



TURTLE BEACH
CORPORATION



**SECOND QUARTER 2025
EARNINGS PRESENTATION**

NASDAQ: TBCH | AUGUST 7, 2025



SAFE HARBOR STATEMENT & IMPORTANT INFORMATION

Forward-Looking Information and Statements

This presentation, including the appendix, includes forward-looking information and statements within the meaning of the federal securities laws. Except for historical information contained in this release, statements in this release may constitute forward-looking statements regarding assumptions, projections, expectations, targets, intentions or beliefs about future events. Statements containing the words “may”, “could”, “would”, “should”, “believe”, “expect”, “anticipate”, “plan”, “estimate”, “target”, “goal”, “project”, “intend” and similar expressions, or the negatives thereof, constitute forward-looking statements. Forward-looking statements are only predictions and are not guarantees of performance. Forward-looking statements involve known and unknown risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. The inclusion of such information should not be regarded as a representation by the Company, or any person, that the objectives of the Company will be achieved. Forward-looking statements are based on management’s current beliefs and expectations, as well as assumptions made by, and information currently available to, management. While the Company believes that its expectations are based upon reasonable assumptions, there can be no assurances that its goals and strategy will be realized. Numerous factors, including risks and uncertainties, may affect actual results and may cause results to differ materially from those expressed in forward-looking statements made by the Company or on its behalf. Some of these factors include, but are not limited to, risks related to trade policies, including the imposition of tariffs on imported goods and other trade restrictions, the release and availability of successful game titles, macroeconomic conditions affecting the demand for our products, logistic and supply chain challenges and costs, dependence on the success and availability of third-parties to manufacture and manage the logistics of transporting and distributing our products, the substantial uncertainties inherent in the acceptance of existing and future products, the difficulty of commercializing and protecting new technology, the impact of competitive products and pricing, general business and economic conditions, risks associated with the expansion of our business, including the integration of any businesses we acquire and the integration of such businesses within our internal control over financial reporting and operations, our indebtedness, liquidity, and other factors discussed in our public filings, including the risk factors included in the Company’s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q and the Company’s other periodic reports filed with the Securities and Exchange Commission. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission, the Company is under no obligation to publicly update or revise any forward-looking statement after the date of this release whether as a result of new information, future developments or otherwise. This presentation also contains trademarks and trade names that are property of their respective owners.

Non-GAAP Financial Measures

In addition to its reported results, the Company has included in this presentation, including in the appendix, certain financial metrics, including Adjusted EBITDA, that the Securities and Exchange Commission define as “non-GAAP financial measures.” Management believes that such non-GAAP financial measures, when read in conjunction with the Company’s reported results, can provide useful supplemental information for investors analyzing period-to-period comparisons of the Company’s results. Non-GAAP financial measures are not an alternative to the Company’s GAAP financial results and may not be calculated in the same manner as similar measures presented by other companies. “Adjusted EBITDA” is defined by the Company as net income [loss] before interest, taxes, depreciation and amortization, stock-based compensation [non-cash], and certain non-recurring special items that we believe are not representative of core operations, as further described in the appendix hereto. These non-GAAP financial measures are presented because management uses non-GAAP financial measures to evaluate the Company’s operating performance, to perform financial planning, and to determine incentive compensation. Therefore, the Company believes that the presentation of non-GAAP financial measures provides useful supplementary information to, and facilitates additional analysis by, investors. The presented non-GAAP financial measures exclude items that management does not believe reflect the Company’s core operating performance because such items are inherently unusual, non-operating, unpredictable, non-recurring, or non-cash. See a reconciliation of GAAP results to Adjusted EBITDA included in the appendix hereto for the three months ended June 30, 2025 and June 30, 2024.



SECOND QUARTER 2025 OVERVIEW

Q2 revenue of \$56.8M, supporting Turtle Beach's prior full-year guidance

Improved Q2 gross margins YOY to 32% from 30%

- Demonstrates the execution of ongoing cost optimization initiatives

Refinanced prior debt facilities with new \$90 million revolving credit facility and \$60 million term loan

- Strengthens the Company's capital structure through a lower cost of capital and enhanced financial flexibility
- Reduced base interest rate on the term loan by approximately 450 basis points

Repurchased \$5.0M in common shares during Q2, bringing total to ~\$35M over past six quarters

Turtle Beach gained share amidst improving gaming headset market in Q2⁽¹⁾

- While the overall gaming headset market was down Q2 2025, Turtle Beach gained 130bps in revenue share
- While the overall gaming headset market was down YTD 2025, Turtle Beach gained 70 bps YTD in revenue share

Turtle Beach products continue to be top-sellers in the broader gaming peripherals market⁽²⁾

- 9 of the top 20 best-selling gaming headsets were Turtle Beach YTD 2025
- Turtle Beach's PS5 Victrix Pro BFG was the second best-selling controller (3rd party market) and the top-selling wireless controller YTD & Q2
- Turtle Beach's XBOX Stealth Ultra was the second best-selling wireless controller (3rd party market) in Q2, after PS5 Victrix BFG
- Turtle Beach's XBOX VelocityOne flight control system continues to be the best-selling SKU in the category YTD & Q2
- The Riffmaster wireless guitar on XBOX and PS continues to be the dominant seller in the music controller category YTD & Q2

1. Circana, Retail Tracking Service, US, Video Games, Headsets and Headphones, Dollar & Unit Share, Jan – June 2025, & Apr – June 2025

2. Circana, Retail Tracking Service, US, Video Games, Gamepads, Music Controllers, Flight Controllers, Headsets and Headphones/By Item/Jan – June 2025, & Apr – June 2025



Q2'25 FINANCIAL REVIEW

\$ Millions (except per-share data)	Q2 25	Q2 24	Commentary
Revenue	\$56.8	\$76.5	YOY decline driven by dampened market conditions in the gaming accessories industry in 2025 YTD. Comparatively, Q2 2024 saw strong channel fill due to extensive new products rollout
Gross Margin	32%	30%	+200 basis point YOY improvement driven by execution of cost optimization initiatives and 2024 impact of PDP acquisition, partially offset by new tariffs
Operating Expenses	\$18.6	\$27.2	Decreased to 33% of revenue, compared to 36% in the prior year, reflecting ongoing efforts to expand operational leverage, as well as a \$6.0M insurance recovery
Net Income (Loss)	[\$2.9]	\$7.5	
Diluted EPS	[\$0.14]	[\$0.35]	
Adjusted EBITDA ⁽¹⁾	[\$3.0]	\$3.0	Decreased from the prior year due to lower revenue which was partially offset by lower operating expenses
Diluted Shares	20.7M	21.3M	

1. See appendix for a reconciliation of non-GAAP measures



LONG-TERM GROWTH REMAINS THE GUIDING PRINCIPLE

2025 GUIDANCE	
Net Revenue \$340M – \$360M	Adj. EBITDA \$47M – \$53M

Guidance assumes gaming accessories markets declining YOY 2025 and returning to strong growth in 2026.

LONG-TERM FINANCIAL TARGETS	
Metric	Target
Revenue	10%+ CAGR
Gross Margins %	Mid-to-High 30's
Adjusted EBITDA Margins	Mid-to-High Teens

- Long-term financial targets remain unchanged from prior outlook
- Maintain leadership in gaming headsets
- Continue driving growth in controllers and adjacent accessories categories
- Proactively manage operating expenses
- Drive inorganic growth via M&A



BALANCE SHEET SUMMARY

Balance Sheet Highlights \$ Millions	
	As of June 30, 2025
Cash & Cash Equivalents	\$11.7
Inventories	\$76.8
Revolving Credit Facility	\$19.9
Term Loan	\$43.3
Net Debt (debt less cash)	\$51.5





UNLOCKING POTENTIAL IN THE \$11.2 BILLION GAMING ACCESSORIES MARKET

STRENGTHENING TURTLE BEACH'S POSITION AS A LEADING 3RD PARTY GAMING ACCESSORIES MAKER

Headsets

\$2.9B

Market

Continue Leadership in Gaming Headsets



Controllers

\$3.0B

Market

Continue Growth in Gamepads/Controllers



PC Peripherals

\$3.9B

Market

Continue Expanding Turtle Beach Brand in PC Gaming Peripherals & Microphones

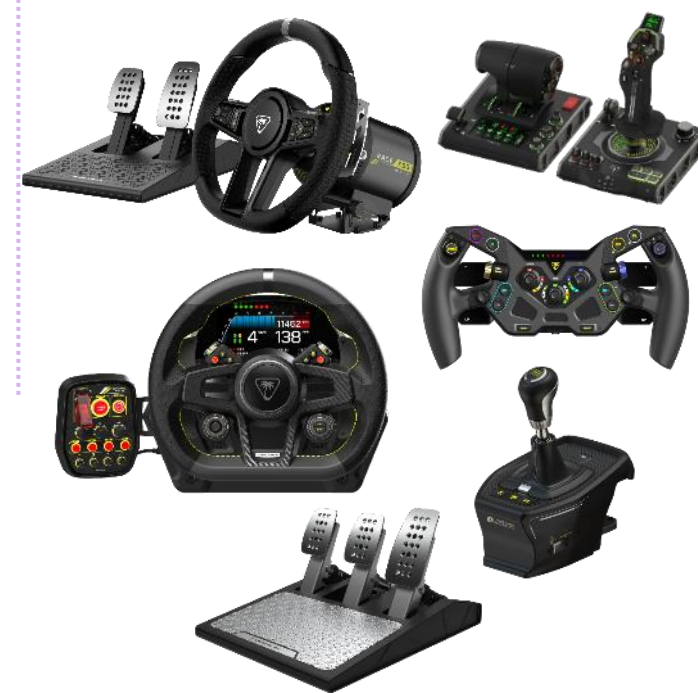


Simulation

\$1.4B

Market

Continue Growth in Gaming Simulation Accessories



A large, light gray, stylized graphic of a palm tree is positioned on the left side of the page. The palm tree has a long, curved trunk and several fronds. It is partially enclosed by a thick, light gray, rounded rectangular border that starts from the top left and curves around the tree.

APPENDIX



**RECENTLY REVEALED
PRODUCTS & HIGHLIGHTS**



TURTLE BEACH BRINGS THE AIRLITE FIT TO NINTENDO SWITCH 2

A NEW COLORWAY FEATURING OFFICIALLY LICENSED FOR NINTENDO SWITCH 2 BADGES



**The Turtle Beach Airlite Fit
Wired Gaming Headset for Nintendo Switch
Launched May 18, 2025**

**The New Charcoal Black Turtle Beach Airlite Fit
Wired Gaming Headset for Nintendo Switch 2
Launches in Sept. 2025**

Powerful game audio and clear chat, a new Charcoal Black colorway, and exceptional lightweight comfort, now also for gamers on Nintendo Switch 2

The original Airlite was a top-3 best-selling gaming headset for Nintendo Switch under PDP.

Turtle Beach's new Airlite Fit is the evolution of the original. The officially licensed for Nintendo Switch Airlite Fit is a lightweight and comfortable over-ear headset available in three bold colorways, including Red and Blue, Black and White, and Ghost Purple.

In August 2025, Turtle Beach debuted a fourth Charcoal Black colorway as the officially licensed for Nintendo Switch 2 model, which is the same great headset, now with Nintendo Switch 2 badges.

With an affordable \$27.99 MSRP, the Turtle Beach Airlite Fit wired gaming headset is an easy choice for Nintendo fans and gamers on Nintendo Switch 2 and Nintendo Switch systems.



EXPANDING CATALOG OF RACING SIMULATION ACCESSORIES

INTRODUCING THE VELOCITYONE RACE KD3 SYSTEM, VELOCITYONE F-RX WHEEL, & RACER WIRELESS WHEEL



Turtle Beach expands the brand's reach further into the racing category.

Turtle Beach entered the racing simulation category in 2023 with the VelocityOne Race wheel & pedals system for \$649.99 MSRP.

VelocityOne Race was followed by the introduction of the VelocityOne Multi-Shift which can be used as a shifter or handbrake for \$139.99 MSRP.

Now Turtle Beach has introduced the VelocityOne Race KD3 as a more affordable entry point into the premium wheel & pedals system for \$449.99 MSRP.



Additionally, the new VelocityOne F-RX formula-style racing wheel is available for \$249.99 MSRP and can be used with both the KD3 and original VelocityOne Race wheel and pedals systems.

For more casual gamers, Turtle Beach's new Racer Wireless Wheel for \$179.99 MSRP can be mounted at the desk or taken to the couch for enhanced driving in racing games and other games with prominent driving gameplay.





TURTLE BEACH & VICTRIX RELOAD THE BFG

TURTLE BEACH ADDS HALL EFFECT STICKS & TRIGGERS, PLUS REORIENTS THE CONTROLLER'S FIGHTPAD MODULE LAYOUT

FULLY CUSTOMIZABLE

11 interchangeable components & three modules to fit any play style.



The new Turtle Beach Victrix Pro BFG Reloaded Modular Controller Now Features Hall Effect Sticks & Triggers and a reoriented Fightpad module.

Regarded in the fighting game community as *THE* gamepad controller of choice for serious competitive gamers, Turtle Beach has reloaded the newest iteration of the award-winning BFG controller with magnetic Hall Effect sticks and triggers, as well as a reoriented Fightpad module that places the six microswitch buttons within easier reach when playing fighting games.

The additional Fightpad module's layout has been reoriented so the Fightpad art is now at the bottom, and the six microswitch buttons have been moved up placing them within easier reach, especially for gamers who rest their palm on the controller's grip when playing fighting games.





TURTLE BEACH GOES BANANAS FOR DONKEY KONG

TURTLE BEACH INTRODUCES OFFICIALLY LICENSED DONKEY KONG WIRELESS CONTROLLER FOR NINTENDO SWITCH SYSTEMS

TIME FOR A REMATCH WITH DONKEY KONG.

Gamers can elevate their gameplay with the Donkey Kong Rematch Wireless Controller for Nintendo Switch, Nintendo Switch Lite, and Nintendo Switch – OLED Model. This controller also works with Nintendo Switch 2.

Featuring a lenticular design that shifts as gamers move, it reveals vibrant jungle visuals that bring Donkey Kong's world to life. Gamers will play with natural precision using built-in motion controls in games like Donkey Kong Bananza, Donkey Kong Country Returns HD, Mario Kart 8 Deluxe, and Mario Kart World.



REMATCH™
Wireless Gaming Controller | Monette De Jeu Sans Fil



DONKEY KONG



*When the controller is tilted,
the lenticular design reveals
additional design elements.*



NEW REMATCH WIRELESS CONTROLLERS FOR NINTENDO SWITCH

INSPIRED GLOW-IN-THE-DARK SUPER MARIO-THEMED DESIGNS FOR NINTENDO FANS



**Rematch Wireless
Controller for Nintendo
Switch - Invincible Mario
Launched May 18, 2025**

Merging Gaming Accessories, Fandom & Collectability.

Turtle Beach's latest Rematch Wireless Controllers for Nintendo Switch are perfect for Mario and Nintendo fans and officially licensed gear collectors.

The new Invincible Mario and Super Mario Star designs glow-in-the-dark after exposure to light, giving each model two distinct looks.

Additional features include quick-action buttons on the back of the controller, motion control, plus a 40-hour battery life to make a controller that's great for Nintendo Switch gamers of all ages.



**Rematch Wireless
Controller for Nintendo
Switch – Super Mario Star
Launched May 18, 2025**



AN EXPANDING ROSTER OF DESIGNED FOR XBOX CONTROLLERS

10 NEW WIRED CONTROLLERS DESIGNED FOR XBOX & WINDOWS PC



**Afterglow Wave
Wired RGB
Controller**



An expanding catalog of affordable, Designed for Xbox and Windows PC wired controllers, including two new models available in 10 different colorways.

The Afterglow Wave is a wired game controller that delivers striking RGB lighting aesthetics and precision gameplay to gamers on Xbox Series X|S, Xbox One, and Windows 10/11 PCs for \$49.99 MSRP.

Turtle Beach's Rematch Core is a wired controller that delivers impressive features at an incredible \$29.99 MSRP that's too good to ignore.



**Rematch Core
Wired Controller**



**All Afterglow Wave and Rematch Core
Controllers for Xbox & Windows PC
Launched May 18, 2025**





GAAP NET INCOME TO ADJUSTED EBITDA RECONCILIATION

SECOND QUARTER 2025 COMPARED TO 2024

	Three Months Ended	
	<u>June 30, 2025</u> (in thousands)	<u>June 30, 2024</u> (in thousands)
Net (loss) Income	(\$2,931)	(\$7,524)
Interest expense	2,049	2,220
Depreciation and amortization	3,098	3,306
Stock-based compensation	1,008	846
Income tax benefit ⁽¹⁾	(246)	841
Restructuring expense ⁽²⁾	125	706
Acquisition-related expense ⁽³⁾	—	1,394
Fair value step-up adjustment to acquired inventory ⁽⁴⁾	—	1,251
Insurance Recovery ⁽⁵⁾	(5,965)	—
Litigation proceedings and other ⁽⁶⁾	(182)	4
Adjusted EBITDA	<u>(\$3,044)</u>	<u>\$3,044</u>

1. An income tax benefit of \$7.0 million was recorded in the three months ended March 31, 2024 as a result of the reversal of a portion of the Company's deferred tax asset valuation allowance.

2. Restructuring expenses are costs in connection with reorganization of operations. These costs primarily include severance and related benefits.

3. Acquisition-related cost includes one-time costs we incurred in connection with acquisitions including warehouse lease impairment, professional fees such as legal and accounting along with other integration related costs.

4. Costs relate to the step up of acquired finished goods inventory to fair market value as required under purchase accounting. This step up in value over original cost is recorded as a charge to cost of revenue as such inventory is sold.

5. Insurance proceeds from claims related to a loss of inventory while in transit that occurred in the fourth quarter of 2024.

6. Litigation and other primarily includes one-time legal and other professional fees associated with certain proceedings and settlements.

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THANK YOU