



February 5, 2015

# Q4 2014 Earnings Results Summary

**GoPro**<sup>®</sup>  
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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 the final prospectus that we filed with the Securities and Exchange Commission in connection with our public offering. 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.

- Exceeded Q4 14 revenue, gross margin and EPS guidance
- Q4 14 revenue of \$633.9 million up 75% vs. Q4 13; 2014 revenue up 41% to \$1.4 billion
- Q4 14 adjusted EBITDA of \$202.9 million, up 148% vs Q4 13
- Shipped 2.4 million capture devices in Q4 and 5.2 million for the full year 2014. GoPro capture devices shipped in Q4 2014 alone exceeded that of the full year 2012
- GoPro app downloads exceeded 2.8 million in Q4 bringing the cumulative total to more than 13 million; Installs of the GoPro Studio exceeded 1.5 million in Q4 with average daily exports over 30k
- GoPro brought live-broadcast capability to GoPro devices which was showcased in the NHL All-Star Weekend and in ESPN's coverage of the Winter X Games

We report gross profit, operating expenses, operating income, net income and diluted net income per share in accordance with 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 Q4 2014 earnings press release issued on February 5, 2015, which should be reviewed in conjunction with this presentation.

# Q4 2014 Actuals vs. Guidance

<i>(\$ in millions, except EPS)</i>	<b>Actuals Q4 2014</b>	<b>Guidance Q4 2014</b>	<b>Q4 vs. Guidance</b>	<b>Comments</b>
<b>Revenue</b>	\$633.9	\$550.0 - \$580.0	Above range	Strong Q4 seasonal shipments and Hero4 model launch
<b>Gross margin*</b>	48.0%	43.5% - 44.5%	Above range	Favorable Hero4 product and channel mix
<b>Operating expenses*</b>	\$111.1	\$102.5 - \$107.5	Above range	Holiday season advertising to support Hero4 model launch
<b>Diluted EPS*</b>	\$0.99	\$0.65 - \$0.69	Above range	Stronger operating margins and lower tax rate

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

# Quarterly Non-GAAP Income Statement Summary



(\$ in millions, except EPS)	Q4 2013	Q3 2014	Q4 2014	Q4 2014 vs. Q4 2013		Q4 2014 vs. Q3 2014	
				Chg	Chg	Chg	Chg
<b>Revenue</b>	\$ 361.5	\$ 280.0	\$ 633.9	\$ 272.4	75.4%	\$ 353.9	126.4%
<b>Gross margin*</b>	42.0%	44.5%	48.0%		600 bps		350 bps
<b>Operating expenses*</b>	\$ 77.5	\$ 96.8	\$ 111.1	\$ 33.6	43.3%	\$ 14.3	14.7%
<b>Operating income*</b>	\$ 74.4	\$ 27.6	\$ 193.2	\$ 118.8	159.7%	\$ 165.6	599.0%
% of revenue	20.6%	9.9%	30.5%				
<b>Net income*</b>	\$ 46.4	\$ 18.0	\$ 144.9	\$ 98.5	212.5%	\$ 126.9	706.8%
<b>Diluted EPS*</b>	\$ 0.33	\$ 0.12	\$ 0.99	\$ 0.66	200.0%	\$ 0.87	725.0%

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

# Quarterly Revenue Metrics

<i>(\$ in millions)</i>	<b>Q4 2013</b>		<b>Q3 2014</b>		<b>Q4 2014</b>	
	<b>\$</b>	<b>% of Rev</b>	<b>\$</b>	<b>% of Rev</b>	<b>\$</b>	<b>% of Rev</b>
<b>Revenue by Channel:</b>						
Direct	\$ 211.3	58.5%	\$ 187.2	66.9%	\$ 391.6	61.8%
Distribution	150.2	41.5%	92.8	33.1%	242.3	38.2%
<b>Total Revenue</b>	<b>\$ 361.5</b>	<b>100.0%</b>	<b>\$ 280.0</b>	<b>100.0%</b>	<b>\$ 633.9</b>	<b>100.0%</b>
<b>Revenue by Geography:</b>	<b>\$</b>	<b>% of Rev</b>	<b>\$</b>	<b>% of Rev</b>	<b>\$</b>	<b>% of Rev</b>
Americas	\$ 229.3	63.4%	\$ 204.9	73.2%	\$ 407.6	64.3%
Europe, Middle East and Africa	95.2	26.3%	56.1	20.0%	163.9	25.9%
Asia and Pacific area countries	37.0	10.2%	19.0	6.8%	62.4	9.8%
<b>Total Revenue</b>	<b>\$ 361.5</b>	<b>100.0%</b>	<b>\$ 280.0</b>	<b>100.0%</b>	<b>\$ 633.9</b>	<b>100.0%</b>

# Other Quarterly Metrics

(\$ in millions, units in thousands)	Q4 2013	Q3 2014	Q4 2014	Q4 2014 vs. Q4 2013		Q4 2014 vs. Q3 2014	
				Chg	Chg	Chg	Chg
<b>Units shipped (1)</b>	1,420	1,089	2,385	965	68.0%	1,296	119.0%
<b>Adjusted EBITDA (2)</b>	\$ 81.9	\$ 36.2	\$ 202.9	\$ 121.0	147.8%	\$ 166.7	460.8%
<b>Headcount</b>	646	869	970	324	50.2%	101	11.6%

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

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



# Full Year Non-GAAP Income Statement Summary

(\$ in millions, except EPS)	2013	2014	2014 vs. 2013	
			Chg	Chg
<b>Revenue</b>	\$ 985.7	\$ 1,394.2	\$ 408.5	41.4%
<b>Gross margin*</b>	36.9%	45.1%		820 bps
<b>Operating expenses*</b>	\$ 252.7	\$ 369.4	\$ 116.7	46.2%
<b>Operating income*</b>	\$ 110.7	\$ 259.6	\$ 148.9	134.5%
% of revenue	11.2%	18.6%		
<b>Net income*</b>	\$ 68.8	\$ 188.9	\$ 120.1	174.5%
<b>Diluted EPS*</b>	\$ 0.50	\$ 1.32	\$ 0.82	165.2%

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

# Full Year Revenue Metrics

(\$ in millions)		2013		2014	
Revenue by Channel:		\$	% of Rev	\$	% of Rev
Direct		\$ 509.5	51.7%	\$ 818.4	58.7%
Distribution		476.2	48.3%	575.8	41.3%
<b>Total Revenue</b>		<b>\$ 985.7</b>	<b>100.0%</b>	<b>\$ 1,394.2</b>	<b>100.0%</b>
Revenue by Geography:		\$	% of Rev	\$	% of Rev
Americas		\$ 557.3	56.5%	\$ 890.3	63.9%
Europe, Middle East and Africa		322.2	32.7%	371.2	26.6%
Asia and Pacific area countries		106.2	10.8%	132.7	9.5%
<b>Total Revenue</b>		<b>\$ 985.7</b>	<b>100.0%</b>	<b>\$ 1,394.2</b>	<b>100.0%</b>

<i>(\$ in millions, units in thousands)</i>	2013	2014	2014 vs. 2013	
			Chg	Chg
<b>Units shipped (1)</b>	3,849	5,180	1,331	34.6%
<b>Adjusted EBITDA (2)</b>	\$ 133.7	\$ 293.4	\$ 159.7	119.4%
<b>Headcount</b>	646	970	324	50.2%

(1) Units shipped represents the number of individual packaged camera units, 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)	Q4 2013	Q3 2014	Q4 2014	Q4 2014 vs. Q4 2013		Q4 2014 vs. Q3 2014	
				Chg	Chg	Chg	Chg
<b>Cash, cash equivalents and marketable securities</b>	\$ 101.4	\$ 237.7	\$ 422.3	\$ 320.9	316.4%	\$ 184.6	77.7%
<b>Cash flow from operations</b>	\$ 82.3	\$ 47.0	\$ 43.2	\$ (39.1)	(47.5%)	\$ (3.8)	(8.1%)
<b>Days sales outstanding</b>	30.5	30.4	26.1	(4.4)	(14.5%)	(4.3)	(14.1%)
<b>Inventory</b>	\$ 112.0	\$ 117.0	\$ 153.0	\$ 41.0	36.6%	\$ 36.0	30.8%
<b>Annualized inventory turns</b>	7.8	6.3	9.8	2.0	25.6%	3.5	55.6%
<b>Inventory days</b>	48.1	67.7	41.8	(6.3)	(13.1%)	(25.9)	(38.3%)

To supplement our unaudited selected financial data presented on a basis consistent with Generally Accepted Accounting Principles, or 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 in 2013 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 year and the 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		
	December 31, 2013	September 30, 2014	December 31, 2014
<b>GAAP NET INCOME</b>	\$ 43,729	\$ 14,620	\$ 122,260
Stock-based compensation			
Cost of revenue	160	233	280
Research and development	1,266	2,428	6,154
Sales and marketing	1,593	3,225	4,135
General and administrative	521	8,027	8,687
Total stock-based compensation	3,540	13,913	19,256
Amortization of acquisition-related intangible assets			
Cost of revenue	222	223	221
Research and development	16	20	43
Sales and marketing	48	33	33
Total amortization of acquisition-related intangible assets	286	276	297
Income tax adjustments	(1,194)	(10,850)	3,085
<b>Non-GAAP NET INCOME</b>	<b>\$ 46,361</b>	<b>\$ 17,959</b>	<b>\$ 144,898</b>
<b>GAAP SHARES FOR DILUTED NET INCOME PER SHARE</b>	99,621	145,186	146,723
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>139,044</b>	<b>145,186</b>	<b>146,723</b>
Non-GAAP diluted net income per share	\$ 0.33	\$ 0.12	\$ 0.99

# Appendix: GAAP to Non-GAAP Reconciliation

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

	Year ended	
	December 31, 2013	December 31, 2014
<b>GAAP NET INCOME</b>	\$ 60,578	\$ 128,088
Stock-based compensation		
Cost of revenue	690	835
Research and development	3,003	11,640
Sales and marketing	5,670	10,428
General and administrative	1,524	48,496
Total stock-based compensation	10,887	71,399
Amortization of acquisition-related intangible assets		
Cost of revenue	888	888
Research and development	29	103
Sales and marketing	189	142
Total amortization of acquisition-related intangible assets	1,106	1,133
Income tax adjustments	(3,745)	(11,707)
<b>Non-GAAP NET INCOME</b>	<b>\$ 68,826</b>	<b>\$ 188,913</b>
<b>GAAP SHARES FOR DILUTED EARNINGS PER SHARE</b>	98,941	143,180
Add: preferred shares conversion	30,523	-
Add: initial public offering shares	8,900	-
<b>Non-GAAP SHARES FOR DILUTED EARNINGS PER SHARE</b>	<b>138,364</b>	<b>143,180</b>
Non-GAAP diluted net income per share	\$ 0.50	\$ 1.32



# Appendix: GAAP to Non-GAAP Reconciliation

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

	Three months ended		
	December 31, 2013	September 30, 2014	December 31, 2014
<b>GAAP gross profit</b>	\$ 151,504	\$ 124,039	\$ 303,813
Stock-based compensation	160	233	280
Amortization of acquisition-related intangible assets	222	223	221
<b>Non-GAAP gross profit</b>	<b>\$ 151,886</b>	<b>\$ 124,495</b>	<b>\$ 304,314</b>
<b>GAAP gross profit as a % of revenue</b>	41.9%	44.3%	47.9%
Stock-based compensation	0.0%	0.1%	0.1%
Amortization of acquisition-related intangible assets	0.1%	0.1%	0.0%
<b>Non-GAAP gross profit as a % of revenue</b>	<b>42.0%</b>	<b>44.5%</b>	<b>48.0%</b>
<b>GAAP operating expenses</b>	\$ 80,929	\$ 110,582	\$ 130,125
Stock-based compensation	(3,380)	(13,680)	(18,976)
Amortization of acquisition-related intangible assets	(64)	(53)	(76)
<b>Non-GAAP operating expenses</b>	<b>\$ 77,485</b>	<b>\$ 96,849</b>	<b>\$ 111,073</b>
<b>GAAP operating income</b>	\$ 70,575	\$ 13,457	\$ 173,688
Stock-based compensation	3,540	13,913	19,256
Amortization of acquisition-related intangible assets	286	276	297
<b>Non-GAAP operating income</b>	<b>\$ 74,401</b>	<b>\$ 27,646</b>	<b>\$ 193,241</b>
<b>GAAP operating income as a % of revenue</b>	19.5%	4.8%	27.4%
Stock-based compensation	1.0%	5.0%	3.1%
Amortization of acquisition-related intangible assets	0.1%	0.1%	0.0%
<b>Non-GAAP operating income as a % of revenue</b>	<b>20.6%</b>	<b>9.9%</b>	<b>30.5%</b>

# Appendix: GAAP to Non-GAAP Reconciliation

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

	Year ended	
	December 31, 2013	December 31, 2014
<b>GAAP gross profit</b>	\$ 361,784	\$ 627,235
Stock-based compensation	690	835
Amortization of acquisition-related intangible assets	888	888
<b>Non-GAAP gross profit</b>	<b>\$ 363,362</b>	<b>\$ 628,958</b>
<b>GAAP gross profit as a % of revenue</b>	36.7%	45.0%
Stock-based compensation	0.1%	0.0%
Amortization of acquisition-related intangible assets	0.1%	0.1%
<b>Non-GAAP gross profit as a % of revenue</b>	<b>36.9%</b>	<b>45.1%</b>
<b>GAAP operating expenses</b>	\$ 263,081	\$ 440,200
Stock-based compensation	(10,197)	(70,564)
Amortization of acquisition-related intangible assets	(218)	(245)
<b>Non-GAAP operating expenses</b>	<b>\$ 252,666</b>	<b>\$ 369,391</b>
<b>GAAP operating income</b>	\$ 98,703	\$ 187,035
Stock-based compensation	10,887	71,399
Amortization of acquisition-related intangible assets	1,106	1,133
<b>Non-GAAP operating income</b>	<b>\$ 110,696</b>	<b>\$ 259,567</b>
<b>GAAP operating income as a % of revenue</b>	10.0%	13.4%
Stock-based compensation	1.1%	5.1%
Amortization of acquisition-related intangible assets	0.1%	0.1%
<b>Non-GAAP operating income as a % of revenue</b>	<b>11.2%</b>	<b>18.6%</b>

# Appendix: Adjusted EBITDA Reconciliation

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

	Three months ended		
	December 31, 2013	September 30, 2014	December 31, 2014
GAAP net income	\$ 43,729	\$ 14,620	\$ 122,260
Income tax (benefit) expense	24,622	(2,947)	50,313
Interest income and expense	1,889	1,284	1,029
Depreciation and amortization	3,526	4,781	5,176
POP display amortization	4,550	4,524	4,820
Stock-based compensation	3,540	13,913	19,256
<b>Adjusted EBITDA</b>	<b>\$ 81,856</b>	<b>\$ 36,175</b>	<b>\$ 202,854</b>

# Appendix: Adjusted EBITDA Reconciliation

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

	Year ended	
	December 31, 2013	December 31, 2014
GAAP net income	\$ 60,578	\$ 128,088
Income tax expense	30,751	52,887
Interest income and expense	6,018	5,038
Depreciation and amortization	12,034	17,945
POP display amortization	13,458	18,023
Stock-based compensation	10,887	71,399
<b>Adjusted EBITDA</b>	<b>\$ 133,726</b>	<b>\$ 293,380</b>