



# Corporate Overview

November 11<sup>th</sup> 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, potential pricing of products, potential market leadership, 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 impact the COVID-19 pandemic will have on demand for the Company's products as well as its impact on its operations and the operations of its manufacturers, retailers and other partners, and its impact on the economy overall, including capital markets; 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 effect, 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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (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.



# LEADERSHIP TEAM



**ANDY PAUL**  
CHIEF EXECUTIVE OFFICER



**MICHAEL G. POTTER**  
CHIEF FINANCIAL OFFICER



**THI LA**  
PRESIDENT AND CHIEF  
OPERATING OFFICER



**CARINA TAN**  
VP & GENERAL  
COUNSEL



**PETE HILLIARD**  
CHIEF HUMAN  
RESOURCES OFFICER



# CORSAIR SUITE

Green Screen

Cases  
Power Supplies  
Custom Cooling  
CPU Coolers  
Gaming PCs  
Fans  
Memory  
Storage  
Capture Devices

Lighting

Cameras

Monitors

Ambient  
Lighting

Headsets

Stream Deck

Thunderbolt Docks

Mice

Keyboards

Mouse pads

Microphones

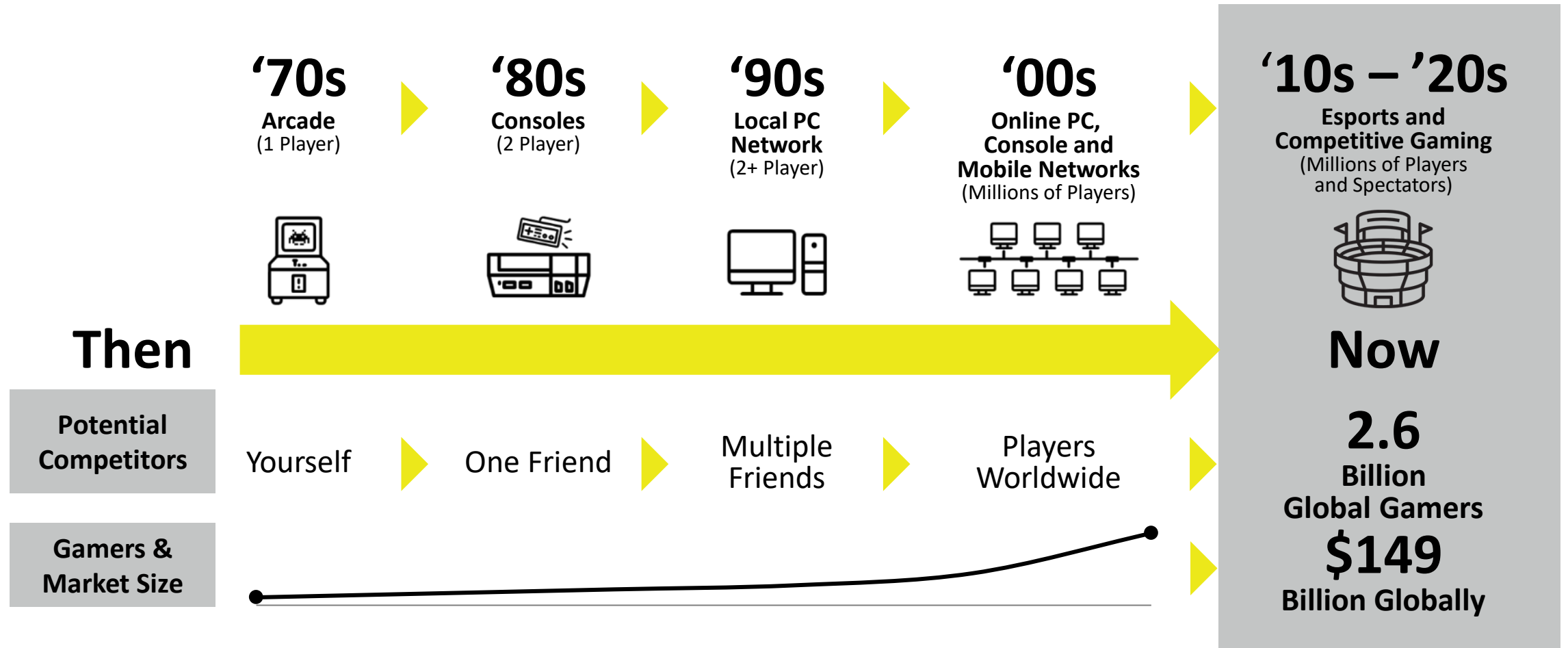
Gaming Controllers

Gaming Chairs





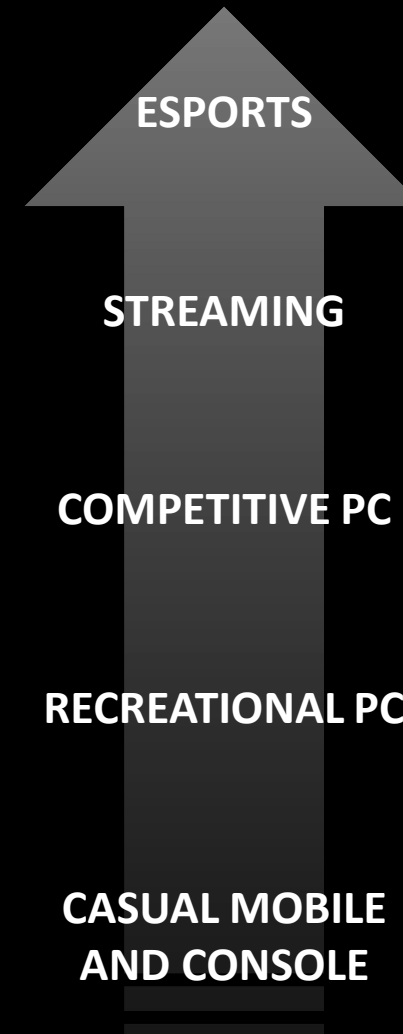
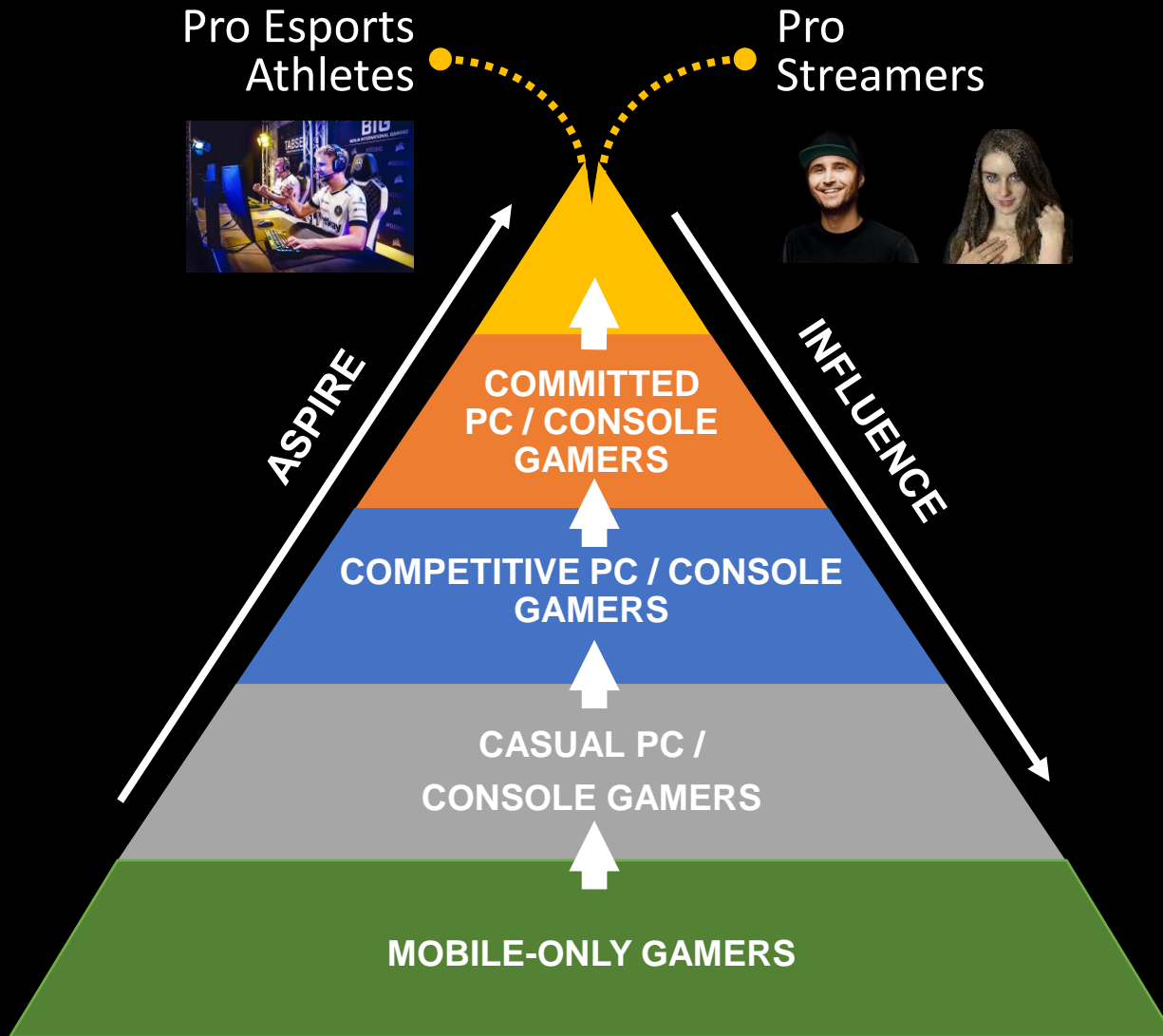
# MARKET EVOLUTION



Source: Newzoo (2020)



# CUSTOMER DYNAMICS

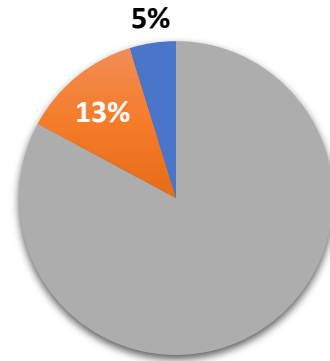




# LARGE GLOBAL PC GAMING AND STREAMING GEAR MARKET, WITH SIGNIFICANT WHITESPACE

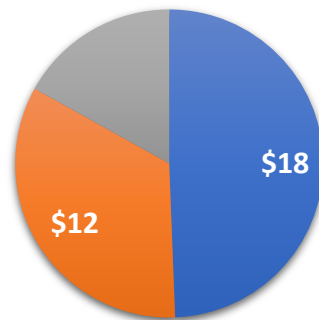
**2019 Total PC Gamers:  
524mm**

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



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

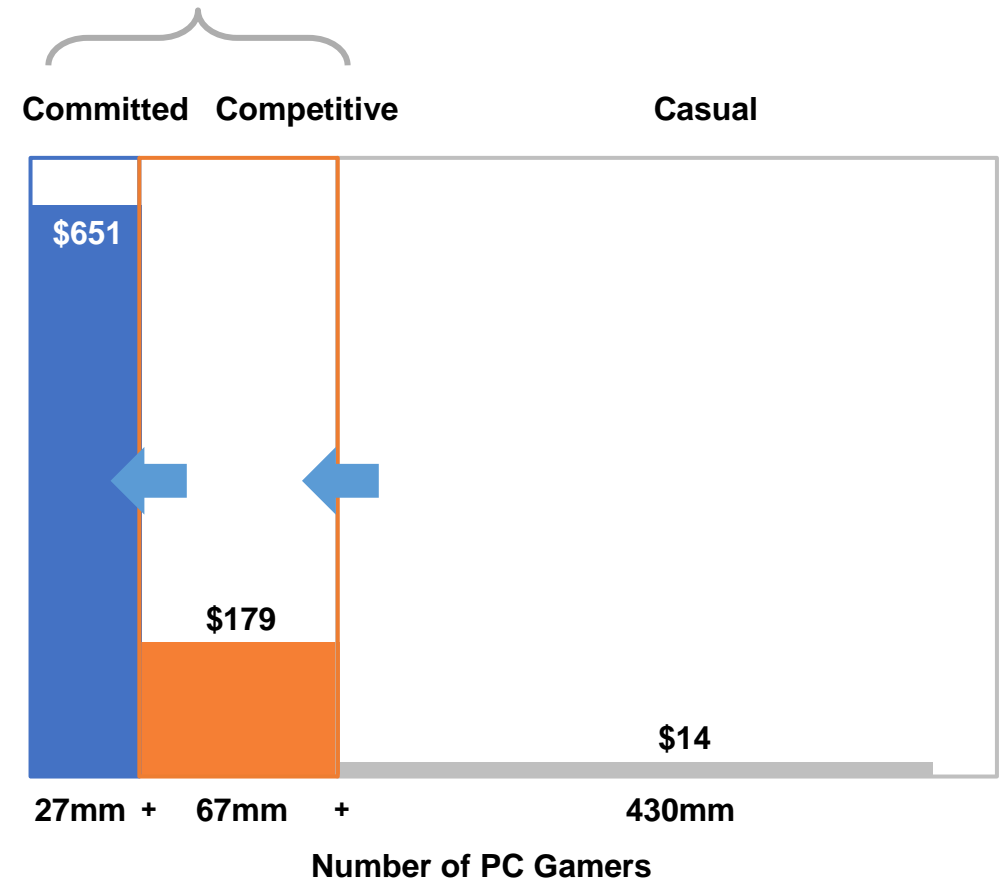
...They Represent 83% of the \$36bn PC Gaming and Streaming Gear Total Addressable Market...



■ 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.



# Q3 PRODUCT HIGHLIGHTS





# NEW CATEGORY – STREAMING CAMERAS



With the **introduction of Elgato Facecam**, we have expanded our creator solutions and entered the **\$1B+ webcam market**.

Elgato leveraged its **15+ years of experience** in video to design a camera that meets the growing needs of content creators.

Facecam **bridges the gap between a webcam and a professional camera** by combining state of the art optics with purpose built software, unlocking powerful customization and **seamless integration into the broader Elgato ecosystem**.



# NEW CATEGORY – GAMING MONITOR

Introducing the **XENEON 32QHD165**, 32", high refresh rate, AMD Freesync compatible **gaming monitor**.

This is our **first entry** into the gaming **monitor market**, with a TAM of **\$4B+**

Corsair unique features allow display to be **controlled** by our **iCUE ecosystem** and **Stream Deck** devices





# NEW TECHNOLOGY - DDR5 MEMORY



After 7 years of DDR4, both **Intel and AMD** are poised to make the switch to **DDR5** in 2022.

The new DDR5 technology launch **will enable a surge** of upgrades, with a potential **increase in ASPs**.

We believe Corsair will be at the **forefront of performance leadership** with this new technology introduction.

With a **strong launch** line-up, we expect to continue our market dominance in this category, **currently at over 50%** market share in major markets.



# NEW CONTROLLER – XBOX SERIES X

**SCUF controller made for Xbox Series X – the SCUF INSTINCT.**

**Patented SCUF remappable paddles** and adjustable controls give players the edge in the most competitive games

**Leading customization** with dozens of swappable elements, from face plates and buttons to thumb sticks and bumpers.



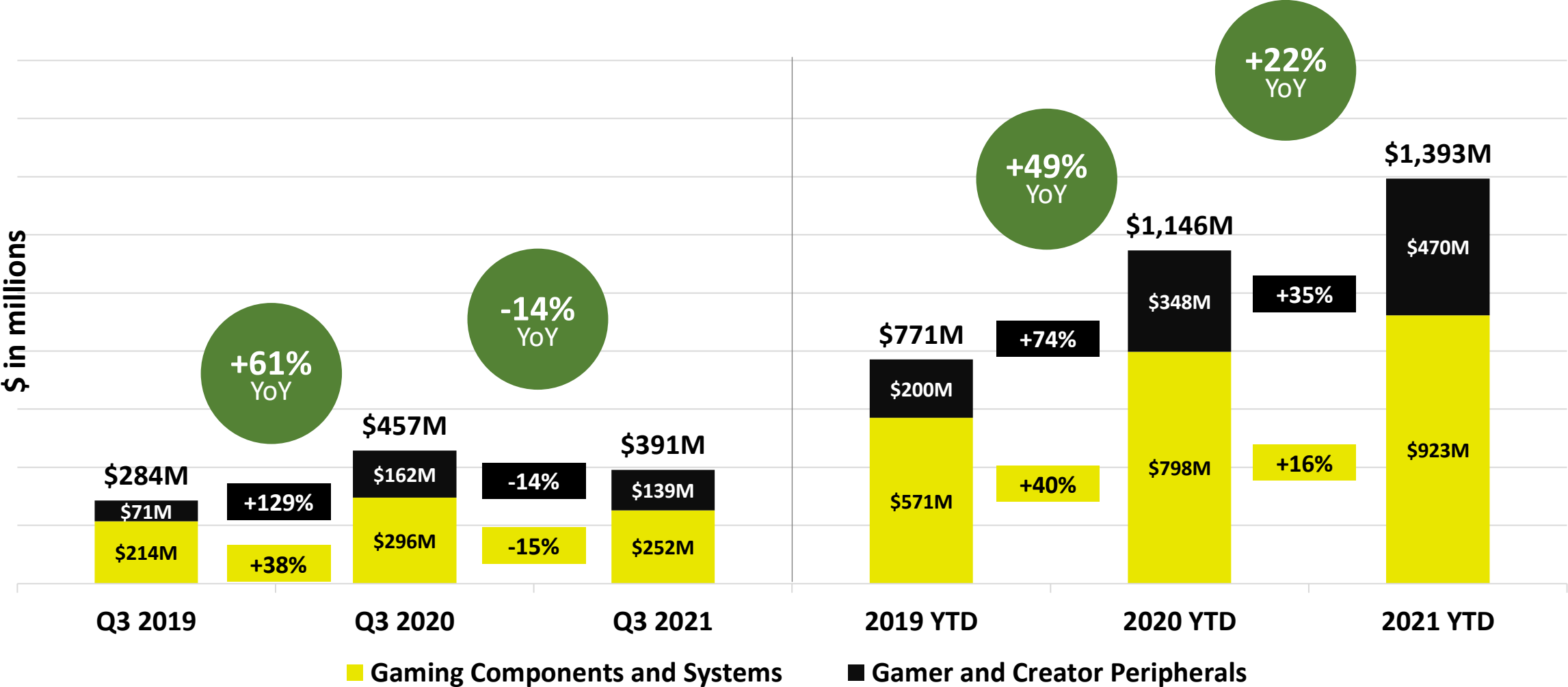


# FINANCIAL RESULTS





# REVENUE DATA BY SEGMENT

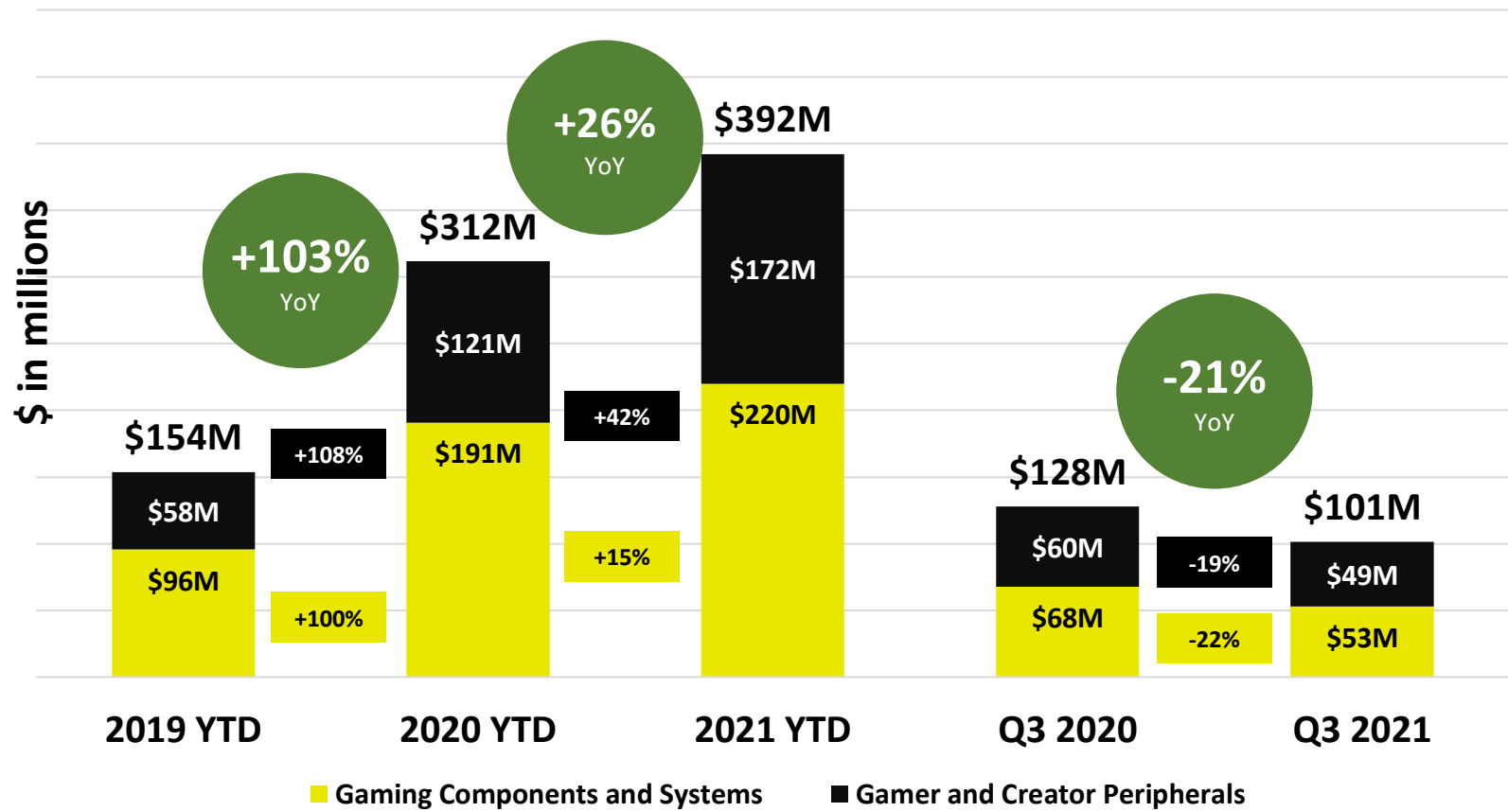


Note: 2019 financials are not presented on a pro-forma basis for CORSAIR's acquisitions of Origin and SCUF in 2019 – YTD numbers are for the 9 months period ending September 30<sup>th</sup>.

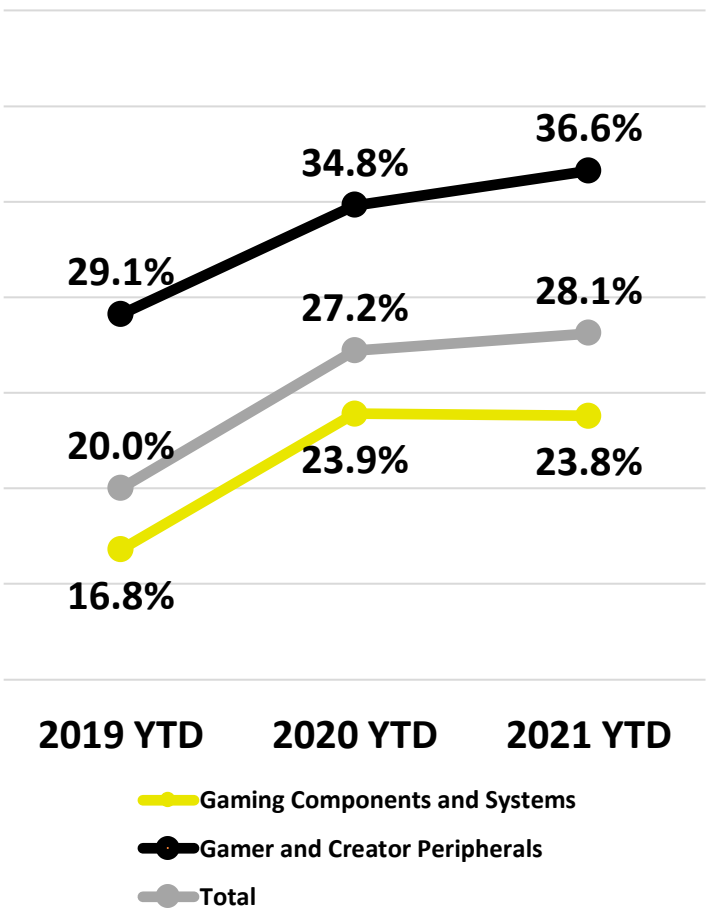


# GROSS MARGIN DATA BY SEGMENT

SEGMENT GROSS PROFIT



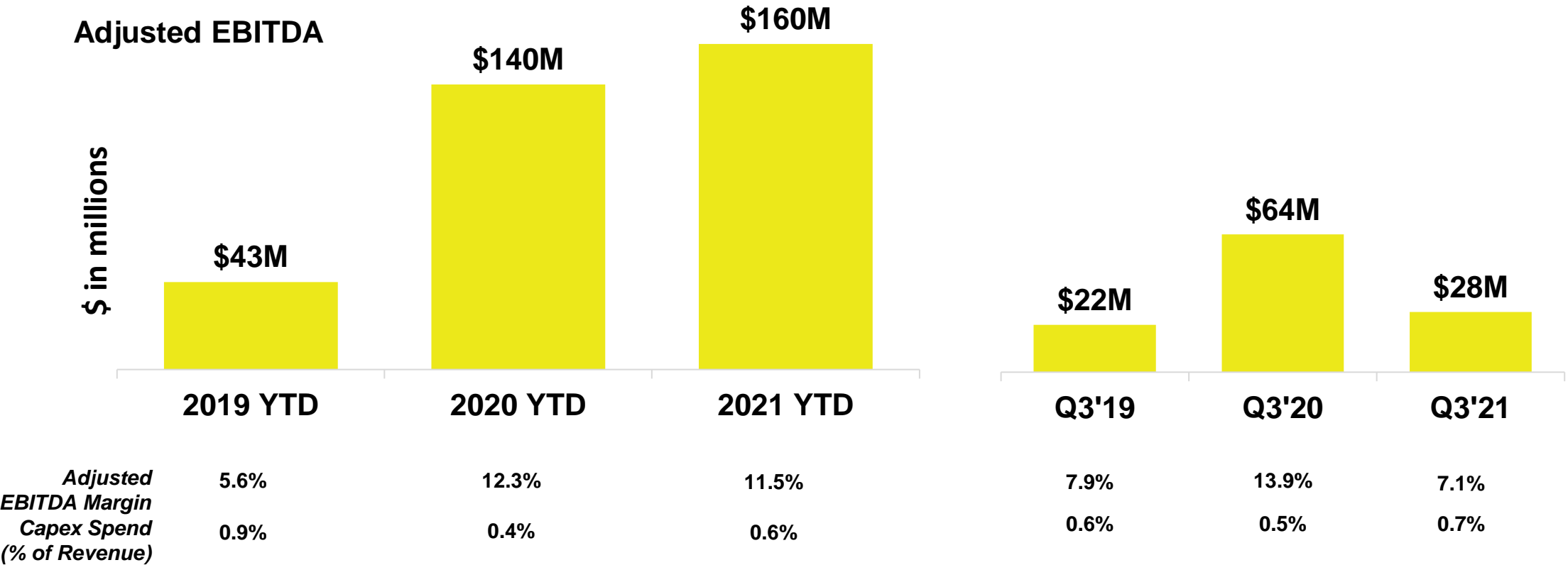
SEGMENT GROSS MARGIN



Note: 2019 financials are not presented on a pro-forma basis for CORSAIR’s acquisitions of Origin and SCUF in 2019 – YTD numbers are for the 9 months period ending September 30<sup>th</sup>.



# EXPANDING ADJUSTED EBITDA WITH LOW CAPEX



Note: See appendix on non-GAAP reconciliations; 2019 financials are not presented on a pro-forma basis for CORSAIR’s acquisitions Origin and SCUF in 2019. YTD numbers are for the 9 months period ending September 30<sup>th</sup>.



## Q3 RESULTS

Corsair gained market share in almost every category through Q3 2021.

Q3 Net Revenue was impacted by availability of reasonably priced GPUs which curtailed the demand for new PC builds and its components.

Higher logistics costs including ocean and air freight had an impact on Q3 margins resulting in Gross Profit Margin of 25.9%.

(\$ in millions except EPS and percentages)	Q3'21	Y/Y	YTD'21	Y/Y
Net Revenue	\$391.1	-14.4%	\$1,393.4	+21.6%
Gross Profit	\$101.4	-20.8%	\$392.0	+25.8%
Gross Profit Margin	25.9%	-210 bps	28.1%	+90 bps
Operating Income	\$10.8	-78.4%	\$112.8	+13.4%
Adjusted Operating Income	\$26.4	-57.0%	\$156.0	+16.6%
Net Income	\$1.8	-95.1%	\$76.2	+26.7%
Earnings per Share (diluted)	\$0.02	-95.0%	\$0.76	+10.1%
Adjusted Net Income	\$16.3	-66.3%	\$110.2	+19.8%
Adjusted Earnings per Share (diluted)	\$0.16	-70.4%	\$1.10	+4.8%
Adjusted EBITDA	\$27.6	-56.6%	\$159.6	+13.6%

Note: See appendix on non-GAAP reconciliations; YTD numbers are for the 9 months period ending September 30<sup>th</sup>.



# GAMING COMPONENTS AND SYSTEMS Q3 RESULTS

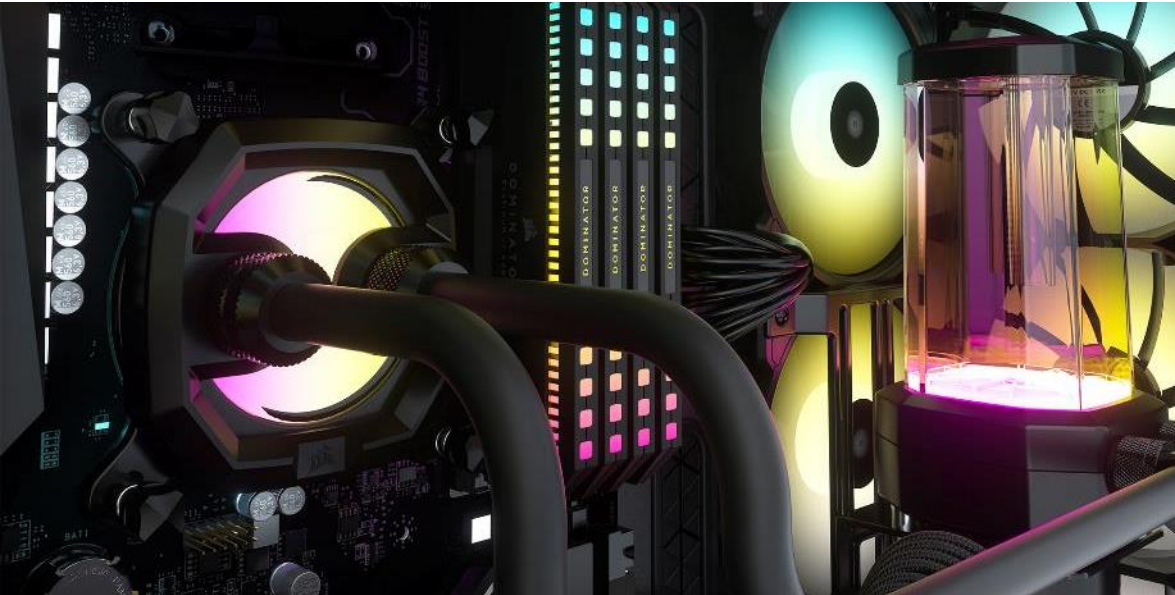
The entire industry was impacted by GPU shortages which caused retail prices to surge to 150%+ of MSRP.

This caused many enthusiasts to hold off building a performance gaming PC.

We believe that as GPUs become more available over the next few quarters there is a pent-up demand for building high performance gaming PCs

Corsair managed to grow market share in every components category through Q3.

(\$ in millions except percentages)	Q3'21	Y/Y	YTD'21	Y/Y
Net Revenue	\$251.9	-14.8%	\$923.1	+15.6%
% of Total Net Revenue	64.4%	-30 bps	66.2%	-340 bps
Gross Profit	\$52.8	-22.3%	\$220.0	+15.3%
Gross Profit Margin	21.0%	-200 bps	23.8%	-10 bps



Note: YTD numbers are for the 9 months period ending September 30<sup>th</sup>.



# GAMER AND CREATOR PERIPHERALS Q3 RESULTS

Q3 Net Revenue were impacted by IC shortages which caused out our premium high value products to be in tight supply.

Q3 Segment Gross Profit Margins were impacted by increased logistics costs as well as some reduced sales in premium products.

(\$ in millions except percentages)	Q3'21	Y/Y	YTD'21	Y/Y
Net Revenue	\$139.3	-13.8%	\$470.3	+35.3%
% of Total Net Revenue	35.6%	30 bps	33.8%	340 bps
Gross Profit	\$48.6	-19.0%	\$172.1	+42.3%
Gross Profit Margin	34.9%	-220 bps	36.6%	+180 bps



Note: YTD numbers are for the 9 months period ending September 30<sup>th</sup>.



# REVENUE GROWTH GUIDANCE FY2021 <sup>(1)</sup>

Financial Metrics	2021 Guidance
Net Revenues	\$1.825-1.925 billion (7% - 13%)
Adjusted Operating Income	\$180-195 million
Adjusted EBITDA	\$190-205 million

(1) Given the number of risk factors, uncertainties and assumptions, many of which are discussed in slide 2, actual results may differ materially. We do not intend to update our financial outlook until our next quarterly results announcement. Estimates should not be viewed as a substitute for our full annual financial statement and are not necessarily indicative of the results to be expected for any future period. 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 into non-GAAP measures to the most directly comparable GAAP measures without unreasonable effort 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 this period but would not impact the non-GAAP measures. Such items may include stock-based compensation charges, public offering related charges, depreciation and amortization, and other items. The unavailable information could have a significant impact on our GAAP financial results. This guidance is as of November 2<sup>nd</sup>, 2021.



# DEBT SUMMARY

In Q3 2021, refinanced long-term debt, substantially reducing the interest rate, doubled revolver to \$100 million and reduced outstanding debt by \$24 million to \$250 million of face value.

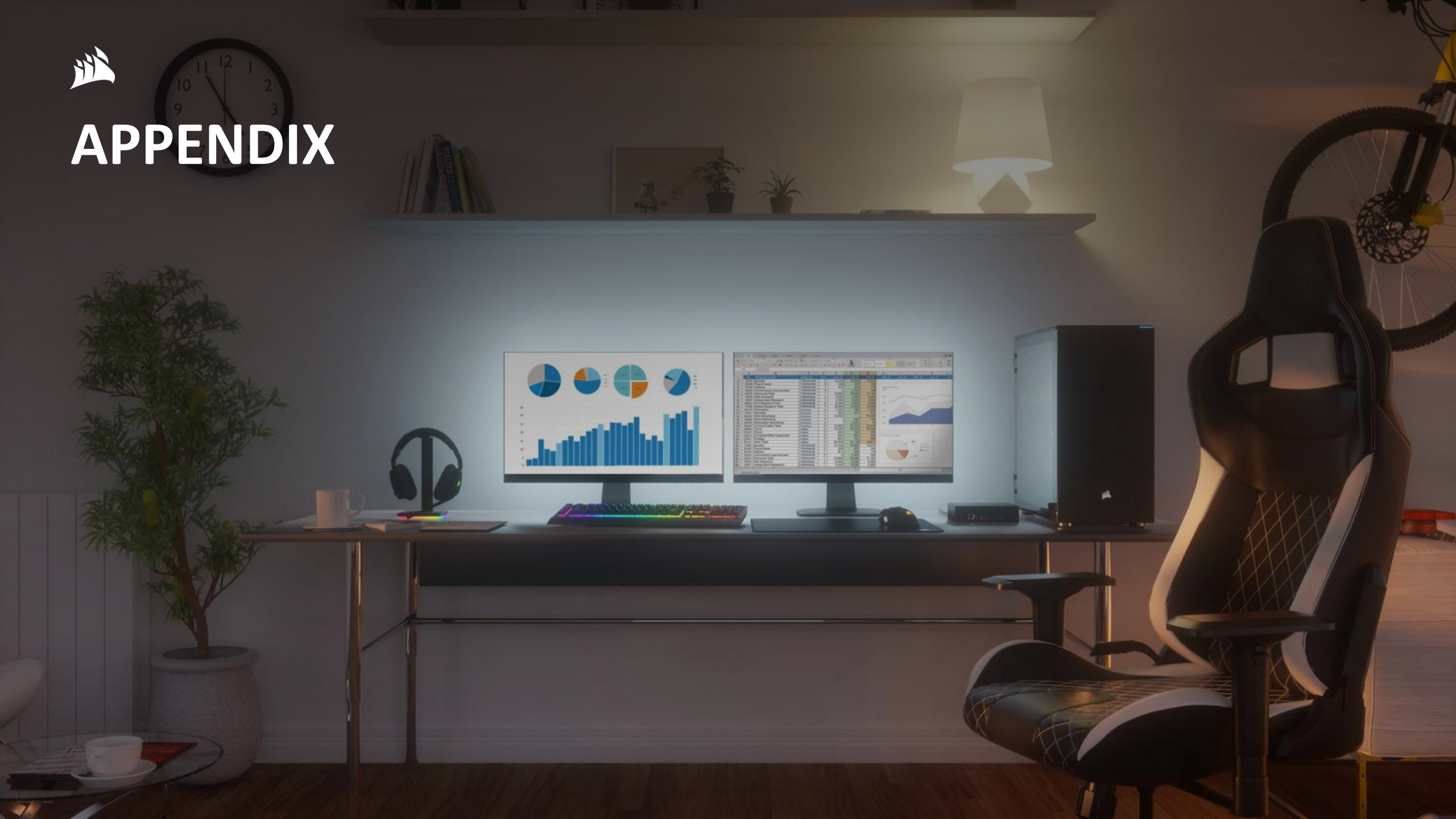
Based on our current net leverage ratio our interest rate on the long-term debt is LIBOR plus 1.25%.

Expect to continue to reduce debt over time on a more opportunistic basis subject to business conditions and any need for growth capital.

(\$ in millions)	September 30, 2021
Cash (excluding restricted cash)	\$71.9
Term Loan (face value)	\$250.0
Total debt	\$250.0
Net debt	\$178.1



# APPENDIX





# USE OF NON-GAAP FINANCIAL MEASURES

To supplement the financial results presented in accordance with GAAP, this presentation includes 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 appendix.

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.



# GAAP TO NON-GAAP RECONCILIATIONS

## Non-GAAP Operating Income Reconciliations

(Unaudited, in thousands, except percentages)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Operating Income - GAAP	\$ 10,755	\$ 49,721	\$ 112,757	\$ 99,468
Acquisition accounting impact related to recognizing acquired inventory at fair value	-	-	-	394
Change in fair value of contingent consideration for business acquisitions	(435)	-	(342)	-
Non-cash inventory impairment	485	-	1,003	-
Stock-based compensation	5,812	1,631	13,656	4,286
Intangible asset amortization	8,704	8,505	26,118	25,344
Acquisition-related and integration-related costs	381	726	1,127	2,476
Restructuring costs	699	-	699	-
Non-deferred IPO and secondary offering costs	-	451	1,031	1,205
Debt modification costs	-	335	-	623
<b>Adjusted Operating Income - Non-GAAP</b>	<b>\$ 26,401</b>	<b>\$ 61,369</b>	<b>\$ 156,049</b>	<b>\$ 133,796</b>
<i>As a % of net revenue - GAAP</i>	<i>2.7%</i>	<i>10.9%</i>	<i>8.1%</i>	<i>8.7%</i>
<i>As a % of net revenue - Non-GAAP</i>	<i>6.8%</i>	<i>13.4%</i>	<i>11.2%</i>	<i>11.7%</i>



# GAAP TO NON-GAAP RECONCILIATIONS

## Non-GAAP Net Income and Net Income Per Share Reconciliations

(Unaudited, in thousands, except per share amounts and percentages)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Net Income - GAAP</b>	\$ 1,777	\$ 36,357	\$ 76,245	\$ 60,174
Acquisition accounting impact related to recognizing acquired inventory at fair value	-	-	-	394
Change in fair value of contingent consideration for business acquisitions	(435)	-	(342)	-
Non-cash inventory impairment	485	-	1,003	-
Stock-based compensation	5,812	1,631	13,656	4,286
Intangible asset amortization	8,704	8,505	26,118	25,344
Acquisition-related and integration-related costs	381	726	1,127	2,476
Restructuring costs	699	-	699	-
Non-deferred IPO and secondary offering costs	-	451	1,031	1,205
Debt modification costs	-	335	-	623
Loss on debt extinguishment	4,107	2,864	4,904	3,256
Non-GAAP income tax adjustment	(5,193)	(2,386)	(14,252)	(5,818)
<b>Adjusted Net Income - Non-GAAP</b>	<b>\$ 16,337</b>	<b>\$ 48,483</b>	<b>\$ 110,189</b>	<b>\$ 91,940</b>
<b>Diluted Net income per share:</b>				
GAAP	\$ 0.02	\$ 0.40	\$ 0.76	\$ 0.69
Adjusted, Non-GAAP	\$ 0.16	\$ 0.54	\$ 1.10	\$ 1.05
<b>Shares used to compute diluted net income per share:</b>				
GAAP	100,041	90,084	100,116	87,499
Adjusted, Non-GAAP	100,041	90,084	100,116	87,499



# GAAP TO NON-GAAP RECONCILIATIONS

## Adjusted EBITDA Reconciliations

(Unaudited, in thousands, except percentages)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2021	2020	2019	2021	2020	2019
Net Income (loss) - GAAP	\$ 1,777	\$ 36,357	1,519	\$ 76,245	\$ 60,174	\$ (14,406)
Acquisition accounting impact related to recognizing acquired inventory at fair value	-	-	-	-	394	-
Change in fair value of contingent consideration for business acquisitions	(435)	-	-	(342)	-	-
Non-cash inventory impairment	485	-	-	1,003	-	-
Stock-based compensation	5,812	1,631	867	13,656	4,286	2,813
Acquisition-related and integration-related costs	381	726	1,270	1,127	2,476	1,849
Restructuring and executive transition costs	699	-	129	699	-	540
Non-deferred IPO and secondary offering costs	-	451	259	1,031	1,205	911
Debt modification costs	-	335	-	-	623	-
Intangible asset amortization	8,704	8,505	7,408	26,118	25,344	23,552
Depreciation	2,643	2,341	1,871	7,581	6,705	5,448
Interest expense (includes loss on debt extinguishment)	7,202	10,170	9,119	16,656	29,116	27,063
Tax expense (benefit)	374	3,217	(75)	15,854	10,149	(4,645)
<b>Adjusted EBITDA - Non-GAAP</b>	<b>\$ 27,642</b>	<b>\$ 63,733</b>	<b>\$ 22,367</b>	<b>\$ 159,628</b>	<b>\$ 140,472</b>	<b>\$ 43,125</b>
<i>Adjusted EBITDA margin - Non-GAAP</i>	<i>7.1%</i>	<i>13.9%</i>	<i>7.9%</i>	<i>11.5%</i>	<i>12.3%</i>	<i>5.6%</i>

