46.8%	46.4%	44.5%	46.2%	42.7%
GAAP operating expenses	\$ 158,994	\$ 148,202	\$ 110,582	\$ 448,661	\$ 310,075
Stock-based compensation	(17,460)	(17,839)	(13,680)	(61,517)	(51,588)
Acquisition-related costs	(1,743)	(1,223)	(53)	(3,086)	(169)
Non-GAAP operating expenses	\$ 139,791	\$ 129,140	\$ 96,849	\$ 384,058	\$ 258,318
GAAP operating income	\$ 27,636	\$ 46,138	\$ 13,457	\$ 96,042	\$ 13,347
Stock-based compensation	17,870	18,189	13,913	62,560	52,143
Acquisition-related costs	1,965	1,518	276	3,825	836
Non-GAAP operating income	\$ 47,471	\$ 65,845	\$ 27,646	\$ 162,427	\$ 66,326
GAAP operating income as a % of revenue	6.9%	11.0%	4.8%	8.1%	1.8%
Stock-based compensation	4.5	4.3	5.0	5.3	6.8
Acquisition-related costs	0.5	0.4	0.1	0.3	0.1
Non-GAAP operating income as a % of revenue	11.9%	15.7%	9.9%	13.7%	8.7%

Appendix: Adjusted EBITDA Reconciliation

<i>(in thousands)</i>	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
GAAP net income	\$ 18,799	\$ 14,620	\$ 70,582	\$ 5,828
Income tax expense (benefit)	8,474	(2,947)	22,975	2,574
Interest expense, net	140	1,284	360	4,009
Depreciation and amortization	7,594	4,781	19,385	12,769
POP display amortization	3,844	4,524	12,715	13,203
Stock-based compensation	17,870	13,913	62,560	52,143
Adjusted EBITDA	\$ 56,721	\$ 36,175	\$ 188,577	\$ 90,526