



Corsair Gaming Reports First Quarter 2024 Financial Results

Achieved 20% Year-Over-Year Revenue Growth in Gamer and Creator Segment with Record 40% Gross Margin

MILPITAS, CA, May 7, 2024 – Corsair Gaming, Inc. (Nasdaq: CRSR) (“Corsair” or the “Company”), a leading global provider and innovator of high-performance products for gamers, streamers, content-creators, and gaming PC builders, today announced financial results for the first quarter ended March 31, 2024.

First Quarter 2024 Select Financial Metrics

- Net revenue was \$337.3 million compared to \$417.3 million in the fourth quarter of 2023 and \$354.0 million in the first quarter of 2023. Gaming Components and Systems segment net revenue was \$230.3 million compared to \$280.5 million in the fourth quarter of 2023 and \$265.0 million in the first quarter of 2023, while Gamer and Creator Peripherals segment net revenue was \$107.0 million compared to \$136.8 million in the fourth quarter of 2023 and \$88.9 million in the first quarter of 2023.
- Net loss attributable to common shareholders was \$12.5 million, or net loss of \$0.12 per diluted share, compared to net income of \$6.2 million, or net income of \$0.06 per diluted share, in the fourth quarter of 2023 and a net loss of \$1.1 million, or a net loss of \$0.01 per diluted share, in the first quarter of 2023.
- Adjusted net income was \$9.5 million, or net income of \$0.09 per diluted share, compared to adjusted net income of \$23.2 million, or net income of \$0.22 per diluted share in the fourth quarter of 2023 and adjusted net income of \$11.9 million, or net income of \$0.11 per diluted share, in the first quarter of 2023.
- Adjusted EBITDA was \$18.0 million, compared to \$33.7 million in the fourth quarter of 2023, and \$20.6 million in the first quarter of 2023.
- Cash and restricted cash was \$130.2 million as of March 31, 2024.

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.”

Andy Paul, Chief Executive Officer of Corsair, stated, “2024 is starting out as expected with new products driving healthy peripherals growth for us. Our Gamer and Creator Peripherals segment has continued its impressive performance, achieving 20% year-over-year revenue growth in the first quarter 2024 after 16% year-over-year revenue growth in the fourth quarter 2023. All product lines showed growth, including Elgato with its popular Stream Deck products, SCUF Gaming with the successful recent launch of PC controllers, and Corsair peripherals with several new keyboards, headsets and mice. We were particularly pleased to see the gross margin lift to 40% with these new product launches. Demand was more subdued in the component market as is normal in this stage of the GPU cycle but we continue to have a high market share in this space and we believe this market will start to show growth during the second half of 2024 and through 2025.”

“In 2024, we’re gearing up for an exciting year of planned innovation with an impressive slate of new Corsair products, as we broaden our category reach. Two anticipated launches include our forthcoming mobile gaming controller and our upcoming SIM racing product line. These categories provide the potential for both high consumer interest and growth. Drawing on our established reputation for top-notch product design and performance, we are optimistic that both these product launches will be successful. We are also excited about our recent launch of the new Elgato Neo product family, which is targeting a different and more casual user base than our traditional prosumer Elgato customers. The initial response has been very positive and we expect sales to ramp throughout 2024 and over the coming years.”

“Furthermore, our efforts in regional and retail expansion continue to progress, with anticipated revenue boosts in the latter half of 2024. We’ve successfully expanded the retail presence of Corsair’s full suite of gaming and creator products, introduced the Drop product line to retail channels, expanded our SCUF Gaming product lines in retail, and strengthened our partnerships with several major online retailers. These initiatives solidify our position in the market and set the stage for continued growth and success in the years ahead.”

Michael G. Potter, Chief Financial Officer of Corsair, stated, “The success of our new products is driving market share gains and margin expansion. In Q1 2024, our gross margin increased by 110 basis points to 25.7 percent compared to 24.6 percent in Q4 2023. Specifically, within our Gamer and Creator Peripherals segment, gross margin rose by 360 basis points to 40.8 percent from 37.2 percent in Q4 2023, while in our Gaming Components and Systems segment, gross margin increased by 20 basis points to 18.7 percent from 18.5 percent in Q4 2023. We achieved this expansion despite challenges such as increased freight costs stemming from turmoil in the Red Sea and resulting delays necessitating incremental air-shipments. We have continued to strengthen our financial position by paying off another \$15 million in debt, while simultaneously investing in new products that we believe will drive our growth and success across existing and emerging categories. With our strong balance sheet, we have the flexibility to further reduce debt and invest in our business, including pursuing potential additional M&A opportunities. These strategic moves are aimed at our goals of accelerating our growth trajectory and enhancing profitability in the long run.”

Reiterates 2024 Financial Outlook

Corsair reiterated its financial outlook for the full year 2024. The Company continues to expect revenue growth to improve through 2024, with a further improvement in adjusted EBITDA led by an additional improvement in margin, stabilized shipping costs and continued tight operating expense controls.

- Net revenue to be in the range of \$1.45 billion to \$1.60 billion.
- Adjusted operating income to be in the range of \$92 million to \$112 million.
- Adjusted EBITDA to be in the range of \$105 million to \$125 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, amortization, 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.

Recent Product Developments

- **Ambitious New Neo Hardware Line.** Corsair launched Neo, a new hardware line that merges high-end performance with plug-and-play simplicity. Five new products were introduced including a microphone, webcam, LED light, capture card and Stream Deck.
- **Elgato Facecam MK.2.** An evolution in our leading Facecam lineup, with improved image quality, HDR support, built-in privacy filter, and pan-tilt-zoom effects make one of the best cameras even better.
- **K65 Plus Wireless.** Launched the first 75% keyboard from CORSAIR, which ships with pre-lubed MLX RED switches that are hot-swappable.
- **CORSAIR ONE i500 PC.** A sleek, space-saving powerhouse gaming PC packed with cutting-edge components and boasting high-end performance for content creators, prosumers, and gamers.
- **iCUE Link RX Series Fans.** Extended the range of our iCUE Link fans and now featuring Magnetic Dome bearings, AirGuide technology, and in-house developed blades.
- **2500 & 6500 Series Cases.** Dual-chamber cases make building an eye-catching system easier with multiple customization options and panels.

Conference Call and Webcast Information

Corsair will host a conference call to discuss the first quarter 2024 financial results today at 2:00 p.m. Pacific Time. The conference call will be accessible on Corsair's Investor Relations website at <https://ir.corsair.com>, or by dialing 1-844-825-9789 (USA) or 1-412-317-5180 (International) with conference ID 10187837. A replay will be available approximately 3 hours after the live call ends on Corsair's Investor Relations website, or through May 14, 2024 by dialing 1-844-512-2921 (USA) or 1-412-317-6671 (International), with passcode 10187837.

About Corsair Gaming

Corsair (Nasdaq: CRSR) is a leading global developer and manufacturer of high-performance products 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 products under its Elgato brand, which provides premium studio equipment and accessories for content creators, SCUF Gaming brand, which builds custom-designed controllers for competitive gamers, Drop, the leading community-driven mechanical keyboard brand and ORIGIN PC brand, a builder of custom gaming and workstation desktop PCs.

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, Corsair's expectations regarding market headwinds and tailwinds; its expectations regarding market expansion, sales and revenue growth in 2024 and 2025; statements regarding new product launches, the entry into new product categories and demand for new products; its ability to successfully pursue M&A opportunities; and its estimated full year 2024 net revenue, adjusted operating income and adjusted EBITDA. 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: current macroeconomic conditions, including the impacts of high inflation and risk of recession on demand for our products, consumer confidence and financial markets generally; the lingering impacts and future outbreaks of the COVID-19 pandemic and its impacts on our operations and the operations of our manufacturers, retailers and other partners, as well as its impacts on the economy overall, including capital markets; 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 products and improvements to existing products; 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 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; the impacts from geopolitical events and unrest; delays or disruptions at our or third-parties' manufacturing and distribution facilities; our ability to successfully integrate any companies or assets we have acquired or may acquire; currency exchange rate fluctuations or international trade disputes resulting in our products becoming relatively more expensive to our overseas customers or resulting in an increase in our manufacturing costs; and the other factors described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission ("SEC") 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 ended March 31, 2024 are also not necessarily indicative of our operating results for any future periods.

Use and Reconciliation of Non-GAAP Financial Measures

To supplement the financial results presented in accordance with GAAP, this earnings release presents certain non-GAAP financial information, including adjusted operating income (loss), adjusted net income (loss), adjusted net income (loss) per diluted share and adjusted EBITDA. 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 (loss), adjusted net income (loss), adjusted net income (loss) per share and adjusted EBITDA to evaluate our operating performance and trends and make planning decisions. We believe that these non-GAAP financial 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 these non-GAAP financial measures 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 measures because we believe investors, analysts and rating agencies consider it 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 net revenue, operating income (loss), net income (loss), 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 (loss), non-GAAP, is determined by adding back to GAAP operating income (loss), the impact from amortization, stock-based compensation, one-time costs related to legal and other matters, restructuring and other charges, acquisition and related integration costs, and acquisition accounting impact related to recognizing acquired inventory at fair value.
- Adjusted net income (loss), non-GAAP, is determined by adding back to GAAP net income (loss), the impact from amortization, stock-based compensation, one-time costs related to legal and other matters, restructuring and other charges, acquisition and related integration costs, acquisition accounting impact related to recognizing acquired inventory at fair value, and the related tax effects of each of these adjustments.
- Adjusted net income (loss) per diluted share, non-GAAP, is determined by dividing adjusted net income (loss), 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 impact from amortization, stock-based compensation, one-time costs related to legal and other matters, depreciation, interest expense, net, restructuring and other charges, acquisition and related integration costs, acquisition accounting impact related to recognizing acquired inventory at fair value, and tax expense (benefit).

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.

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

| | Three Months Ended | |
|--|--------------------|------------|
| | March 31, | |
| | 2024 | 2023 |
| Net revenue | \$ 337,257 | \$ 353,964 |
| Cost of revenue | 250,618 | 268,560 |
| Gross profit | 86,639 | 85,404 |
| Operating expenses: | | |
| Sales, general and administrative | 80,217 | 67,529 |
| Product development | 16,641 | 16,838 |
| Total operating expenses | 96,858 | 84,367 |
| Operating income (loss) | (10,219) | 1,037 |
| Other (expense) income: | | |
| Interest expense | (3,691) | (4,302) |
| Interest income | 1,565 | 1,474 |
| Other expense, net | (461) | (496) |
| Total other expense, net | (2,587) | (3,324) |
| Loss before income taxes | (12,806) | (2,287) |
| Income tax benefit | 1,777 | 639 |
| Net loss | (11,029) | (1,648) |
| Less: Net income attributable to noncontrolling interest | 536 | 364 |
| Net loss attributable to Corsair Gaming, Inc. | \$ (11,565) | \$ (2,012) |
| Calculation of net loss per share attributable to common stockholders of Corsair Gaming, Inc.: | | |
| Net loss attributable to Corsair Gaming, Inc. | \$ (11,565) | \$ (2,012) |
| Change in redemption value of redeemable noncontrolling interest | (975) | 958 |
| Net loss attributable to common stockholders of Corsair Gaming, Inc. | \$ (12,540) | \$ (1,054) |
| Net loss per share attributable to common stockholders of Corsair Gaming, Inc.: | | |
| Basic | \$ (0.12) | \$ (0.01) |
| Diluted | \$ (0.12) | \$ (0.01) |
| Weighted-average common shares outstanding: | | |
| Basic | 103,563 | 101,685 |
| Diluted | 103,563 | 101,685 |

Corsair Gaming, Inc.
Segment Information

(Unaudited, in thousands, except percentages)

| | Three Months Ended | |
|-------------------------------|---------------------------|--------------------------|
| | March 31, | |
| | <u>2024</u> | <u>2023</u> |
| Net revenue: | | |
| Gamer and Creator Peripherals | \$ 106,973 | \$ 88,942 |
| Gaming Components and Systems | <u>230,284</u> | <u>265,022</u> |
| Total Net revenue | <u><u>\$ 337,257</u></u> | <u><u>\$ 353,964</u></u> |
| Gross Profit: | | |
| Gamer and Creator Peripherals | \$ 43,643 | \$ 26,648 |
| Gaming Components and Systems | <u>42,996</u> | <u>58,756</u> |
| Total Gross Profit | <u><u>\$ 86,639</u></u> | <u><u>\$ 85,404</u></u> |
| Gross Margin: | | |
| Gamer and Creator Peripherals | 40.8% | 30.0% |
| Gaming Components and Systems | 18.7% | 22.2% |
| Total Gross Margin | 25.7% | 24.1% |

Corsair Gaming, Inc.
Condensed Consolidated Balance Sheets
(Unaudited, in thousands)

| | <u>March 31,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
|--|---------------------------------|------------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and restricted cash | \$ 129,942 | \$ 178,325 |
| Accounts receivable, net | 204,920 | 253,268 |
| Inventories | 251,747 | 240,172 |
| Prepaid expenses and other current assets | 34,573 | 39,824 |
| Total current assets | <u>621,182</u> | <u>711,589</u> |
| Restricted cash, noncurrent | 241 | 239 |
| Property and equipment, net | 31,185 | 32,212 |
| Goodwill | 354,410 | 354,705 |
| Intangible assets, net | 178,151 | 188,009 |
| Other assets | 72,022 | 70,709 |
| Total assets | <u>\$ 1,257,191</u> | <u>\$ 1,357,463</u> |
| Liabilities | | |
| Current liabilities: | | |
| Debt maturing within one year, net | \$ 12,213 | \$ 12,190 |
| Accounts payable | 191,401 | 239,957 |
| Other liabilities and accrued expenses | 138,487 | 166,340 |
| Total current liabilities | <u>342,101</u> | <u>418,487</u> |
| Long-term debt, net | 171,106 | 186,006 |
| Deferred tax liabilities | 14,104 | 17,395 |
| Other liabilities, noncurrent | 40,629 | 41,595 |
| Total liabilities | <u>567,940</u> | <u>663,483</u> |
| Temporary equity | | |
| Redeemable noncontrolling interest | 15,925 | 15,937 |
| Permanent equity | | |
| Corsair Gaming, Inc. stockholders' equity: | | |
| Common stock and additional paid-in capital | 640,303 | 630,652 |
| Retained earnings | 27,870 | 40,410 |
| Accumulated other comprehensive loss | (4,634) | (3,487) |
| Total Corsair Gaming, Inc. stockholders' equity | <u>663,539</u> | <u>667,575</u> |
| Nonredeemable noncontrolling interest | 9,787 | 10,468 |
| Total permanent equity | <u>673,326</u> | <u>678,043</u> |
| Total liabilities, temporary equity and permanent equity | <u>\$ 1,257,191</u> | <u>\$ 1,357,463</u> |

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

| | Three Months Ended March 31, | |
|---|---------------------------------|------------|
| | 2024 | 2023 |
| Cash flows from operating activities: | | |
| Net loss | \$ (11,029) | \$ (1,648) |
| Adjustments to reconcile net loss to net cash (used in) provided by operating activities: | | |
| Stock-based compensation | 7,691 | 7,246 |
| Depreciation | 3,087 | 2,897 |
| Amortization | 9,515 | 9,741 |
| Deferred income taxes | (6,059) | (2,209) |
| Other | 758 | 128 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 46,928 | 14,623 |
| Inventories | (12,101) | 4,672 |
| Prepaid expenses and other assets | 4,437 | (1,077) |
| Accounts payable | (47,962) | 18,156 |
| Other liabilities and accrued expenses | (21,582) | (10,703) |
| Net cash (used in) provided by operating activities | (26,317) | 41,826 |
| Cash flows from investing activities: | | |
| Purchase price adjustment related to business acquisition | 1,041 | — |
| Purchase of property and equipment | (2,520) | (4,677) |
| Net cash used in investing activities | (1,479) | (4,677) |
| Cash flows from financing activities: | | |
| Repayment of debt | (15,000) | (10,000) |
| Payment of deferred and contingent consideration | (4,942) | (950) |
| Proceeds from issuance of shares through employee equity incentive plans | 2,351 | 2,117 |
| Payment of taxes related to net share settlement of equity awards | (398) | (556) |
| Dividend paid to noncontrolling interest | (1,960) | — |
| Payment of other offering costs | — | (497) |
| Net cash used in financing activities | (19,949) | (9,886) |
| Effect of exchange rate changes on cash | (636) | 730 |
| Net (decrease) increase in cash and restricted cash | (48,381) | 27,993 |
| Cash and restricted cash at the beginning of the period | 178,564 | 154,060 |
| Cash and restricted cash at the end of the period | \$ 130,183 | \$ 182,053 |

Corsair Gaming, Inc.
GAAP to Non-GAAP Reconciliations

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

| | Three Months Ended | |
|---|---------------------------|------------------|
| | March 31, | |
| | 2024 | 2023 |
| Operating Income (Loss) - GAAP | \$ (10,219) | \$ 1,037 |
| Amortization | 9,515 | 9,741 |
| Stock-based compensation | 7,691 | 7,246 |
| One-time costs related to legal and other matters | 6,414 | — |
| Restructuring and other charges | 1,126 | — |
| Acquisition and related integration costs | 702 | 140 |
| Acquisition accounting impact related to recognizing acquired inventory at fair value | 169 | — |
| Adjusted Operating Income - Non-GAAP | \$ 15,398 | \$ 18,164 |
| <i>As a % of net revenue - GAAP</i> | -3.0% | 0.3% |
| <i>As a % of net revenue - Non-GAAP</i> | 4.6% | 5.1% |

Corsair Gaming, Inc.
GAAP to Non-GAAP Reconciliations

Non-GAAP Net Income and Net Income Per Share Reconciliations

(Unaudited, in thousands, except per share amounts)

| | Three Months Ended | |
|---|--------------------|------------------|
| | March 31, | |
| | 2024 | 2023 |
| Net loss attributable to common stockholders of Corsair Gaming, Inc. ⁽¹⁾ | \$ (12,540) | \$ (1,054) |
| Less: Change in redemption value of redeemable noncontrolling interest | (975) | 958 |
| Net loss attributable to Corsair Gaming, Inc. | (11,565) | (2,012) |
| Add: Net income attributable to noncontrolling interest | 536 | 364 |
| Net Loss - GAAP | (11,029) | (1,648) |
| Adjustments: | | |
| Amortization | 9,515 | 9,741 |
| Stock-based compensation | 7,691 | 7,246 |
| One-time costs related to legal and other matters | 6,414 | — |
| Restructuring and other charges | 1,126 | — |
| Acquisition and related integration costs | 702 | 140 |
| Acquisition accounting impact related to recognizing acquired inventory at fair value | 169 | — |
| Non-GAAP income tax adjustment | (5,072) | (3,550) |
| Adjusted Net Income - Non-GAAP | \$ 9,516 | \$ 11,929 |
| Diluted net income (loss) per share: | | |
| GAAP | \$ (0.12) | \$ (0.01) |
| Adjusted, Non-GAAP | \$ 0.09 | \$ 0.11 |
| Weighted-average common shares outstanding - Diluted: | | |
| GAAP | 103,563 | 101,685 |
| Adjusted, Non-GAAP | 106,530 | 105,832 |

(1) Numerator for calculating net loss per share-GAAP

Corsair Gaming, Inc.
GAAP to Non-GAAP Reconciliations

Adjusted EBITDA Reconciliations
(Unaudited, in thousands, except percentages)

| | Three Months Ended | |
|---|---------------------------|------------------|
| | March 31, | |
| | 2024 | 2023 |
| Net loss – GAAP | \$ (11,029) | \$ (1,648) |
| Amortization | 9,515 | 9,741 |
| Stock-based compensation | 7,691 | 7,246 |
| One-time costs related to legal and other matters | 6,414 | — |
| Depreciation | 3,087 | 2,897 |
| Interest expense, net of interest income | 2,126 | 2,828 |
| Restructuring and other charges | 1,126 | — |
| Acquisition and related integration costs | 702 | 140 |
| Acquisition accounting impact related to recognizing acquired inventory at fair value | 169 | — |
| Income tax benefit | (1,777) | (639) |
| Adjusted EBITDA - Non-GAAP | \$ 18,024 | \$ 20,565 |
| <i>Adjusted EBITDA margin - Non-GAAP</i> | 5.3% | 5.8% |