

logitech[®]

ANALYST AND INVESTOR DAY | 2 MARCH 2016
FINANCIAL MODEL
VINCENT PILETTE

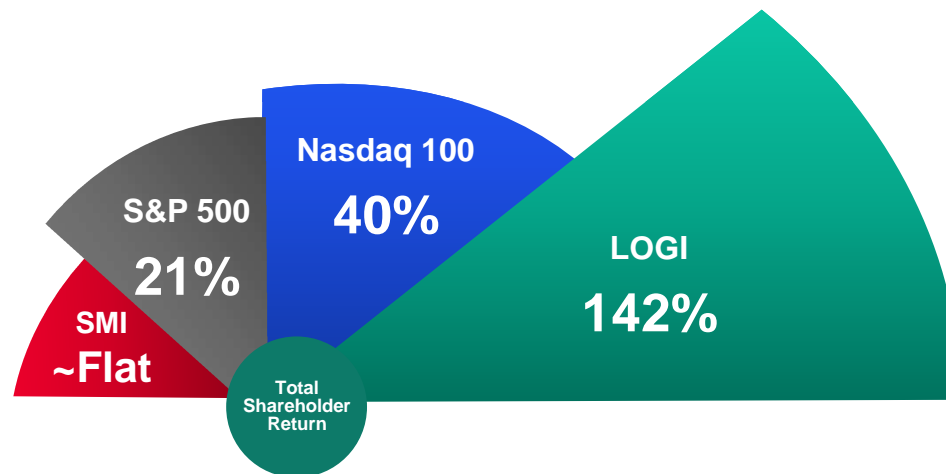
FORWARD LOOKING STATEMENTS

This presentation includes **forward-looking statements** within the meaning of the U.S. federal securities laws, including, without limitation, statements regarding: cash from operations, our ability to deliver at or above outlook, sales growth, sales growth by product category, addressable markets and market growth, gross margin, research and development and other investments, operating expenses and leverage, productivity gains, operating profit, cash conversion cycle, capital expenses, capital return to shareholders, dividends, share repurchases, mergers and acquisitions, fiscal year 2017 sales growth, operating profit, operating profit growth, tax rate and other outlook assumptions, long term business model, and earnings per share. 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 in our new product categories 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; 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 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, 2015 and its Annual Report on Form 10-K for the fiscal year ended March 31, 2015, available at www.sec.gov, 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, Logitech has included **non-GAAP adjusted measures** in this presentation, which exclude primarily share-based compensation expense, amortization of other intangible assets, restructuring charges (credits), other restructuring-related charges, investment impairment (recovery), and one-time special charges. Historical GAAP and corresponding non-GAAP measures are provided with our earnings releases and presentations in the Investors section of Logitech's website. For purposes of this presentation, Logitech provides non-GAAP financial information for its Retail (excluding OEM and Lifesize) categories that includes approximations for cost and profitability estimates. Logitech also presents percentage sales growth in constant currency ("CC"), a non-GAAP measure, 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 Logitech's website, together with this presentation. 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.

DELIVERING VALUE FOR SHAREHOLDERS

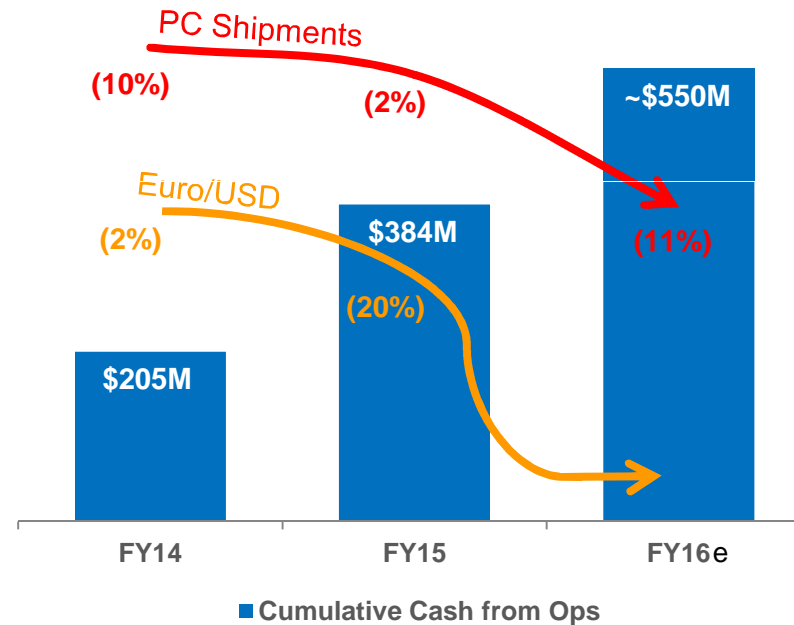
An early 2013 investment in LOGI would have generated
142% return in three years



Note: Total Shareholder Return calculated from May 2013 Analyst & Investor Day to February 2016

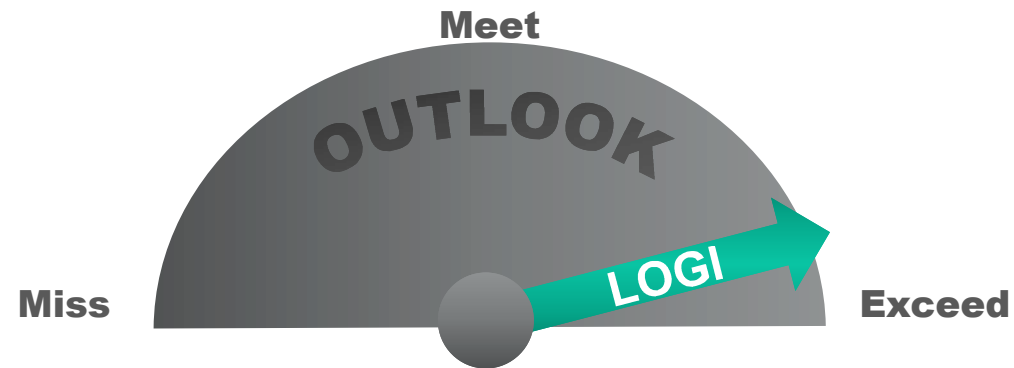
RESILIENT BUSINESS MODEL

~\$550M of cash generated over the last three years despite PC declines and massive currency headwinds



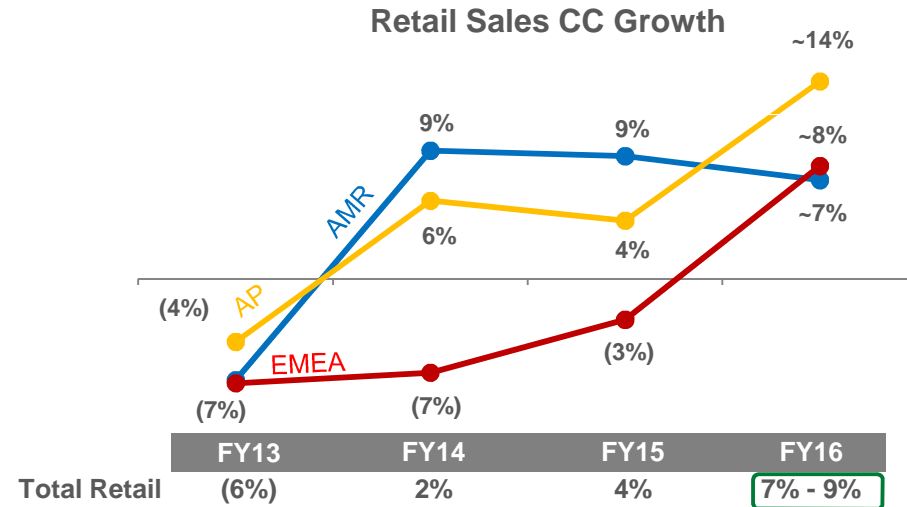
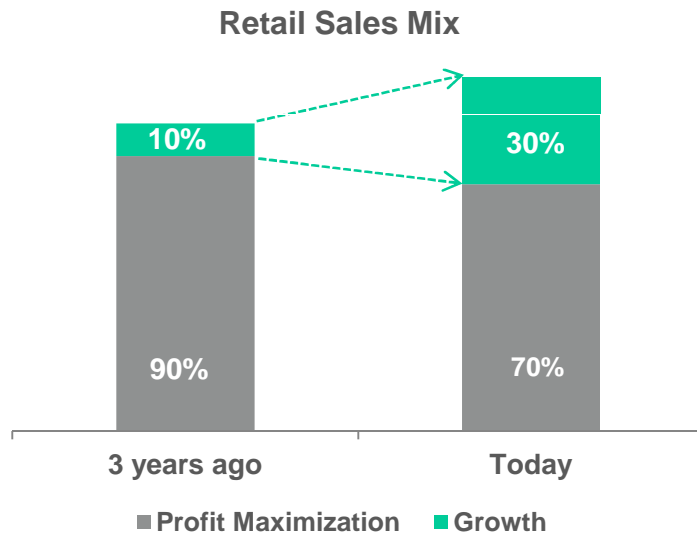
CONSISTENTLY DELIVERING

Delivered at or above outlook for 3 years
marching towards the long term target



POISED FOR GROWTH

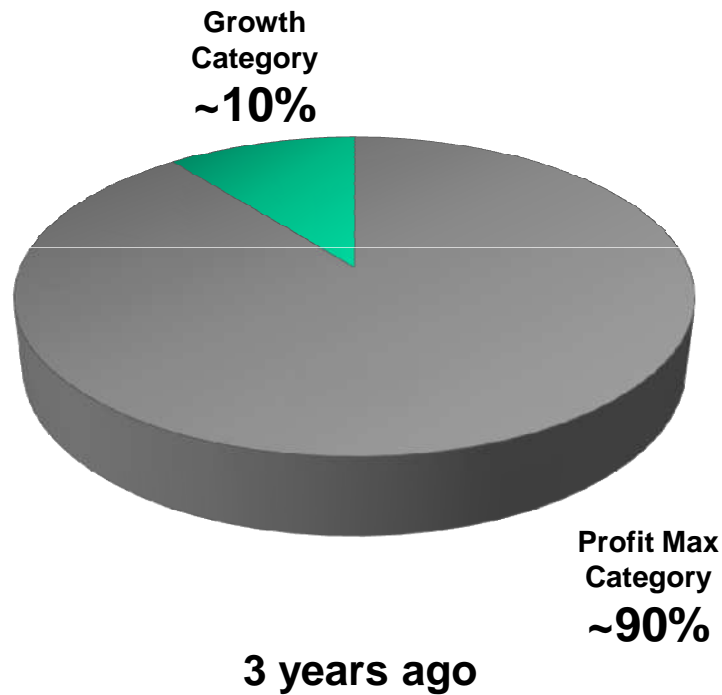
The 'new' Logitech trending towards our Growth category with **positive momentum** across regions



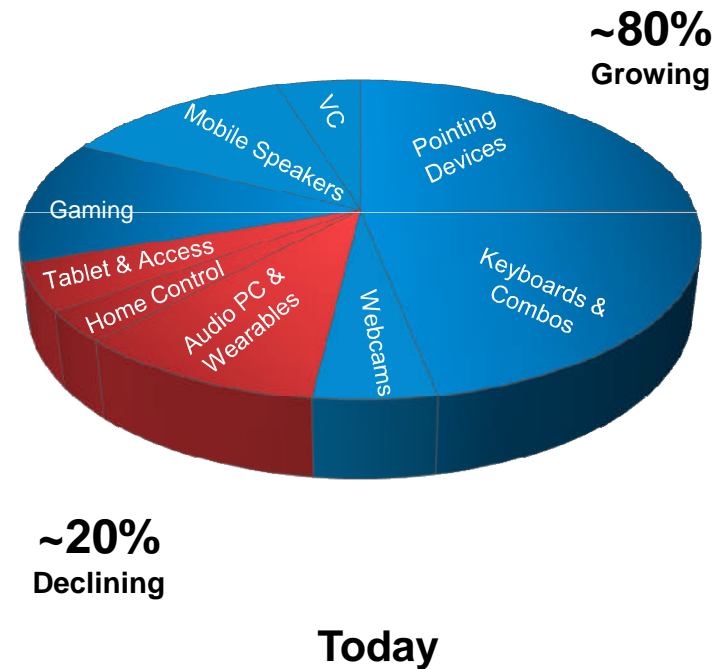
Note: CC = Constant Currency

...ACROSS A DIVERSIFIED PORTFOLIO

Today over **80%** of our portfolio is **growing**



3 years ago



Today

Note: Constant Currency sales growth

ADDRESSABLE MARKETS SUPPORT OUTLOOK

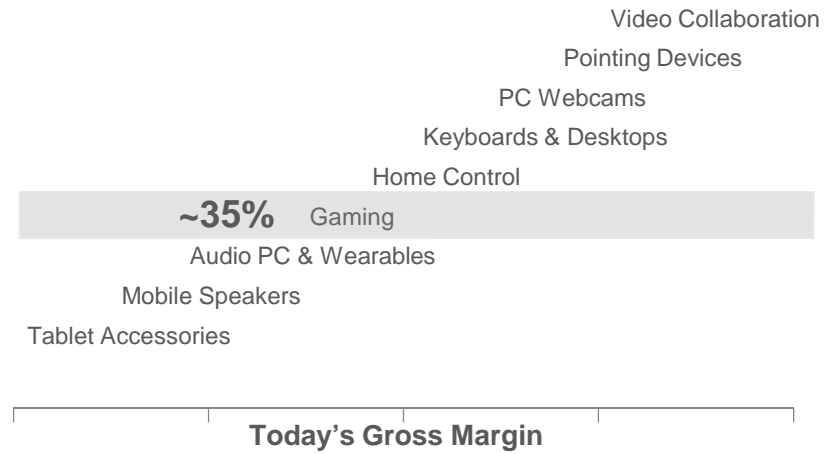
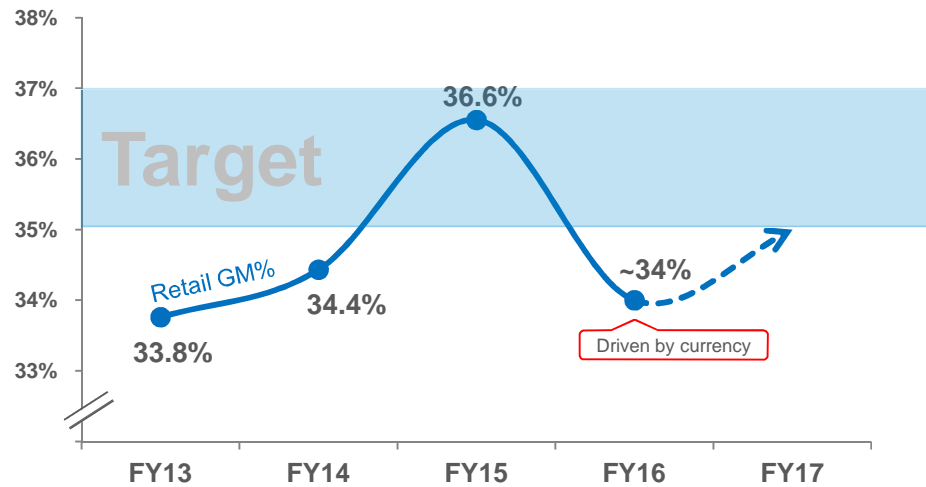
Capturing opportunities in growing addressable markets to deliver **sustained growth**

<u>Retail Sales CC YoY%</u>	FY15 Actual	FY16 Outlook	FY17 Outlook	TAM Growth Rate
Pointing Devices	(2%)	4%		Productivity & Creativity ~Flat
Keyboards & Combos	5%	4%		
PC Webcams	(13%)	3%		
Tablet & Access*	(16%)	(31%)		Music
Audio PC & Wearables	(12%)	(3%)		Home ~40%
Home Control	3%	(7%)		
Profit Maximization	(4%)	(1%)		
Gaming	16%	21%		Gaming ~15%
Mobile Speakers	108%	49%		Music ~15%
Video Collaboration	120%	52%		VC ~40%
Growth	53%	37%		
Retail Net Sales	4%	7% - 9%	Mid Single Digit	

*Note: Tablets & Access previously consolidated under Growth Category, CC = Constant Currency, see Bracken Darrell's slides "The New Logitech" for source information on TAM Growth Rates.

GROSS MARGIN EXPANSION

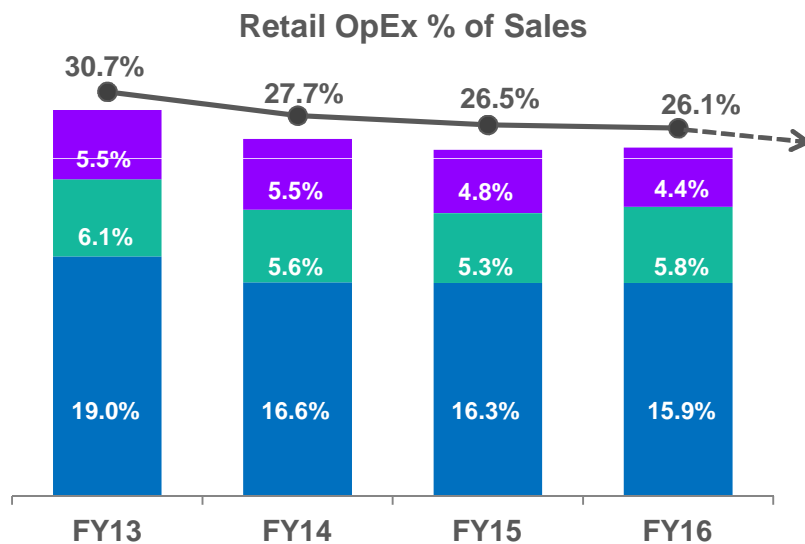
Ongoing productivity gains across ~\$1.3B of annual spend coupled with pricing actions drive **gross margin expansion**



Note: Non-GAAP Retail Gross Margin

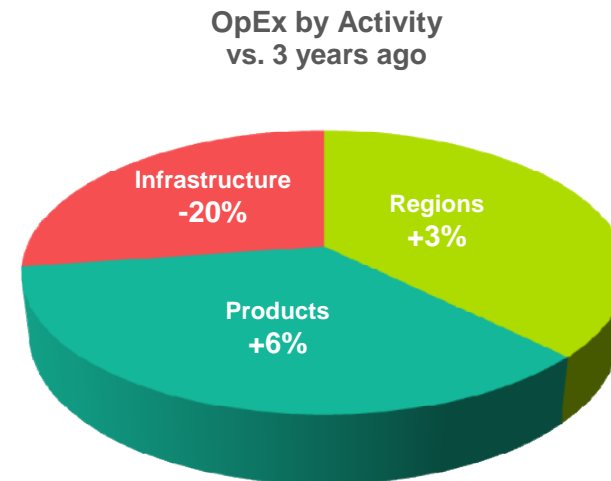
DRIVING OPERATING LEVERAGE

Increased investments in R&D funded through enhanced effectiveness in S&M and continued efficiencies in G&A; **expected to continue in FY17**



■ S&M ■ R&D ■ G&A ● % of Net Sales

Note: Non-GAAP Retail Operating Expenses



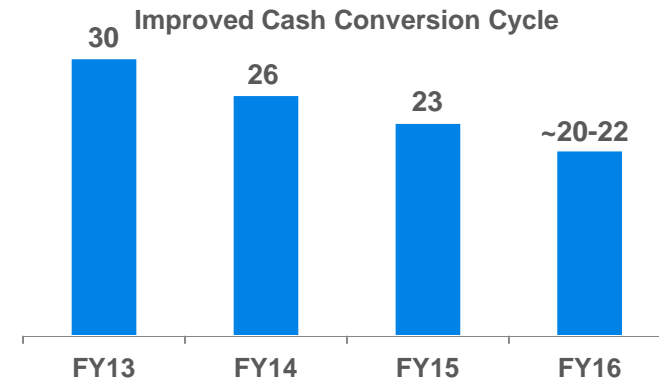
RETURNING CAPITAL TO SHAREHOLDERS

Cash from Operations ~1x Operating Profit

- 113% conversion achieved in last 3 years
- Targeting annual CCC of 20 to 25 days
- Stable CapEx going forward

Capital Allocation Strategy

- Top priority on tuck-in acquisitions
- Returned 71% of free cash flow to shareholders over last 3 years
- Dividend plan (~\$165M left for FY16/FY17)
- Open buy back (~\$178M left)



Expect to maintain or increase long term capital return rate of Free Cash Flow through dividend and buyback

Note: Non-GAAP Retail Operating Profit

LOOKING INTO FY17...

FY17 Outlook

Retail Sales CC Growth	Mid Single Digit
Non-GAAP Operating Profit	~\$185M to \$200M

Assumptions

Currency	FY16 average rates
Effective Tax Rate	~10%
Cash From Operations	1x Operating Income
CapEx	~\$50M
Sharecount	Slightly declining driven by buyback

Note: CC = Constant Currency, Non-GAAP Effective Tax Rate

...AND BEYOND

Long Term Business Model	
Retail Sales CC Growth	High Single Digit
Gross Margin	35% or higher
Operating Expenses	25% or lower
Operating Margin	10% to 12%
Cash from Operations	1x Operating Income
Capital Allocation	Expect to maintain or increase return rate of free cash flow to shareholders through dividends and buyback

Note: CC = Constant Currency, Non-GAAP Gross Margin, Operating Expenses and Operating Margin

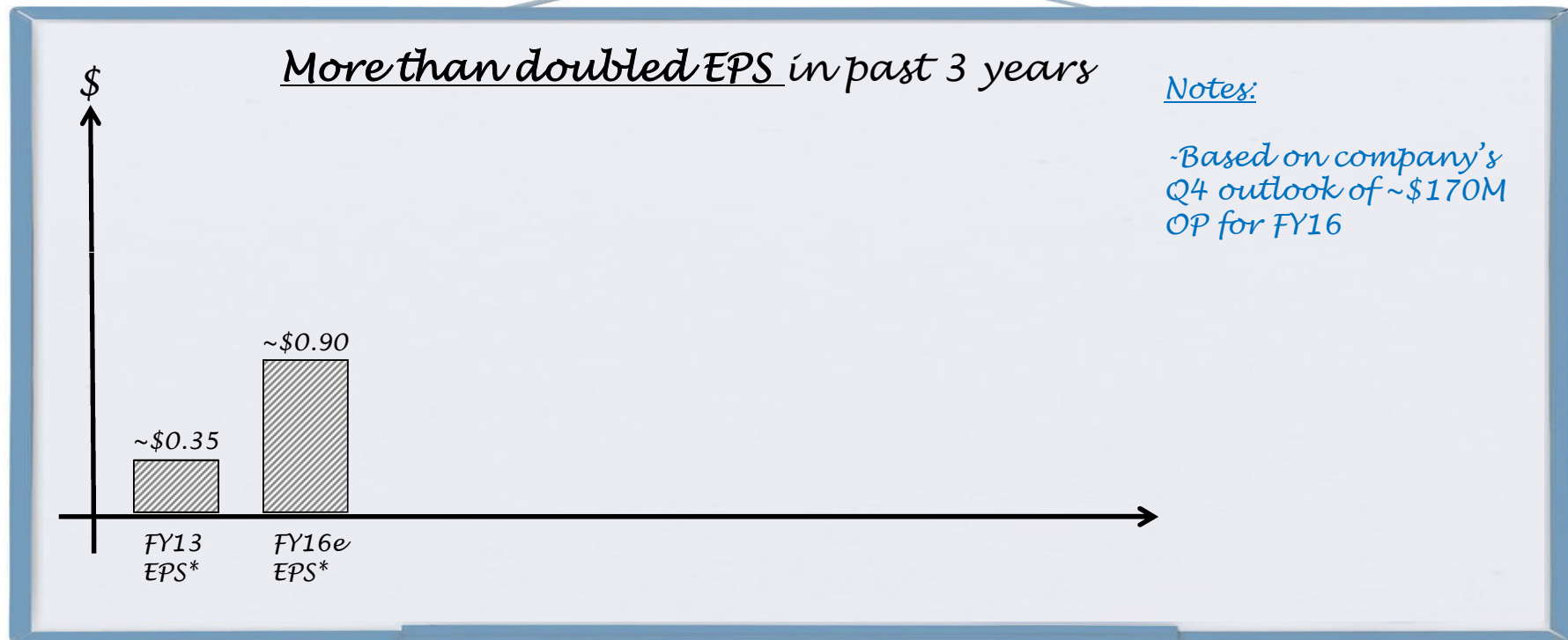
ONE LAST THING

Long Term Financial Framework Whiteboard Session

- *Not a forecast or company's outlook*
- *Time frame: using 3 years for illustration*

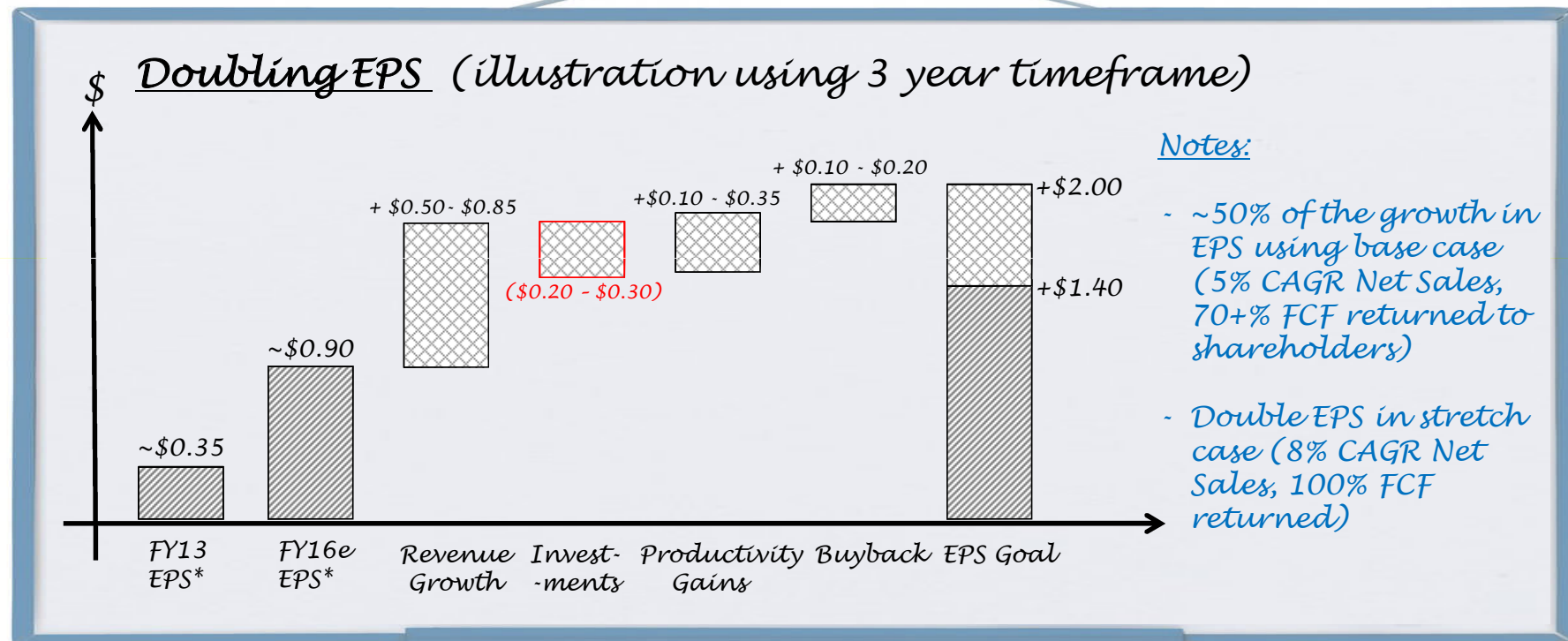
Note: Non-GAAP and Constant Currency

MORE THAN DOUBLED EPS IN PAST 3 YEARS



Note: Non-GAAP and Constant Currency

OPPORTUNITY TO DOUBLE EPS



Note: Non-GAAP and Constant Currency

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