
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 9, 2021

CORSAIR GAMING, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39533
(Commission File Number)

82-2335306
(IRS Employer
Identification Number)

47100 Bayside Pkwy
Fremont, California 94538

(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: (510) 657-8747

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	CRSR	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On February 9, 2021, Corsair Gaming, Inc. (“Corsair” or the “Company”) issued a press release announcing certain of its financial results for the quarter and year ended December 31, 2020. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K. Attached hereto as Exhibit 99.2 is a presentation regarding the Company’s fiscal quarter and fiscal year ended December 31, 2020.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release dated February 9, 2021
99.2	Investor Presentation dated February 9, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

The information in this Current Report on Form 8-K and the Exhibit 99.1 and Exhibit 99.2 attached hereto shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by Corsair Gaming, Inc., whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CORSAIR GAMING, INC.

Date: February 9, 2021

By: _____ /s/ Michael G. Potter
Michael G. Potter
Chief Financial Officer
(Principal Financial Officer)



Corsair Gaming Reports Fourth Quarter and Full Year 2020 Financial Results

Company guides continued growth for 2021

FREMONT, CA, February 9, 2021 – [Corsair Gaming, Inc.](#) (NASDAQ:CRSR) (“Corsair”), a leading global provider and innovator of high-performance gear for gamers and content creators, today announced preliminary financial results for the fourth quarter and full year ended December 31, 2020.

Fourth Quarter 2020 Highlights

- Net revenue was \$556.3 million, an increase of 70.4% year-over-year. Gamer and creator peripherals segment net revenue was \$191.8 million, an increase of 104.0% year-over-year. Gaming components and systems segment net revenue was \$364.5 million, an increase of 56.8% year-over-year.
- Gross profit was \$153.8 million, an increase of 118.3% year-over-year, with gross margin of 27.6%, an improvement of 600 basis points year-over-year. Gamer and creator peripherals segment gross profit was \$68.9 million, an increase of 197.7% year-over-year. Gaming components and systems segment gross profit was \$84.9 million, an increase of 79.5% year-over-year.
- Operating income was \$58.9 million, an increase of 314.2% year-over-year.
- Adjusted operating income was \$71.0 million, an increase of 166.9% year-over-year.
- Net income was \$43.0 million, or \$0.43 per diluted share, compared to net income of \$6.0 million in the same period a year ago, or \$0.08 per diluted share.
- Adjusted net income was \$53.0 million, or \$0.53 per diluted share, an increase of 214.8% year-over-year compared to adjusted net income of \$16.8 million in the same period a year ago, or \$0.21 per diluted share.
- Adjusted EBITDA was \$72.5 million, an increase of 154.7% year-over-year, with adjusted EBITDA margin of 13.0%, an improvement of 430 basis points year-over-year.
- As of December 31, 2020, we had cash and restricted cash of \$133.6 million, \$48.1 million capacity under our revolving credit facility and total long-term debt of \$321.4 million.
- Cash flows from operations was \$68.6 million, which increased from \$36.0 million in the same period a year ago, bringing the full year 2020 cash flow from operations to \$169.0 million.

Full Year 2020 Highlights

- Net revenue was \$1.7 billion, an increase of 55.2% year-over-year. Gamer and creator peripherals segment net revenue was \$539.4 million, an increase of 83.4% year-over-year. Gaming components and systems segment net revenue was \$1,163.0 million, an increase of 44.8% year-over-year.
 - Gross profit was \$465.4 million, an increase of 107.5% year-over-year, with gross margin of 27.3%, an improvement of 690 basis points year-over-year. Gamer and creator peripherals segment gross profit was \$189.7 million, an increase of 133.2% year-over-year. Gaming components and systems segment gross profit was \$275.7 million, an increase of 92.9% year-over-year.
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- Operating income was \$158.4 million, an increase of 568.0% year-over-year.
- Adjusted operating income was \$204.8 million, an increase of 211.4% year-over-year.
- Net income was \$103.2 million, or \$1.14 per diluted share, compared to net loss of \$8.4 million in the same period a year ago, or \$(0.11) per diluted share.
- Adjusted net income was \$145.0 million, or \$1.60 per diluted share, an increase of 427.0% year-over-year compared to adjusted net income of \$27.5 million, or \$0.35 per diluted share.
- Adjusted EBITDA was \$213.0 million, an increase of 197.5% year-over-year, with adjusted EBITDA margin of 12.5%, an improvement of 600 basis points year-over-year.

Definitions of the non-GAAP financial measures used in this press release and reconciliations of such measures to their nearest GAAP equivalents are included below under the heading “Use and Reconciliation of Non-GAAP Financial Measures.”

“We are excited to see the market for gaming and streaming product continue to grow at such a pace. It is clear that a new wave of gamers and streamers has entered the market as well as consumers building gaming PCs for the first time. Our expectation is that all these people that are new to the market will continue to buy gaming and streaming products from us for many years into the future. I am particularly pleased that the revenue from our gaming components and systems segment is now over \$1 billion. And equally happy to see our gamer and creator peripherals segment grow by 83% and break through the half billion milestone. Obviously this is amazing growth in both segments. We continue to bring out exciting new product in all our product lines, and these seem to be resonating well with our current and new customers. In fact our last three major product launches, the K100 keyboard, the Elgato Wave microphone, and the 4000X gaming case, are all showing near 5 star reviews at major retailers, and gained solid market share in a short time,” stated Andy Paul, Chief Executive Officer of Corsair.

“We are extremely pleased with our financial performance in the fourth quarter. We have paid off an additional \$50 million in debt during the quarter, making the total debt repayment \$190 million for 2020. We expect to continue to use our operating cashflows to reduce our debt and continue to invest in growth. We also had a successful secondary offering this January, with all net proceeds going to the selling shareholders participating in the secondary,” said Michael G. Potter, Chief Financial Officer of Corsair.

Financial Outlook

For the full year 2021, we currently expect:

- Net revenue to be in the range of \$1.8 billion to \$1.95 billion.
- Adjusted operating income to be in the range of \$205 million to \$220 million.
- Adjusted EBITDA to be in the range of \$215 million to \$230 million.

Certain non-GAAP measures included in our financial outlook were not reconciled to the comparable GAAP financial measures because the GAAP measures are not accessible on a forward-looking basis. We are unable to reconcile these forward looking non-GAAP financial measures to the most directly comparable GAAP measures without unreasonable efforts because we are currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact GAAP measures for these periods but would not impact the non-GAAP measures. Such items may include stock-based compensation charges, public offering related charges, depreciation and amortization, severance, IPO costs and other items. The unavailable information could have a significant impact on our GAAP financial results.

The foregoing forward-looking statements reflect our expectations as of today's date. Given the number of risk factors, uncertainties and assumptions discussed below, actual results may differ materially. We do not intend to update our financial outlook until our next quarterly results announcement.

Please see "Use and Reconciliation of Non-GAAP Financial Measures" below for a discussion on how we calculate the non-GAAP measures presented herein and a reconciliation to the most directly comparable GAAP measure.

Recent Developments

- On February 1, 2021, in the patent infringement case, Ironburg Inventions Ltd. v. Valve Corp, the jury unanimously found that Valve Corp infringed Ironburg's controller patent and awarded Corsair's subsidiary Ironburg (a subsidiary of SCUF) over \$4 million. In addition, the jury unanimously found willful infringement by Valve Corp. The jury verdict of willful infringement is the first step to a potential award of enhanced damages up to the statutory limit of treble damages.
 - On January 26, 2021, Corsair closed its follow-on public offering by selling stockholders of 8,625,000 shares of its common stock at a price of \$35.00 per share. The total gross proceeds from the offering, before deducting underwriting discounts and commissions and other offering expenses were approximately \$301,875,000. The selling stockholders received all of the net proceeds from the offering.
 - On January 12, 2021 Corsair announced the promotion of Thi La to President and COO, as well as other senior leadership promotions.
 - On January 28, 2021 Corsair launched three new Corsair Gen 4 PCIe x4 NVMe M.2 Solid State Drives – the MP600 CORE, MP600 PRO and MP600 PRO Hydro X Edition. All MP600 SSDs store massive amounts of data with lightning-fast transfer speeds, leveraging PCIe technology for incredible sustained performance.
 - On January 21, 2021 Corsair launched its Vengeance RGB PRO SL high-performance DDR4 memory kits. Initially available in a wide range of frequencies up to 3,600MHz and kits up to 128GB (4x32GB) in both black and white, VENGEANCE RGB PRO SL boasts dynamic ten-zone RGB lighting in a form-factor just 44mm tall, offering wide compatibility with nearly any PC build. Each module is tightly screened and optimized for peak performance and overclocking potential, for memory that matches its mesmerizing visuals with equally impressive performance.
 - On January 14, 2021 Corsair launched a new series of mid-tower ATX cases to suit nearly any build: the Corsair 5000D, 5000D AIRFLOW and the iCUE 5000X RGB. Every 5000 Series case offers simple and tidy cable management thanks to the Corsair RapidRoute cable management system, terrific cooling from included fans featuring Corsair AirGuide technology and a spacious interior that fits multiple radiators, including two 360mm simultaneously. Between the understated styling of the 5000D, the optimized airflow of the 5000D AIRFLOW, and the eye-catching RGB lighting behind four beautiful tempered glass panels of the 5000X RGB, the 5000 Series has a case to meet any builder's priorities.
 - On December 9, 2020 Corsair under its SCUF brand unveiled the new SCUF H1 customizable wired gaming headset. Based on the design and technology of the award-winning CORSAIR VIRTUOSO headset, the H1 is customizable and tailored for competitive gamers who prefer the zero-latency provided by a wired headset. The SCUF H1's lightweight design is fully configurable and built for comfort, with immersive sound and a high-resolution interchangeable microphone to make crucial callouts that can be the difference between a victory or a loss. Every rustle of footsteps in
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a grassy field and every far-off missile strike is delivered with clear fidelity, almost doubling the audio frequency of most gaming headsets.

Conference Call and Webcast Information

We will host a conference call to discuss the fourth quarter and full year 2020 financial results on February 9, 2021, at 5:30 a.m. PT. The conference call can be accessed live over the phone by dialing 1-877-407-0784, or for international callers 1-201-689-8560. A replay will be available from 8:30 a.m. PT on February 9, 2021 through February 16, 2021, by dialing 1-844-512-2921, or for international callers 1-412-317-6671. The replay passcode is 13715251.

The call will also be webcast live from our investor relations website at <https://ir.corsair.com>. Following completion of the call, a recorded replay of the webcast will be available on the website.

About Corsair Gaming, Inc.

Corsair Gaming, Inc. (NASDAQ:CRSR) is a leading global developer and manufacturer of high-performance gear and technology for gamers, content creators, and PC enthusiasts. From award-winning PC components and peripherals, to premium streaming equipment and smart ambient lighting, Corsair delivers a full ecosystem of products that work together to enable everyone, from casual gamers to committed professionals, to perform at their very best.

Corsair also sells gear under our Elgato brand, which provides premium studio equipment and accessories for content creators, SCUF Gaming brand, which builds custom-designed controllers for competitive gamers, and ORIGIN PC brand, a builder of custom gaming and workstation desktop PCs and laptops.

Forward Looking Statements

Except for the historical information contained herein, the matters set forth in this press release are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, our estimated full year 2021 net revenue, adjusted operating income and adjusted EBITDA, as well as our belief that more new gamers and streamers are entering the market and that they will continue to buy gaming and streaming products from us for many years into the future. Forward-looking statements are based on our management's beliefs, as well as assumptions made by, and information currently available to, them. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. Factors which may cause actual results to differ materially from current expectations include, but are not limited to: our ability to build and maintain the strength of our brand among gaming and streaming enthusiasts and our ability to continuously develop and successfully market new gear and improvements; the introduction and success of new third-party high-performance computer hardware, particularly graphics processing units and central processing units as well as sophisticated new video games; the risk that we are not able to compete with competitors and/or that the gaming industry, including streaming and eSports, does not grow as expected or declines; the loss or inability to attract and retain key management; delays or disruptions at our or third-party's manufacturing and distribution facilities; currency exchange rate fluctuations or international trade disputes resulting in our gear becoming relatively more expensive to our overseas customers or resulting in an increase in our manufacturing costs; the impact of the coronavirus on our business; general economic conditions that adversely effect, among other things, consumer confidence and spending.; and the other factors described under the heading "Risk Factors" in our Quarterly Report

on Form 10-Q filed with the Securities and Exchange Commission (“SEC”) on November 10, 2020, in our Annual Report on Form 10-K for the year ended December 31, 2020 (once available) and our subsequent filings with the SEC. Copies of each filing may be obtained from us or the SEC. All forward-looking statements reflect our beliefs and assumptions only as of the date of this press release. We undertake no obligation to update forward-looking statements to reflect future events or circumstances. Our results for the quarter and full year ended December 31, 2020 are not necessarily indicative of our operating results for any future periods.

Use and Reconciliation of Non-GAAP Financial Measures

To supplement the preliminary financial results presented in accordance with GAAP, this earnings release presents certain non-GAAP financial information, including Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Net Income Per Share. These are important financial performance measures for us, but are not financial measures as defined by GAAP. The presentation of this non-GAAP financial information is not intended to be considered in isolation of or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We use Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Net Income Per Share to evaluate our operating performance and trends and make planning decisions. We believe that these non-GAAP measures help identify underlying trends in our business that could otherwise be masked by the effect of the expenses and other items that we exclude in such non-GAAP measures. Accordingly, we believe that Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Net Income Per Share provide useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects, and allowing for greater transparency with respect to the key financial metrics used by our management in our financial and operational decision-making. We also present these non-GAAP financial performance measures because we believe investors, analysts and rating agencies consider them useful in measuring our ability to meet our debt service obligations.

Our use of these terms may vary from that of others in our industry. These non-GAAP financial measures should not be considered as an alternative to revenues, operating income, net income, cash provided by operating activities or any other measures derived in accordance with GAAP as measures of operating performance or liquidity. Reconciliations of these measures to the most directly comparable GAAP financial measures are presented in the attached schedules.

We calculate these non-GAAP financial measures as follows:

- Adjusted operating income, non-GAAP, is determined by adding back to GAAP operating income the acquisition accounting impacts related to recognizing acquired deferred revenue and inventory at fair value, change in fair value of contingent consideration for business acquisition, stock-based compensation, intangible asset amortization, certain acquisition-related and integration-related expenses, executive transition costs, non-deferred costs associated with the IPO and the secondary offering, and debt modification costs.
 - Adjusted net income, non-GAAP, is determined by adding back to GAAP net income (loss) the acquisition accounting impacts related to recognizing acquired deferred revenue and inventory at fair value, change in fair value of contingent consideration for business acquisition, stock-based compensation, intangible asset amortization, certain acquisition-related and integration-related
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expenses, executive transition costs, non-deferred costs associated with the IPO and the secondary offering, debt modification costs, loss on extinguishment of debt, and the related tax effects of each of these adjustments.

- Adjusted net income per diluted share, non-GAAP, is determined by dividing adjusted net income, non-GAAP by the respective weighted average shares outstanding, inclusive of the impact of other dilutive securities.
- Adjusted EBITDA is determined by adding back to GAAP net income (loss) the acquisition accounting impacts related to recognizing acquired deferred revenue and inventory at fair value, change in fair value of contingent consideration for business acquisition, stock-based compensation, certain acquisition-related and integration-related expenses, executive transition costs, non-deferred costs associated with the IPO and the secondary offering, debt modification costs, intangible asset amortization, depreciation and amortization, interest expense (including loss on extinguishment of debt) and tax expense (benefit).
- Adjusted EBITDA margin is determined by dividing adjusted EBITDA by net revenue for the respective periods.

We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view these non-GAAP financial measures in conjunction with the related GAAP financial measures.

Source: Corsair Gaming, Inc.

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Corsair Gaming, Inc.
Preliminary Condensed Combined Consolidated Statements of Operations
(Unaudited, in thousands, except per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net revenue	\$ 556,339	\$ 326,555	\$ 1,702,367	\$ 1,097,174
Cost of revenue	402,540	256,102	1,236,938	872,887
Gross profit	153,799	70,453	465,429	224,287
Operating expenses:				
Sales, general and administrative	81,127	47,041	257,004	163,033
Product development	13,779	9,194	50,064	37,547
Total operating expenses	94,906	56,235	307,068	200,580
Operating income	58,893	14,218	158,361	23,707
Other (expense) income:				
Interest expense	(6,021)	(8,485)	(35,137)	(35,548)
Other expense, net	(1,153)	(81)	(1,182)	(1,558)
Total other expense, net	(7,174)	(8,566)	(36,319)	(37,106)
Income (loss) before income taxes	51,719	5,652	122,042	(13,399)
Income tax (expense) benefit	(8,676)	360	(18,825)	5,005
Net income (loss)	\$ 43,043	\$ 6,012	\$ 103,217	\$ (8,394)
Net income (loss) per share:				
Basic	\$ 0.47	\$ 0.08	\$ 1.20	\$ (0.11)
Diluted	\$ 0.43	\$ 0.08	\$ 1.14	\$ (0.11)
Weighted-average shares used to compute net income (loss) per share				
Basic	91,923	77,293	86,256	76,223
Diluted	99,771	79,514	90,577	76,223

Corsair Gaming, Inc.
Preliminary Segment Information
(Unaudited, in thousands, except percentages)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net revenue:				
Gamer and Creator Peripherals	\$ 191,835	\$ 94,057	\$ 539,366	\$ 294,141
Gaming Components and Systems	364,504	232,498	1,163,001	803,033
Total Net Revenue	<u>\$ 556,339</u>	<u>\$ 326,555</u>	<u>\$ 1,702,367</u>	<u>\$ 1,097,174</u>
Gross Margin:				
Gamer and Creator Peripherals	35.9%	24.6%	35.2%	27.7%
Gaming Components and Systems	23.3%	20.4%	23.7%	17.8%
Total Gross Margin	27.6%	21.6%	27.3%	20.4%

Corsair Gaming, Inc.
Preliminary Condensed Combined Consolidated Balance Sheets
(Unaudited, in thousands, except per share amounts)

	December 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash and restricted cash	\$ 133,338	\$ 51,717
Accounts receivable, net	293,629	202,334
Inventories	226,007	151,063
Prepaid expenses and other current assets	37,997	24,696
Total current assets	690,971	429,810
Property and equipment, net	16,475	15,365
Goodwill	312,760	312,750
Intangible assets, net	259,317	291,027
Restricted cash, noncurrent	230	230
Other assets	34,362	10,536
TOTAL ASSETS	\$ 1,314,115	\$ 1,059,718
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 299,636	\$ 182,025
Current portion of debt, net	—	2,364
Other liabilities and accrued expenses	205,745	115,541
Total current liabilities	505,381	299,930
Debt, net	321,393	503,448
Deferred tax liabilities	29,752	33,820
Other liabilities, noncurrent	20,199	5,745
TOTAL LIABILITIES	876,725	842,943
Stockholders' Equity:		
Common stock and additional paid-in capital	438,676	324,976
Accumulated deficit	(2,813)	(106,030)
Accumulated other comprehensive income (loss)	1,527	(2,171)
Total Stockholders' Equity	437,390	216,775
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,314,115	\$ 1,059,718

Corsair Gaming, Inc.
Preliminary Condensed Combined Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Cash flows from operating activities:				
Net income (loss)	\$ 43,043	\$ 6,012	\$ 103,217	\$ (8,394)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Stock-based compensation	1,510	1,035	5,796	3,848
Depreciation	2,613	1,936	9,318	7,384
Amortization of intangible assets	8,572	6,572	33,916	30,123
Debt issuance costs amortization	560	708	2,550	2,989
Loss on debt extinguishment	858	—	4,114	—
Deferred income taxes	(584)	(4,278)	(7,476)	(11,535)
Other	1,524	(945)	2,594	(347)
Changes in operating assets and liabilities:				
Accounts receivable	(33,425)	(37,460)	(91,492)	(48,033)
Inventories	(19,200)	28,732	(80,086)	15,711
Prepaid expenses and other assets	12,478	1,693	(7,953)	(1,619)
Accounts payable	23,750	14,138	116,522	16,203
Other liabilities and accrued expenses	26,930	17,826	77,933	30,773
Net cash provided by operating activities	<u>68,629</u>	<u>35,969</u>	<u>168,953</u>	<u>37,103</u>
Cash flows from investing activities:				
Acquisition of business, net of cash acquired	(455)	(121,258)	(1,291)	(126,104)
Payment of deferred consideration	—	—	—	(10,300)
Purchase of property and equipment	(3,917)	(1,845)	(8,989)	(8,848)
Purchase of intangible asset	—	(175)	—	(175)
Net cash used in investing activities	<u>(4,372)</u>	<u>(123,278)</u>	<u>(10,280)</u>	<u>(145,427)</u>
Cash flows from financing activities:				
Proceeds from issuance of debt, net	—	113,885	—	113,885
Repayment of debt	(50,000)	(1,194)	(190,394)	(3,969)
Payment of debt issuance costs	—	(2,300)	(194)	(2,450)
Repayment of line of credit, net	—	(35,700)	—	(27,000)
Proceeds from initial public offering, net of underwriting discounts and commissions	—	—	118,575	—
Payment of other offering costs	(2,873)	(137)	(8,455)	(245)
Proceeds from issuance of common stock to common stockholders	—	53,500	—	53,500
Repurchase of common stock	—	(962)	—	(1,531)
Proceeds from exercise of stock options	113	44	1,337	124
Net cash provided by (used in) financing activities	<u>(52,760)</u>	<u>127,136</u>	<u>(79,131)</u>	<u>132,314</u>
Effect of exchange rate changes on cash	1,930	(9)	2,079	37
Net increase in cash and restricted cash	13,427	39,818	81,621	24,027
Cash and restricted cash at the beginning of the period	120,141	12,129	51,947	27,920
Cash and restricted cash at the end of the period	<u>\$ 133,568</u>	<u>\$ 51,947</u>	<u>\$ 133,568</u>	<u>\$ 51,947</u>

Corsair Gaming, Inc.
GAAP to Non-GAAP Reconciliations

Preliminary Non-GAAP Operating Income Reconciliations
(Unaudited, in thousands, except percentages)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Operating Income - GAAP	\$ 58,893	\$ 14,218	\$ 158,361	\$ 23,707
Acquisition accounting impact related to recognizing acquired deferred revenue at fair value	-	1,067	-	1,067
Acquisition accounting impact related to recognizing acquired inventory at fair value	-	1,604	394	1,604
Change in fair value of contingent consideration for business acquisition	954	(635)	954	(635)
Stock-based compensation	1,510	1,035	5,796	3,848
Intangible asset amortization	8,572	6,571	33,916	30,123
Acquisition-related and integration-related costs	680	1,250	3,156	3,099
Executive transition costs	-	444	-	984
Non-deferred IPO and secondary offering costs	428	224	1,633	1,135
Debt modification costs	-	836	623	836
Adjusted Operating Income - Non-GAAP	\$ 71,037	\$ 26,614	\$ 204,833	\$ 65,768
<i>As a % of net revenue - GAAP</i>	<i>10.6%</i>	<i>4.4%</i>	<i>9.3%</i>	<i>2.2%</i>
<i>As a % of net revenue - Non-GAAP</i>	<i>12.8%</i>	<i>8.1%</i>	<i>12.0%</i>	<i>6.0%</i>

Preliminary Non-GAAP Net Income and Net Income Per Share Reconciliations
(Unaudited, in thousands, except per share amounts and percentages)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net Income (Loss) - GAAP	\$ 43,043	\$ 6,012	\$ 103,217	\$ (8,394)
Acquisition accounting impact related to recognizing acquired deferred revenue at fair value	-	1,067	-	1,067
Acquisition accounting impact related to recognizing acquired inventory at fair value	-	1,604	394	1,604
Change in fair value of contingent consideration for business acquisition	954	(635)	954	(635)
Stock-based compensation	1,510	1,035	5,796	3,848
Intangible asset amortization	8,572	6,571	33,916	30,123
Acquisition-related and integration-related costs	680	1,250	3,156	3,099
Executive transition costs	-	444	-	984
Non-deferred IPO and secondary offering costs	428	224	1,633	1,135
Debt modification costs	-	836	623	836
Loss on debt extinguishment	858	-	4,114	-
Non-GAAP income tax adjustment	(3,032)	(1,567)	(8,850)	(6,163)
Adjusted Net Income - Non-GAAP	\$ 53,013	\$ 16,841	\$ 144,953	\$ 27,504
Diluted Net income (loss) per share:				
GAAP	\$ 0.43	\$ 0.08	\$ 1.14	\$ (0.11)
Adjusted, Non-GAAP	\$ 0.53	\$ 0.21	\$ 1.60	\$ 0.35
Shares used to compute diluted net income (loss) per share:				
GAAP	99,771	79,514	90,577	76,223
Adjusted, Non-GAAP	99,771	79,514	90,577	78,117

Corsair Gaming, Inc.
Preliminary Adjusted EBITDA Reconciliations
(Unaudited, in thousands, except percentages)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net Income (Loss) - GAAP	\$ 43,043	\$ 6,012	\$ 103,217	\$ (8,394)
Acquisition accounting impact related to recognizing acquired deferred revenue at fair value	-	1,067	-	1,067
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Executive transition costs	-	444	-	984
Non-deferred IPO and secondary offering costs	428	224	1,633	1,135
Debt modification costs	-	836	623	836
Intangible asset amortization	8,572	6,571	33,916	30,123
Depreciation	2,613	1,936	9,318	7,384
Interest expense (includes loss on debt extinguishment)	6,021	8,485	35,137	35,548
Tax expense (benefit)	8,676	(360)	18,825	(5,005)
Adjusted EBITDA - Non-GAAP	<u>\$ 72,497</u>	<u>\$ 28,469</u>	<u>\$ 212,969</u>	<u>\$ 71,594</u>
 Adjusted EBITDA margin - Non-GAAP	 13.0%	 8.7%	 12.5%	 6.5%



INVESTOR PRESENTATION

February 9, 2021





DISCLAIMER

Forward Looking Statements

This presentation contains forward looking statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the Company's results may differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact could be deemed forward-looking statements, including, but not limited to: information or predictions concerning the Company's future financial performance, business plans and objectives, potential growth opportunities, financing plans, competitive position, technological, industry or market trends and potential market opportunities. These statements are based on estimates and information available to the Company at the time of this presentation and are not guarantees of future performance. Actual results could differ materially from the Company's current expectations as a result of many factors, including, but not limited to: the Company's ability to build and maintain the strength of its brand among gaming and streaming enthusiasts and its ability to continuously develop and successfully market new gear and improvements to existing gear; the introduction and success of new third-party high-performance computer hardware, particularly graphics processing units and central processing units, as well as sophisticated new video games; fluctuations in operating results; the risk that the Company is not able to compete with competitors and/or that the gaming industry, including streaming and eSports, does not grow as expected or declines; the loss or inability to attract and retain key management; delays or disruptions at manufacturing and distribution facilities of the Company or third parties; currency exchange rate fluctuations or international trade disputes resulting in the Company's gear becoming relatively more expensive to its overseas customers or resulting in an increase in the Company's manufacturing costs; the impact of the coronavirus on the Company's business; and general economic conditions that adversely affect, among other things, the financial markets and consumer confidence and spending. The Company assumes no obligation, and does not intend, to update these forward-looking statements, except as required by law. Investors are urged to review in detail the risks and uncertainties outlined in Corsair's Securities and Exchange Commission filings, including but not limited to Corsair's Annual Report on Form 10-K for the year ended December 31, 2020 (once available) as well as the Risk Factors contained therein. You may get these documents for free by visiting EDGAR on the SEC website at <http://www.sec.gov>.

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures, such as adjusted EBITDA, which are not recognized under the generally accepted accounting principles ("GAAP") in the United States and designed to complement the financial information presented in accordance with GAAP in the United States because management believes such measures are useful to investors. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation of, or as an alternative to, measures prepared in accordance with U.S. GAAP. The non-GAAP measures used by the Company may differ from the non-GAAP measures used by other companies. The Company urges you to review the reconciliation of its non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures set forth in the Appendix to this presentation, and not to rely on any single financial measure to evaluate the Company's business.

Market & Industry Data

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to the Company's industry, the Company's business and the market for the Company's products and its future growth. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of the Company's future performance and the future performance of the market for its products are necessarily subject to a high degree of uncertainty and risk.

Unless otherwise specified, all figures are as of December 31, 2020.



CORSAIR MAKES SPECIALIZED GEAR FOR GAMERS AND STREAMERS

 **CORSAIR**
elgato  ORIGIN  scuf GAMING

GAMING AND STREAMING GEAR AT SCALE

Founded in
1994

2,000+
Employees

\$1.7bn
Revenue 2020 ⁽¹⁾

25.7%
2017 – 2020 ⁽¹⁾
Revenue CAGR

23
Primary Product
Lines, Many with
Leading Market
Share

GAMER AND CREATOR PERIPHERALS

GAMING COMPONENTS AND SYSTEMS

KEYBOARDS



MICE



GAMING
HEADSETS



PERFORMANCE
CONTROLLERS



STREAMING GEAR



HIGH
PERFORMANCE
MEMORY



COMPUTER
CASES



POWER
SUPPLY
UNITS



COOLING
SOLUTIONS



COMPLETE
SYSTEMS



¹ Reflects preliminary and unaudited estimates for the year ended December 31, 2020 based on currently available information. This is not a comprehensive statement of our financials results and is subject to completion of our closing process. Actual results may differ materially from these estimates. Estimates should not be viewed as a substitute for our full annual financial statements, and are not necessarily indicative of the results to be expected for any future period.

THE COMPLETE PRODUCT SUITE FOR GAMING AND STREAMING



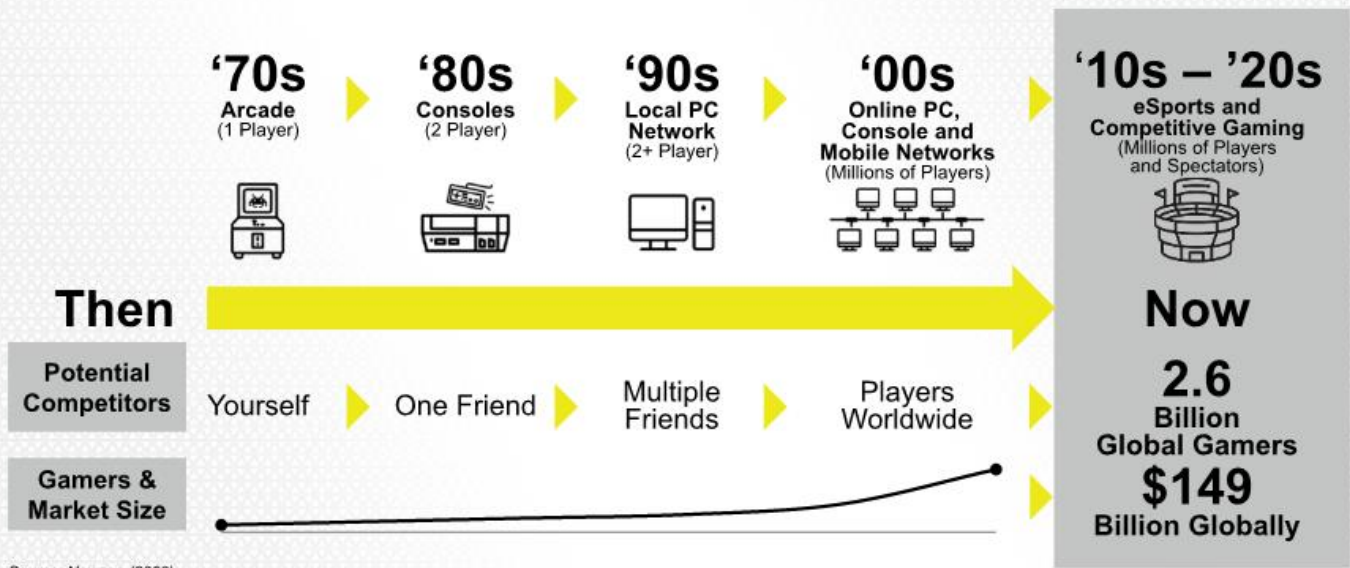


OUR OPPORTUNITY
Gaming, eSports, Streaming





GAMING HAS RAPIDLY GROWN AND BECOME MAINSTREAM



Source: Newzoo (2020)



ESPORTS AND STREAMING POWER AN INVESTMENT AND SPENDING FLYWHEEL IN GAMING

2.6B
Gamers Globally In 2019

11%
Leisure Time in U.S. is Spent on Gaming



12B
Streaming Hours Watched in 2019¹

71%
Millennial Gamers In U.S. Watch Gaming Video Content on Streaming Platforms

\$951 Million
eSports Revenue in 2019

Source: Newzoo (2020), StreamLabs, Activate Technology & Media Outlook 2020 and Nielsen
¹ Hours watched across Twitch, YouTube Gaming, Facebook Gaming and Mixer; does not include Chinese streaming platforms.



GAMERS AND STREAMERS NEED HIGH PERFORMANCE GEAR

GAMERS

STREAMERS

PC



Console



Mobile



GEAR NEEDS

524mm PC Gamers



729mm Console Gamers



2.4bn Mobile Gamers

6mm Committed Streamers



Source: Jan Peddie Research and Newzoo (2019,2020)



MANY PC GAMERS ARE CONSTANTLY BUILDING AND UPGRADING THEIR PCS WITH INDIVIDUALLY SELECTED, HIGH PERFORMANCE COMPONENTS

- Games Become More Graphically Intense Every Year, Requiring High-End Gaming PCs to Play Competitively
- Competitive PC Gamers Want Both High Quality Graphics and High Frame Rates
- High Quality Graphics Enhance the Immersive Experience While Higher Frame Rates Have Definitive, Measurable Performance Benefits



- 51% of the Global Gaming PC Market Comprises of Machines that Cost \$1,800+

Source: Jon Peddie Research (2020), DFC Intelligence (2020)

- A Majority of This High-End PC Segment Consists of Gamers Who Build Their Own Rigs
- This is a Large, Growing Market, Comprising 46% of the Total Gaming PC Spend and Exhibiting a CAGR of 14% From 2012-2019
- Gaming PC Builders Care About :
 - Performance and Cooling
 - Quietness and Silence
 - Reliability and Durability
 - Aesthetics and Form Factor



- Corsair is a Recognized Market Leader in the Categories of Gaming Components it Sells to the High-Spend Consumer



GAMING GEAR UPGRADE PATH

CASUAL



COMMITTED





STREAMING GEAR UPGRADE PATH

CASUAL

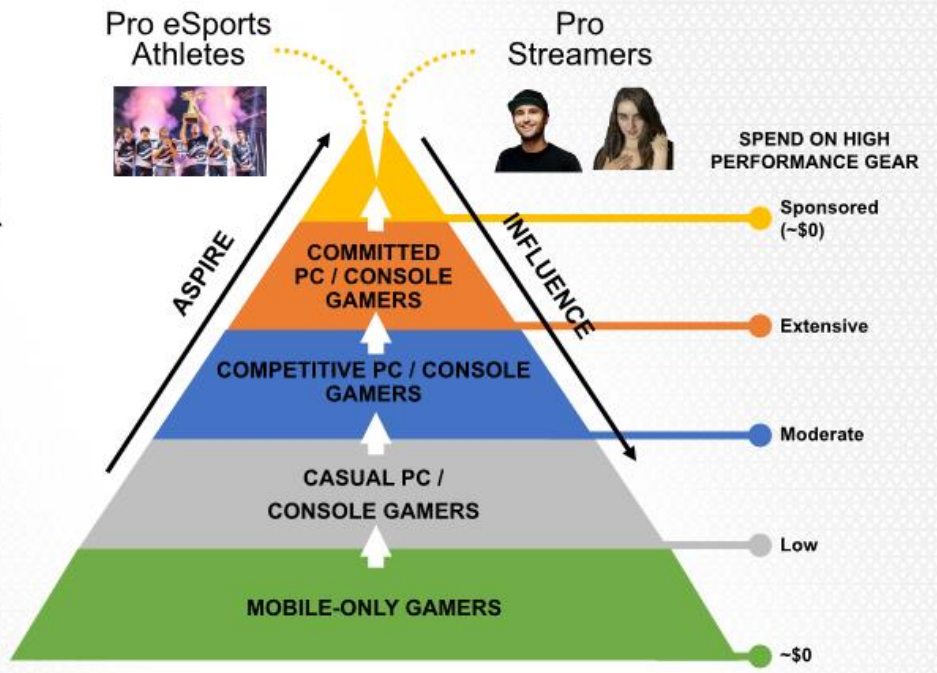


COMMITTED





COMPETITIVE GAMING AND STREAMING DRIVE USER ASPIRATIONS, COMMITMENT AND SPENDING ON GEAR

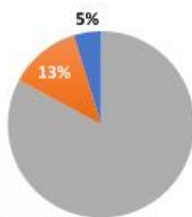




LARGE GLOBAL PC GAMING AND STREAMING GEAR MARKET, WITH SIGNIFICANT WHITESPACE

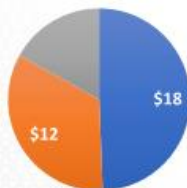
2019 Total PC Gamers: 524mm

While Committed and Competitive PC Gamers Only Make Up 18% of the PC Gamer Population....



2019 Total Spending on PC Gaming Gear: \$36bn

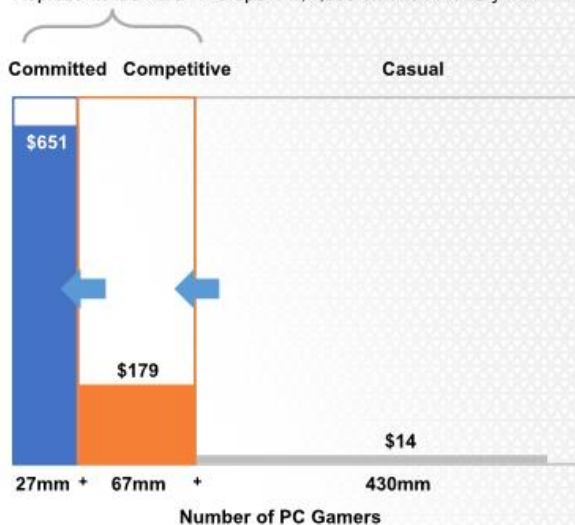
...They Represent 83% of the \$36bn PC Gaming and Streaming Gear Total Addressable Market...



■ Committed ■ Competitive ■ Casual

...Resulting in Significant Whitespace as Gamers and Streamers Become More Serious and Start to Spend

Represents Gamers Who Spent >\$1,000 on Their Primary PC



Source: Jon Peddie Research (2019, 2020) Note: Committed PC Gamers defined by >\$1,800 per gamer aggregate spend on gaming hardware and accessories. Competitive PC Gamers defined by \$1,000 - \$1,800 per gamer aggregate spend on gaming hardware and accessories. Casual PC Gamers defined by <\$1,000 per gamer aggregate spend on gaming hardware and accessories.



PROLIFERATION OF STREAMING AND BROADER CONTENT CREATION EXPANDING MARKET OPPORTUNITY

~6 Million

Committed Streamers Across Platforms¹

Streamers who Purchase Streaming Gear Spent an Average of Over \$240 in 2019.

Traditionally Spend Was on Gaming Content, But Increasingly on:

- Podcasting
- Video Blogging
- Interactive Fitness
- Remote Learning
- Work From Home

Source: Newzoo (2020)
¹ Includes Twitch and Youtube.





OUR COMPETITIVE ADVANTAGE
Leading Performance and Integration



CORSAIR



REPUTATION FOR HIGH PERFORMANCE AND QUALITY

Since 2016, We Have Received over 4,000 Product Awards in Approximately 45 Countries, of Which 3,500 Were "Gold," "Editor's Choice," "Approved," or Similar Awards

Precision



Power



Customization



Durability



Aesthetics



Creative freedom





USED, INFLUENCED AND TESTED BY THE WORLD'S MOST ADMIRED GAMERS AND STREAMERS



SUMMIT1G

7mm+ Followers
2020 Live Viewer Hours: 109mm



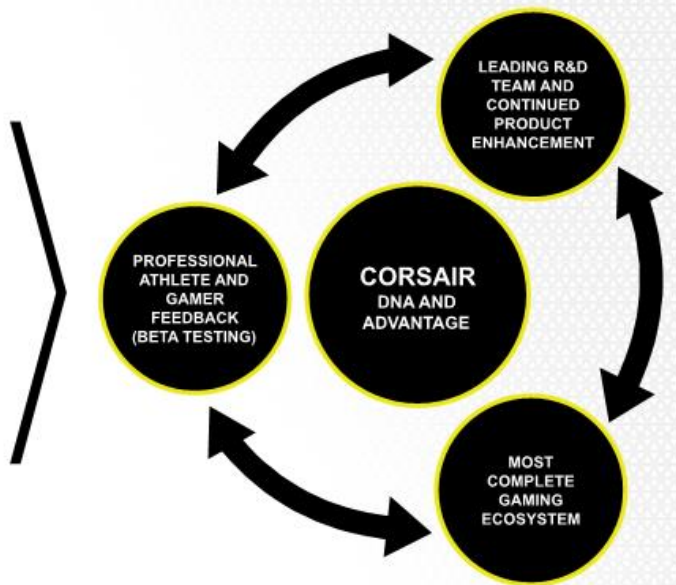
LoserFruit

9mm+ Followers
2020 YouTube Views: 51mm



CohhCarnage

2mm+ Followers
2020 Live Viewer Hours: 36mm



MOST COMPLETE, SOFTWARE-DRIVEN ECOSYSTEM

Two proprietary software platforms enhance brand loyalty and repeat purchases across gaming and streaming gear



iCUE FOR GAMERS

RGB Lighting Control



Performance Tuning



Immersive game Integration




Performance Dashboard



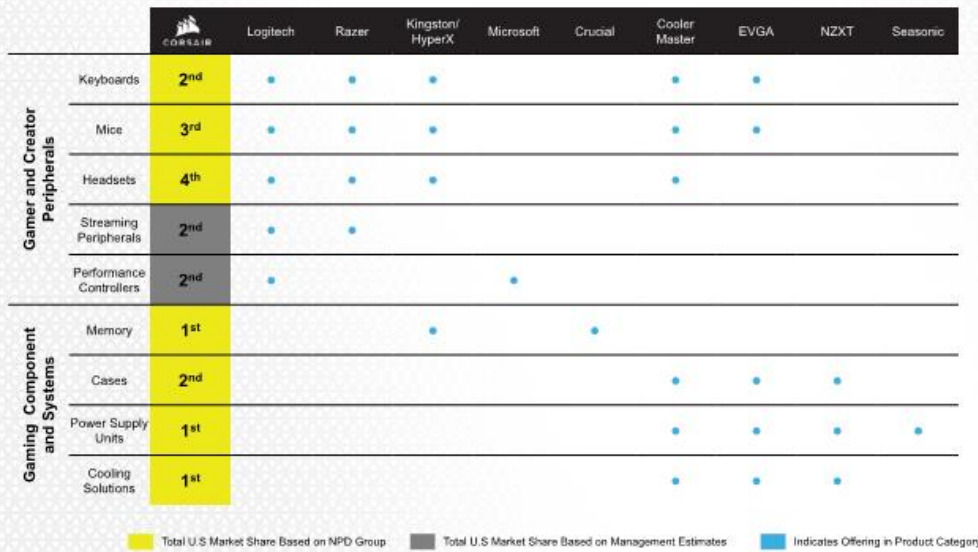
ELGATO FOR CONTENT CREATORS



- 1 4K Video Capture
- 2 Audio and Mic Mixer
- 3 Stream Deck Software
- 4 Lighting Control
- 5  EPOCCAM Video software



MARKET LEADERSHIP ACROSS OUR PRODUCT CATEGORIES



Corsair's Leadership Commanding Price Premiums Against Other Brands¹

Cooling Solutions	+73%
Computer Cases	+42%
Power Supply Units	+32%
High-Performance Memory	+8%

Source: NPD Group (Last twelve months ended September 2020) and management estimates.
¹ Premiums in the U.S. for the twelve months ended September 2020.



GLOBAL AND ESTABLISHED CHANNEL RELATIONSHIPS

AMERICAS

amazon.com



MICRO CENTER



IN RAM

Walmart



EMEA

exertis



S&K TECHNOLOGIES, INC.
A Family of Intel & Hewlett-Packard Channel Businesses

amazon.eu

SCAN ELKJOP



LDLC.COM



Dixons



KOMPLETT

APAC

amazon.co.jp



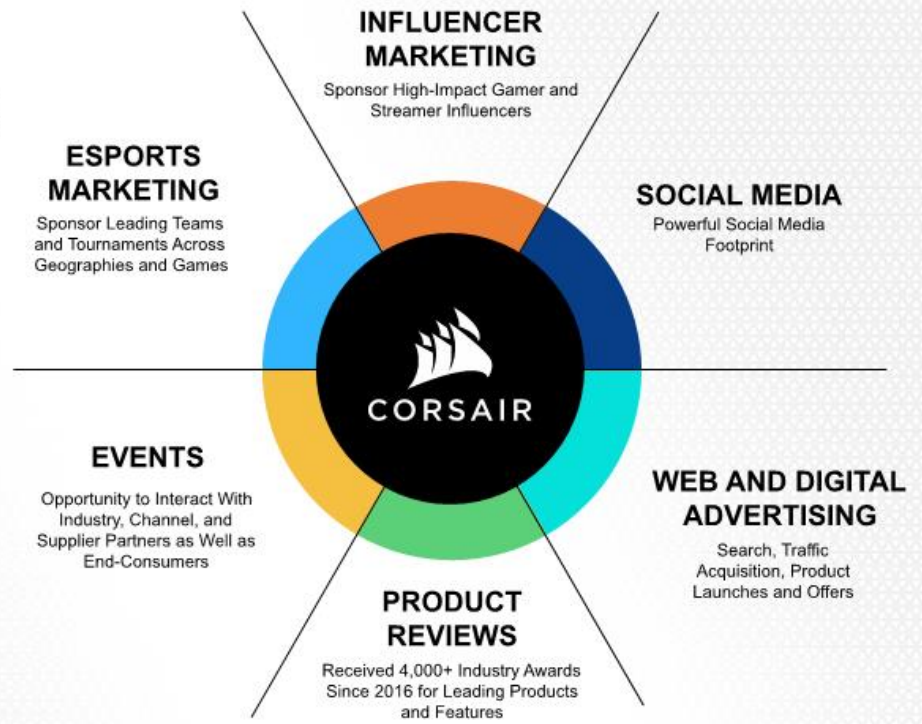
PC CASE GEAR

天猫 Tmall.com





SUPPORTED BY A HIGHLY EFFICIENT MARKETING ENGINE





OVERVIEW OF GROWTH STRATEGY

- 1 Advance as the global leader in high-performance gaming and streaming gear
- 2 Continue to develop innovative, market-leading gaming and streaming gear
- 3 Expand into new gear and services that grow our market opportunity
- 4 Leverage our software platforms to sell more gear into existing customers
- 5 Strengthen relationships with end-users by increasing direct-to-consumer sales
- 6 Continue to grow market share globally
- 7 Selectively pursue complementary acquisitions



MANAGEMENT TEAM OF VISIONARY INDUSTRY LEADERS



ANDY PAUL
CEO

42 Years in Industry



President of Multichip Technology



Various sales and marketing positions



MICHAEL G. POTTER
CFO

30 Years in Industry



CFO and Chief Legal Officer



CFO



CFO



THI LA
President & COO

33 Years in Industry



VP, Global Operations and IT



Director



CARINA TAN
Vice President
& General Counsel

24 years legal experience



Partner



Research Scientist



PETE HILLIARD
Chief Human
Resource officer

30 years of HR experience



Chief People Officer



Chief Administrative Officer



Partner & VP of Operations



JULIAN LIGHTON
SVP, Strategy &
New Ventures

31 Years in Industry



CEO



Chief Strategy Officer



General Manager

Chief Strategy Officer



Various Senior Positions



FINANCIAL OVERVIEW

Top-Line Growth and Cash Flow Profile Support
Investment in Attractive Growth Areas



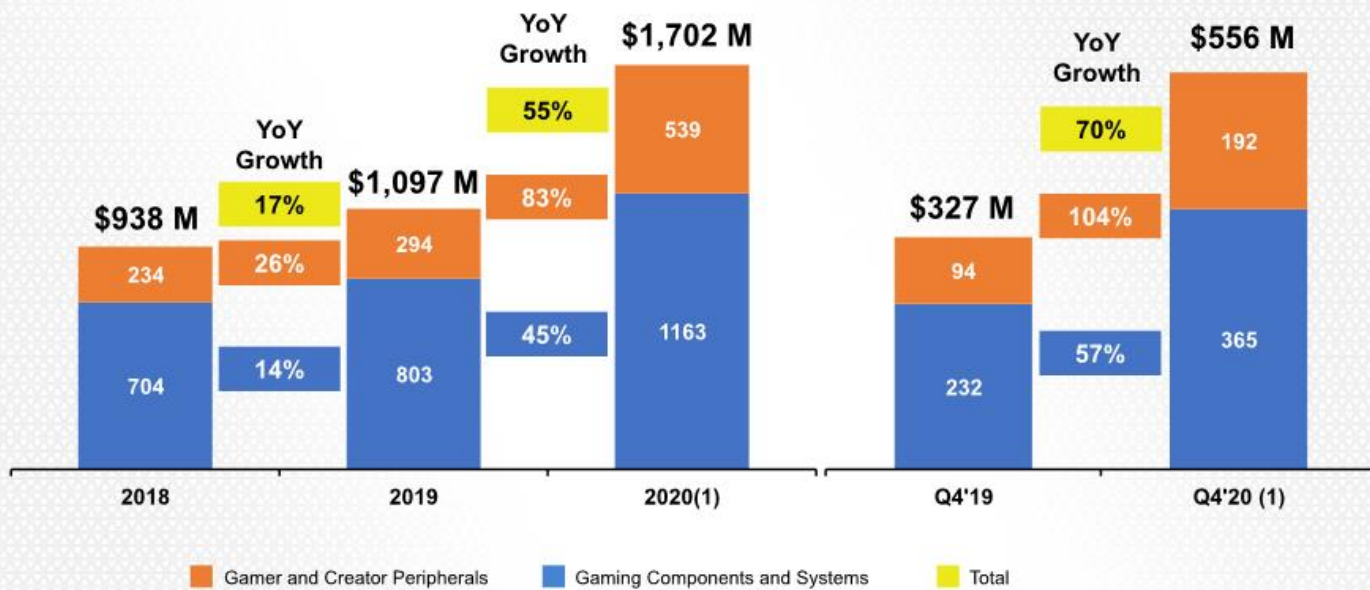


FINANCIAL HIGHLIGHTS

- 1 Strong top-line growth
- 2 Margin expansion across our segments
- 3 Investing to consolidate market leadership
- 4 Asset-light business model
- 5 Strong free cash flow generation



STRONG TOP-LINE GROWTH - REVENUE



Source: Company Management

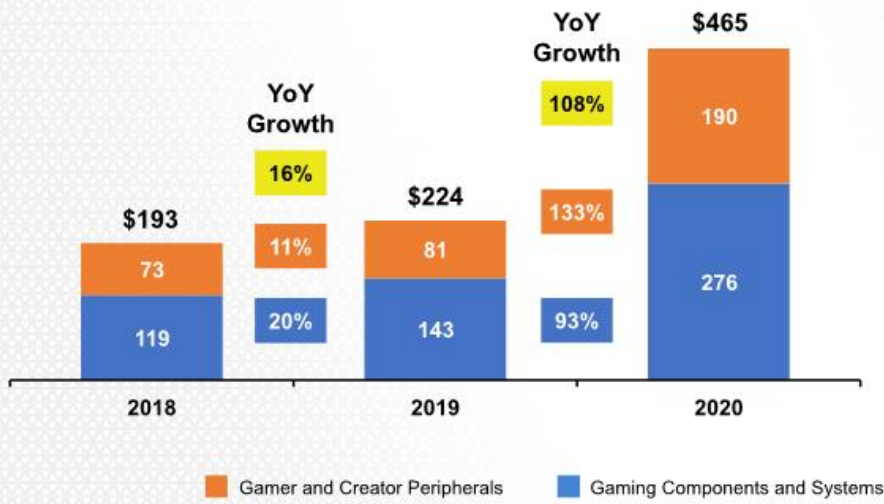
Note: Financials in \$mm. 2018 and 2019 financials are not presented on a pro-forma basis for CORSAIR's acquisitions of Elgato in 2018 and Origin and SCUF in 2019.

1 Reflects preliminary and unaudited estimates for the year ended December 31, 2020 based on currently available information. This is not a comprehensive statement of our financials results and is subject to completion of our closing process. Actual results may differ materially from these estimates. Estimates should not be viewed as a substitute for our full annual financial statements, and are not necessarily indicative of the results to be expected for any future period.

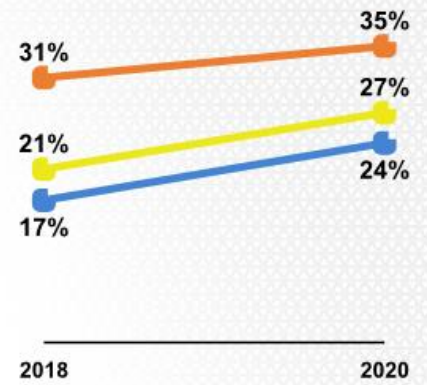


GROSS MARGIN EXPANSION IN BOTH OUR SEGMENTS

SEGMENT GROSS PROFIT



SEGMENT GROSS MARGIN

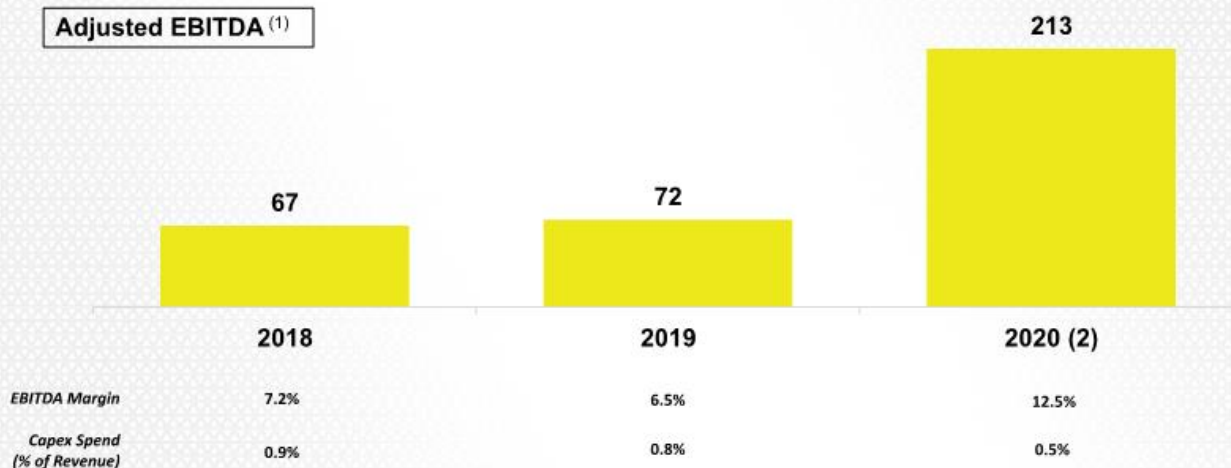


Source: Company Management
Note: Financials in \$mm. 2018 and 2019 financials are not presented on a pro-forma basis for CORSAIR's acquisitions of Elgato in 2018 and Origin and SCUF in 2019.



EXPANDING EBITDA WITH LOW CAPEX

Adjusted EBITDA ⁽¹⁾



Source: Company Management. Note: Financials in \$mm.

¹ Adjusted EBITDA is determined by adding back to GAAP net income (loss) the acquisition accounting impacts related to recognizing acquired deferred revenue and inventory at fair value, stock-based compensation, certain acquisition-related and integration-related expenses, change in fair value of contingent consideration for business acquisition, executive transition costs, non-deferred costs associated with the IPO and the secondary offering, debt modification costs, intangible asset amortization, depreciation and amortization, interest expense (including loss on extinguishment of debt) and tax expense (benefit). While we believe Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operations, we urge you to review the reconciliation of Adjusted EBITDA to our most directly comparable GAAP financial measures set forth in the Appendix to this presentation.

Note: 2018 and 2019 financials are not presented on a pro-forma basis for CORSAIR's acquisitions of Elgato in 2018 and Origin and SCUF in 2019. 2020 financial figures are preliminary estimates and the review of such figures by the Company's auditors is not yet complete. As a result, such figures are subject to change.

² Reflects unaudited numbers for the year ended December 31, 2020 based on currently available information. This is not a comprehensive statement of our financials results and is subject to completion of our closing process. Actual results may differ materially from these estimates. Estimates should not be viewed as a substitute for our full annual financial statements, and are not necessarily indicative of the results to be expected for any future period.



Exited 2020 on a Strong Note

Record Full Year Results

Net revenue growth of 55.2% to \$1.7 billion and adjusted EBITDA nearly tripled to \$213.0 million, driven by strong demand across all of our product lines as consumers spend more time working and gaming at home

Gross margin of 27.3%, an increase of 690 basis points, driven by product mix and lower promotional activity

Adjusted operating income growth of 211.4% to \$204.8 million, driven by increased sales leverage

Cash flow from operations of \$170.0 million

	Q4'20	Y/Y	2020	Y/Y
Net Revenue	\$556.3	70.4%	\$1,702.4	55.2%
Gross Profit	\$153.8	118.3%	\$465.4	107.5%
Gross Profit Margin	27.6%	600 bps	27.3%	690 bps
Operating Income	\$58.9	314.2%	\$158.4	568.0%
Adjusted Operating Income	\$71.0	166.9%	\$204.8	211.4%
Net Income	\$43.0	616.0%	\$103.2	nm
Earnings per Share (diluted)	\$0.43	470.6%	\$1.14	nm
Adjusted Net Income	\$53.0	214.8%	\$145.0	427.0%
Adjusted Earnings per Share (diluted)	\$0.53	150.9%	\$1.60	354.5%
Adjusted EBITDA	\$72.5	154.7%	\$213.0	197.5%

Note: \$ in millions except EPS and percentages; 2019 was a Net Income loss of \$8.4m or \$0.11 per share making the year-over-year % comparison not meaningful



GAMER AND CREATOR PERIPHERALS

Gamer and Creator Peripherals segment net revenue growth of 83.4%, driven by sales of Elgato branded streaming products, gaming chairs, headsets, and the contribution from SCUF

Gamer and Creator Peripherals segment net revenue was 31.7% of total net revenue, an increase of 490 basis points over 2019

Gamer and Creator Peripherals segment gross profit was \$189.7 million, an increase of \$108.4 million

Gamer and Creator Peripherals segment gross margin was 35.2%, an increase of 750 basis points, driven by increasing sales of higher margin products, coupled with less promotional activities

Note: \$ in millions except percentages

	Q4'20	Y/Y	2020	Y/Y
Net Revenue	\$191.8	104.0%	\$539.4	83.4%
% of Total Net Revenue	34.5%	570 bps	31.7%	490 bps
Gross Profit	\$68.9	197.7%	\$189.7	133.2%
Gross Profit Margin	35.9%	1130 bps	35.2%	750bps





GAMING COMPONENTS AND SYSTEMS

Gaming Components and Systems segment net revenue growth of 44.8%, driven by strong sales across all products that were prompted in part by introduction of high-performing microprocessors by Intel and AMD and graphic cards by AMD and Nvidia

Gaming Components and Systems segment gross profit was \$275.7 million, an increase of 92.9% year-over-year

Gaming Components and Systems segment gross margin was 23.7%, an increase of 590 basis points, driven by increasing sales of higher margin products, coupled with less promotional activities

	Q4'20	Y/Y	2020	Y/Y
Net Revenue	\$364.5	56.8%	\$1,163.0	44.8%
% of Total Net Revenue	65.5%	-570 bps	68.3%	-490 bps
Gross Profit	\$84.9	79.5%	\$275.7	92.9%
Gross Profit Margin	23.3%	290 bps	23.7%	590 bps



Note: \$ in millions except percentages



2021 Outlook ⁽¹⁾

Financial Metrics	2021 Guidance
Net Revenues	\$1.8-1.95 billion
Adjusted Operating Income	\$205-220 million
Adjusted EBITDA	\$215-230 million

1. Actual results may differ materially from these estimates. Estimates should not be viewed as a substitute for our full annual financial statements, and are not necessarily indicative of the results to be expected for any future period.



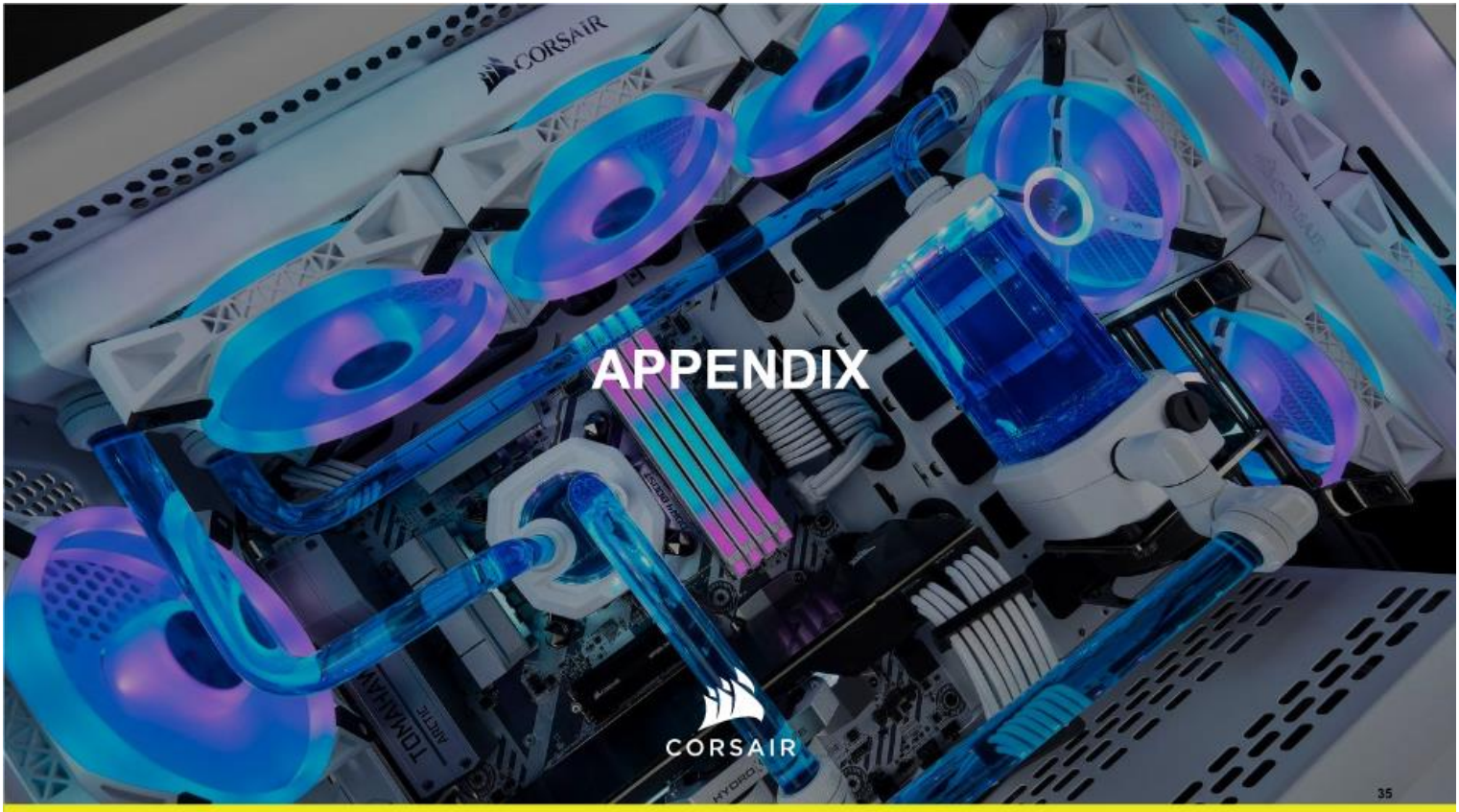
DEBT SUMMARY

(\$ in millions)	December 31, 2020
Cash (excluding restricted cash)	\$129.5
Term Loan (face value)	\$326.9
Total debt	\$326.9
Net debt	\$197.4
LTM adjusted EBITDA ⁽¹⁾	\$213.0
Total debt / LTM adjusted EBITDA	1.5x
Net debt / LTM adjusted EBITDA	0.9x

Repaid \$50 million of term loan debt during Q4'20

Repaid \$190.4 million of term loan during 2020, retiring \$50 million second lien debt in its entirety during Q3'20 prior to the IPO

¹ See appendix for non-GAAP reconciliations



APPENDIX





GAAP TO NON-GAAP RECONCILIATIONS

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Operating Income - GAAP	\$ 58,893	\$ 14,218	\$ 158,361	\$ 23,707
Acquisition accounting impact related to recognizing acquired deferred revenue at fair value	-	1,067	-	1,067
Acquisition accounting impact related to recognizing acquired inventory at fair value	-	1,604	394	1,604
Change in fair value of contingent consideration for business acquisition	954	(635)	954	(635)
Stock-based compensation	1,510	1,035	5,796	3,848
Intangible asset amortization	8,572	6,571	33,916	30,123
Acquisition-related and integration-related costs	680	1,250	3,156	3,099
Executive transition costs	-	444	-	984
Non-deferred IPO and secondary offering costs	428	224	1,633	1,135
Debt modification costs	-	836	623	836
Adjusted Operating Income - Non-GAAP	\$ 71,037	\$ 26,614	\$ 204,833	\$ 65,768
<i>As a % of net revenue - GAAP</i>	10.6%	4.4%	9.3%	2.2%
<i>As a % of net revenue - Non-GAAP</i>	12.8%	8.1%	12.0%	6.0%



GAAP TO NON-GAAP RECONCILIATIONS

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net Income (Loss) - GAAP	\$ 43,043	\$ 6,012	\$ 103,217	\$ (8,394)
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Adjusted Net Income - Non-GAAP	<u>\$ 53,013</u>	<u>\$ 16,841</u>	<u>\$ 144,953</u>	<u>\$ 27,504</u>
Diluted Net income per share:				
GAAP	\$ 0.43	\$ 0.08	\$ 1.14	\$ (0.11)
Adjusted, Non-GAAP	\$ 0.53	\$ 0.21	\$ 1.60	\$ 0.35
Shares used to compute diluted net income per share:				
GAAP	99,771	79,514	90,577	76,223
Adjusted, Non-GAAP	99,771	79,514	90,577	78,117



ADJUSTED EBITDA RECONCILIATION

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net Income (Loss) - GAAP	\$ 43,043	\$ 6,012	\$ 103,217	\$ (8,394)
Acquisition accounting impact related to recognizing acquired deferred revenue at fair value	-	1,067	-	1,067
Acquisition accounting impact related to recognizing acquired inventory at fair value	-	1,604	394	1,604
Change in fair value of contingent consideration for business acquisition	954	(635)	954	(635)
Stock-based compensation	1,510	1,035	5,796	3,848
Acquisition-related and integration-related costs	680	1,250	3,156	3,099
Executive transition costs	-	444	-	984
Non-deferred IPO and secondary offering costs	428	224	1,633	1,135
Debt modification costs	-	836	623	836
Intangible asset amortization	8,572	6,571	33,916	30,123
Depreciation	2,613	1,936	9,318	7,384
Interest expense (includes loss on debt extinguishment)	6,021	8,485	35,137	35,548
Tax expense (benefit)	8,676	(360)	18,825	(5,005)
Adjusted EBITDA - Non-GAAP	\$ 72,497	\$ 28,469	\$ 212,969	\$ 71,594
Adjusted EBITDA margin - Non-GAAP	13.0%	8.7%	12.5%	6.5%



THANKS!



