TURTLE BEACH®

Q4 & Full Year 2017 Earnings Presentation

March 6, 2018

SAFE HARBOR STATEMENT

Forward-Looking Information

This presentation includes “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements are statements that are not historical facts including statements about our beliefs and expectations and statements, and may contain the words “may,” “could,” “would,” “should,” “believe,” “expect,” “anticipate,” “plan,” “estimate,” “target,” “project,” “intend,” “foresee,” and similar expressions. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein, including but not limited to, risks related to the Company’s liquidity and financial position, the substantial uncertainties inherent in the acceptance of existing and future products, the difficulty of commercializing and protecting new technology, the impact of competitive products and pricing, general business and economic conditions, risks associated with the expansion of our business including the implementation of any businesses we acquire, our indebtedness, and the other factors discussed in our public filings, including the section entitled “Risk Factors” in our most recent Quarterly Report on Form 10-Q, our Annual Report on Form 10-K and other periodic reports filed with the Securities and Exchange Commission (the “SEC”) and available on the SEC’s website, www.sec.gov. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Except as required by law, Turtle Beach Corporation (the “Company”) undertakes no obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation. All of the forward-looking statements in this presentation are qualified by such cautionary statements, and subject to the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. This presentation also contains trademarks and trade names that are property of their respective owners.

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This presentation contains certain financial measures, including adjusted EBITDA and non-GAAP earnings per share (“EPS”), that are not calculated under the standards or rules of U.S. GAAP, which are referred to as "non-GAAP financial measures." These non-GAAP financial measures, as calculated by the Company, are not necessarily comparable to similarly titled measures reported by other companies. Additionally, these non-GAAP financial measures are not measurements of financial performance or liquidity under GAAP and should not be considered an alternative to the Company’s other financial information determined under GAAP. Management believes that these non-GAAP financial measures, when read in conjunction with the Company's reported results, can provide useful supplemental information for investors analyzing period to period comparisons of the Company's results. “Adjusted EBITDA” is defined by the Company as net income (loss) before interest, taxes, depreciation and amortization, stock-based compensation (non-cash), and certain special items that we believe are not representative of core operations. The Adjusted EBITDA outlook for the first quarter and full year 2018 has not been reconciled with the Company’s net loss outlook for the same periods because of the variability, complexity and lack of visibility with respect to certain reconciling items between adjusted EBITDA and net loss, including other income (expense), provision for income taxes and stock-based compensation. These items cannot be reasonably and accurately predicted without the investment of undue time, cost and other resources and, accordingly, a reconciliation of the Company’s adjusted EBITDA outlook to its net loss outlook for such periods is not available without unreasonable effort. These reconciling items could be material to the Company’s actual results for such periods.

Q4 SUMMARY

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y/y comparisons, where applicable

- EPS exceeds previously issued guidance
- Gross margin up 90 basis points to a record 37.6%
- Adj. EBITDA within guidance range, up 7% to $17.2 million
- ~$6-$7M revenue shortfall compared to guidance range due to under-ordering by several retailers
- Leading North America console headset revenue share up 130 basis points to 45%[1]
- Leverage ratio[2] declined significantly to 2.1x vs. 7.4x at the end of 2016

1) NPD data, Q4 2017.
2) Defined as total term loans outstanding and average trailing twelve month revolving debt, divided by consolidated trailing twelve month adjusted EBITDA.

2017 SUMMARY

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y/y comparisons, where applicable

- Gross margin up 970 basis points to a record 34.2%
- EPS within previously issued guidance range
- Nearly tripled adj. EBITDA to a record $11.6M
- Channel inventory reductions & retail ordering trends lowered year-over-year revenue
- Leading North American console headset revenue share grew to 42.1% in 2017[1]
- $3.4M positive operating cash flow vs. $(1.8)M in 2016

1) NPD data, full year 2017.

OUTCOMES ON 2017 GOALS

Focus and protect core console gaming headset business	✓ Gained share in North America and UK
Improve earnings	✓ Nearly tripled EBITDA
Position the company to improve balance sheet	✓ $3.4M positive operating cash flow, leverage ratio at 2.1X (from 7.4X at 12-31-16), *completed improved loan agreements Mar 2018*
Lay the groundwork for future growth	✓ On track to make selected investments in 2018

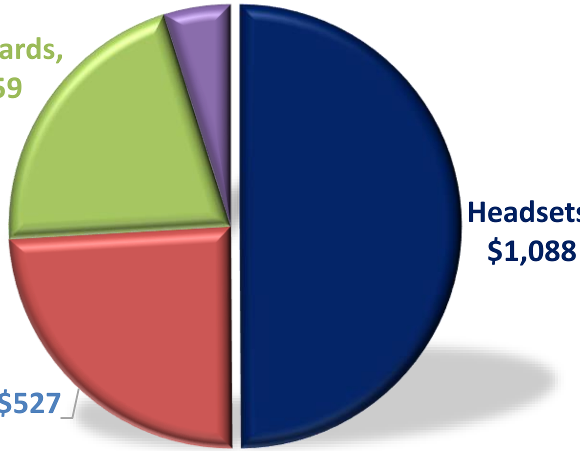
AUDIO HEADSETS ARE A CRITICAL ACCESSORY FOR GAMERS

Gaming Headsets Provide…

- Good microphone for multi-player gaming
- More immersive audio for a better gaming experience
- Competitive advantage in picking up key audio cues
- Privacy of game and chat audio

…And Are Largest Segment In $2+B Accessory Market

Global Gaming Accessory Market $2,180B(1)

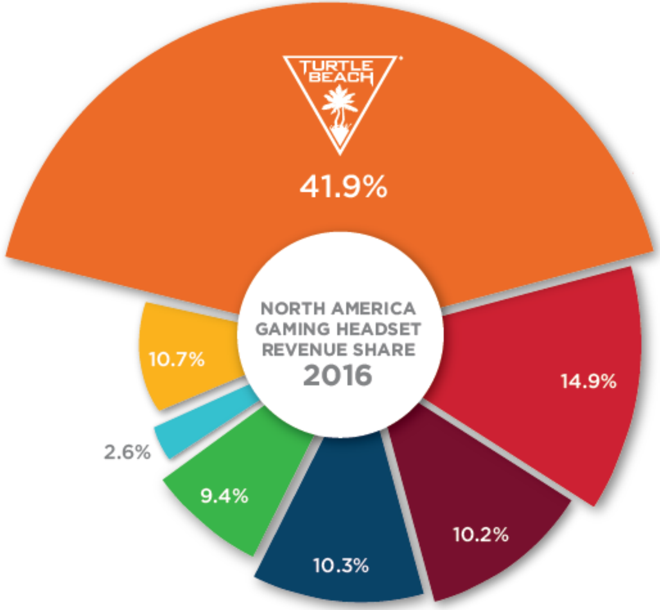


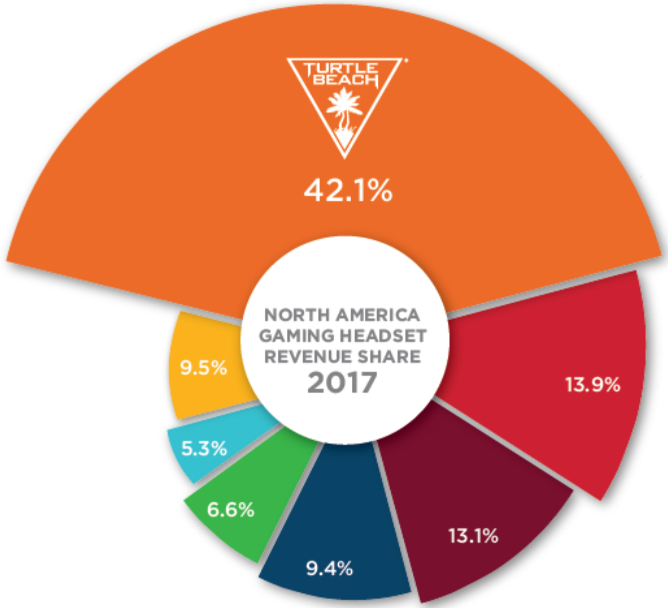
Americas and Europe are over 75% of the market

With over 700M Gamers and 175M eSports fans in the Americas and Europe(1)

(1) NewZoo Report

NA CONSOLE HEADSET – KEY PLAYERS 2017 VS. 2016





- Turtle Beach revenue share up from 41.9% to 42.1%
- Turtle Beach 2017 share more than the next 3 competitors combined

Source: The NPD Group, Inc., Video Games Console Headset Update 1.11.18

FULL LINE OF PRODUCTS…WITH COMPELLING LAUNCHES IN 2017

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	ASP	Sample Products	TB Key Features
Esports	Varies	Elite Pro; Elite Pro PC Edition; Elite Pro Optic Limited Edition (Launched July & Oct. 2017)	• Tournament-grade game & chat audio • Unmatched comfort with glasses friendly design & cooling gel-infused ear cushions • Powerful amplified audio w/ DTS Headphone:X® 7.1 surround sound and Superhuman Hearing™ (PC Edition)
Core Gamer *16+ hours per week*	> $200	Elite 800X; Elite 800	• Wireless game & chat • Active noise-cancellation & Bluetooth® • DTS Headphone:X® 7.1 surround sound • Superhuman Hearing • Magnetic base station
Enthusiast Gamer *7-15 hours per week*	$100 - $200	Ear Force Stealth 520; Ear Force Stealth 420X+; Ear Force Stealth 700 (Xbox); Ear Force Stealth 700 (PS4); Ear Force Stealth 600 (Xbox); Ear Force Stealth 600 (PS4) (Launched Sept. 2017)	• Immersive surround sound • Xbox Wireless (connects directly to Xbox One) • Active noise-cancellation & Bluetooth (700 only) • Glasses friendly design • Superhuman Hearing
Casual Gamer *4-6 hours per week*	$50 - $100	Ear Force XO Four Stealth; Ear Force PX24; Ear Force XO One; Ear Force XO Three; Ear Force Recon 150; Ear Force Recon Camo (Launched July & Oct. 2017)	• Large, powerful 50mm speakers • High-sensitivity mic • Durable, fan-favorite headset ID • Superhuman Hearing (PX24)
Entry-Level Gamer *< 4 hours per week*	< $50	Ear Force Recon 50X; Ear Force Recon 60P; Ear Force Recon 50P; Ear Force Recon Chat (PS4); Ear Force Recon Chat (Xbox) (Launched Apr. 2017)	• High-quality 40mm speakers • High-sensitivity mic • Lightweight comfort • Innovative open earcup • Glasses friendly design

PERFORMANCE OF CURRENT PORTFOLIO

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Product Portfolio Fully Launched by Nov ‘17
North America NPD Sell-Through Nov ‘17 through Jan ‘18

- **Over 45.5% revenue share, up 2.5%**
- **#1 chat headset for PS4**
- **#1 chat headset for Xbox One**
- **#1 selling 3rd party PS4 headset**
- **#1 and #2 selling Xbox One wireless headset**
- **#1 selling console headset overall**
- **7 of the top 10 selling console headsets** (and 2 of the others are First Party)

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QUARTERLY FINANCIAL OVERVIEW

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$ in millions (except per share data)	2016 Q4	2017 Q4	YOY Δ%	Commentary
Revenue	**$82.2**	**$79.7**	**-3%**	Cautious ordering by retailers pushed $6-7M to '18, more than fully recovered in Jan
Gross Profit	$30.2	$29.9	-1%	
Gross Margin	**36.7%**	**37.6%**	**+90bps**	Record since becoming public in '14
Operating Expenses	$14.9	$14.0	-6%	Continued expense management
Operating Income	$15.3	$16.0	+4%	
GAAP Net Income	$12.2	$14.2	+17%	Record since becoming public in '14
GAAP EPS Diluted	**$0.25**	**$0.29**	**+16%**	
Adj. EBITDA[1]	**$16.1**	**$17.2**	**+7%**	Record since becoming public in '14

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

FULL YEAR FINANCIAL OVERVIEW

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$ in millions (except per share data)	2016	2017	YOY Δ%	Commentary
Revenue	**$174.0**	**149.1**	**-14%**	Channel inventory reductions & under-ordering drove the decline
Gross Profit	$42.6	$51.0	20%	
Gross Margin	**24.5%**	**34.2%**	**+970bps**	Record since becoming public in ‘14
Operating Expenses[1]	$56.4	$46.2	-18%	Continued expense management
Operating Income (Loss)	$(77.7)	$4.8	+106%	Record since becoming public in ‘14
GAAP Net Income (Loss)	$(87.2)	$(3.2)	+96%	
GAAP EPS Diluted	**$(1.79)**	**$(0.07)**	**+96%**	
Adj. EBITDA[2]	**$4.0**	**$11.6**	**+188%**	Record since becoming public in ‘14

1. 2016 excludes *HyperSound* impairment of $63.2M and restructuring charges.
2. See appendix for a reconciliation of non-GAAP measures.

BALANCE SHEET

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Capitalization

	@12-31-16	@12-31-17
Cash & Equivalents	**$6.2M**	**$5.2M**
Debt		
Revolver (asset-based)	$35.9M	$38.5M
Term Loans	$14.4M	$11.7M
Subordinated Notes	$19.4M	$21.9M
Total Debt	**$69.7M**	**$72.1M**
Series B - Preferred Stock[1]	$17.5M	$18.9M
Leverage Ratio[2]	***7.4x***	***2.1x***

Balance Sheet Highlights

- Revolver typically peaks in Q4 and lowest in Q1 after holiday receipts
- $49.0M federal, $21.0M state net operating losses @ Dec 31, 2016 offset taxable income (not scheduled to expire until 2029)
- $60M line of credit and Mar 5, 2018 refinancing anticipated to provide sufficient capital to make various growth investments

1) Due in October 2030 and has 8% per annum PIK interest.
2) Defined as total term loans outstanding and average trailing twelve month revolving debt, divided by consolidated trailing twelve month adjusted EBITDA.

AMENDED LENDING AGREEMENTS

- Amended lending agreements on Mar 6, 2018
- Improved terms include:
  - –Reduction in the interest rate and greater availability on revolving credit line
  - –Significant reduction in the interest rates on term loans (e.g., Crystal rate reduced by 3.5%)
  - –Reduction in the interest rate on sub debt with Stripes (e.g., majority reduced by 1.4%)
  - –Ability to use funds from the term loan to reduce sub debt
  - –Elimination of EBITDA coverage covenants on the term loans
  - –Extension of the loans to 2023
- **Interest savings of at least $3.5M over the next five years**

Q1 2018 OUTLOOK

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	Q1-18[1]	YoY Δ	Year-Over-Year Commentary & Assumptions
Revenue	~$29M	102%	• Retailer restocking after holiday under-ordering, strong consumer demand, healthy console gaming market
EPS	~$(0.12)	55%	• Various revenue drivers noted above
Adj. EBITDA	~$(1.5)M	76%	• Various revenue drivers noted above drive strong improvement

1) Guidance effective on March 6, 2018.

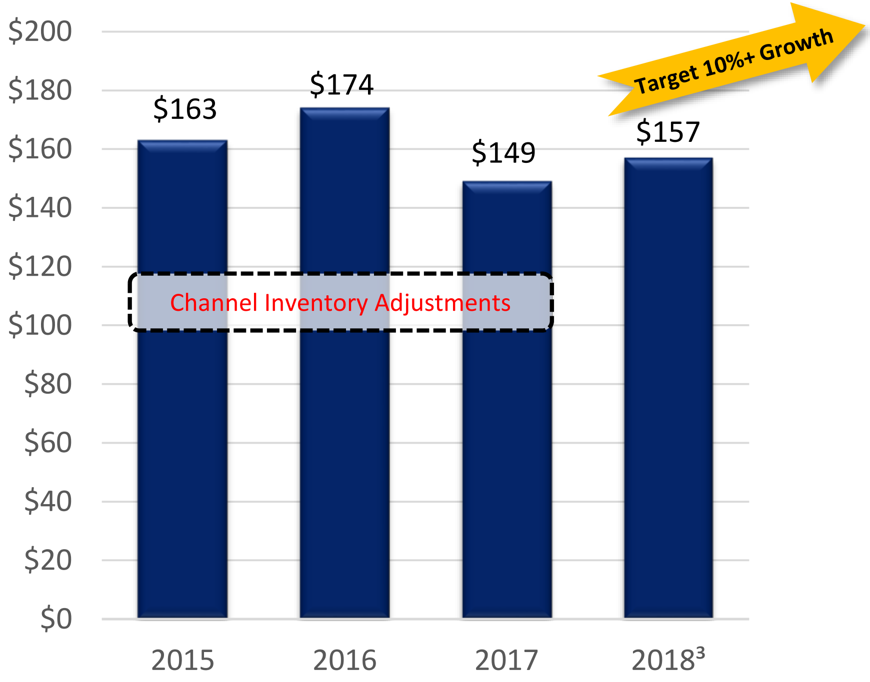
2018 OUTLOOK

	2017	2018[1]	Year-Over-Year Commentary & Assumptions
Total Revenue	*$149.1M*	*~$157M*	Quarterly revenue profile expected to shift revenue mix from Q4 to earlier quarters similar to 2016
Gross Margin	*34.2%*	*~34.2%*	Upper end of 33-35% targeted range
EPS	*$(0.07)*	*~$(0.03)*	Expecting continued improvements in EPS
Adj. EBITDA	*$11.6M*	*~$12M*	Includes several million dollars of investments to drive future growth

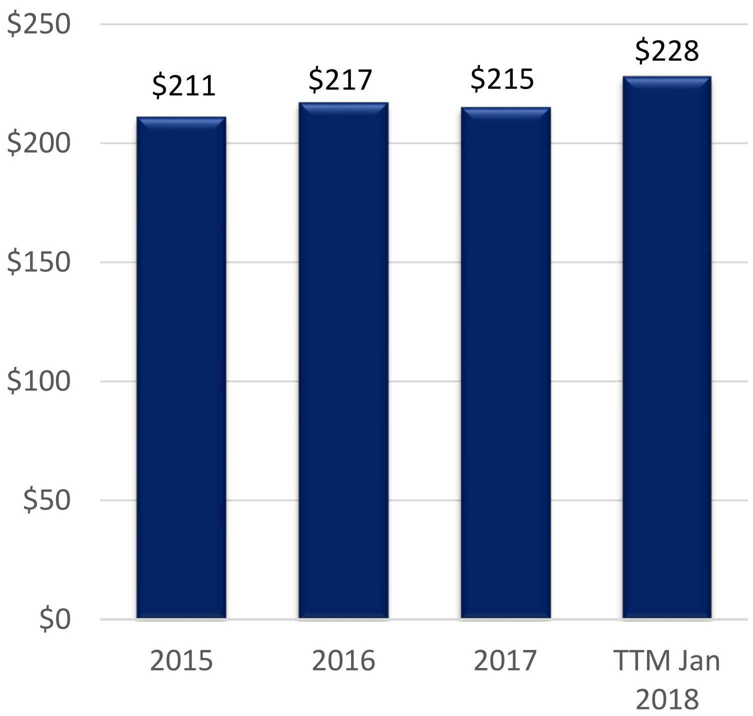
1) Guidance effective on March 6, 2018.

REVENUE PROFILE

Company Revenues (1)
Millions



Company Product Retail Sell-Through in Core Markets (2)
Millions



1) Company net revenues=wholesale revenues.
2) NPD and GFK reported retail revenue value of Turtle Beach headset sell-through for North America and UK representing vast majority of company global sales.
3) Guidance effective on March 6, 2018.

EBITDA PROFILE

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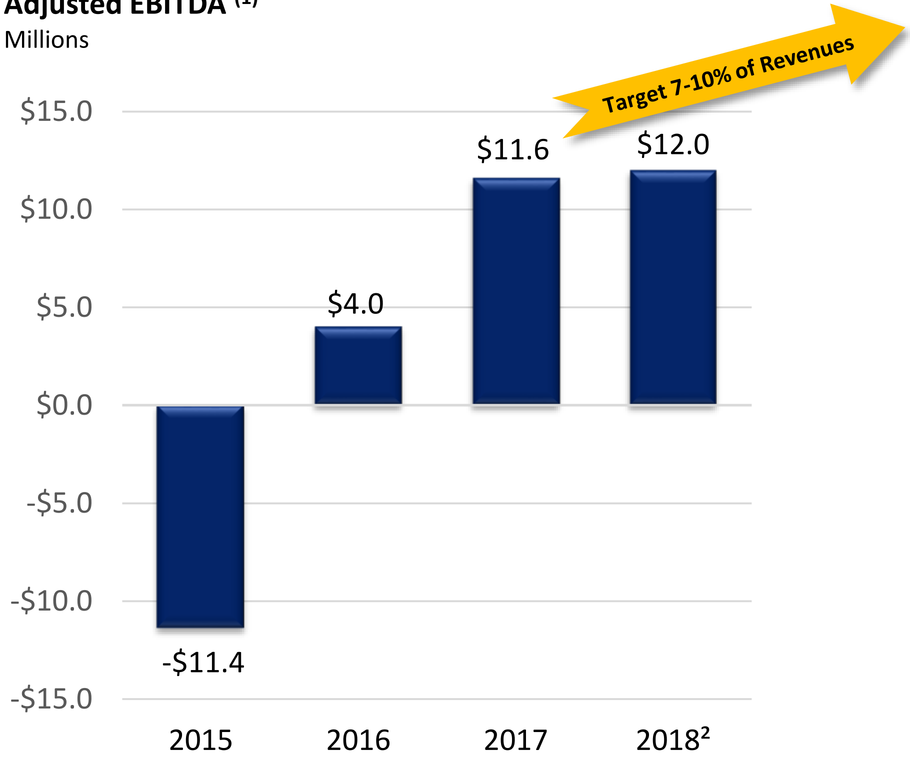
Adjusted EBITDA (1)
Millions



2016:
Returned headset business to profitability. Converted HyperSound to licensing model. Entered eSports, VR, streaming mic categories.

2017:
Focused on core headset business and continued profitability improvements. Positioned company for improved balance sheet and loan terms. Laid groundwork for 2018+ growth initiatives.

2018:
Continue to deliver good profitability in headset business. Lower cost of debt. Make select investments to drive future growth.

1) See appendix for a reconciliation of non-GAAP measures.
2) Guidance effective on March 6, 2018.

KEY TAKEAWAYS

- Q4 and full year profitability results exceeded or within guidance range
- Drove leading market share position even higher for Q4 and full-year
- Very strong start to 2018 driven by strong game titles and robust overall gaming market
- Competing in the largest portion (~50%) of a >$2B global market in gaming peripherals
- Leveraging our leadership position to invest in growth opportunities like eSports and PC gaming

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APPENDIX

RECONCILIATION OF GAAP & NON-GAAP EARNINGS

	Three Months Ended		Year Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Net Income (Loss)				
GAAP Net Income (Loss)	$ 14,231	$ 12,201	$ (3,248)	$ (87,182)
Goodwill and intangible asset impairment	—	—	—	63,236
HyperSound inventory reserve	—	—	—	7,079
Restructuring charges	24	100	533	664
Non-GAAP Earnings	$ 14,255	$ 12,301	$ (2,715)	$ (16,203)
Diluted Earnings Per Share				
GAAP - Diluted	$ 0.29	$ 0.25	$ (0.07)	$ (1.79)
Goodwill and intangible asset impairment	$ —	$ —	$ —	$ 1.30
HyperSound inventory reserve	$ —	$ —	$ —	$ 0.15
Restructuring charges	$ —	$ —	$ 0.01	$ 0.01
Non-GAAP - Diluted	$ 0.29	$ 0.25	$ (0.06)	$ (0.33)

GAAP TO ADJUSTED EBITDA RECONCILIATION – THREE MONTHS ENDED DEC 31, 2017

Three Months Ended December 31, 2017

	As Reported	Adj Depreciation	Adj Amortization	Adj Stock Compensation	Other (1)	Adj EBITDA
Net Revenue	$ 79,696	$ —	$ —	$ —	$ —	$ 79,696
Cost of Revenue	49,748	(99)	—	—	120	49,769
Gross Profit	**29,948**	**99**	**—**	**—**	**(120)**	**29,927**
Operating Expense	13,969	(975)	(89)	(243)	(24)	12,638
Operating income (loss)	**15,979**	**1,074**	**89**	**243**	**(96)**	**17,289**
Interest expense	2,199					
Other non-operating (income) expense, net	54					54
Earnings before income tax benefit	13,726					
Income tax benefit	(505)					
Net income	**$ 14,231**				**Adjusted EBITDA**	**$ 17,235**

(1) Other includes business transition costs and restructuring charges.

GAAP TO ADJUSTED EBITDA RECONCILIATION – YEAR ENDED DEC 31, 2017

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	Year Ended December 31, 2017					
	As Reported	**Adj Depreciation**	**Adj Amortization**	**Adj Stock Compensation**	**Other (1)**	**Adj EBITDA**
Net Revenue	$ 149,135	$ —	$ —	$ —	$ —	$ 149,135
Cost of Revenue	98,132	(578)	—	66	79	97,699
Gross Profit	**51,003**	**578**	**—**	**(66)**	**(79)**	**51,436**
Operating Expense	46,205	(3,496)	(348)	(1,496)	(533)	40,332
Operating income (loss)	**4,798**	**4,074**	**348**	**1,430**	**454**	**11,104**
Interest expense	7,916					
Other non-operating (income) expense, net	(463)					(463)
Loss before income tax expense	(2,655)					
Income tax expense	593					
Net loss	**$ (3,248)**				**Adjusted EBITDA**	**$ 11,567**

GAAP TO ADJUSTED EBITDA RECONCILIATION – THREE MONTHS ENDED DEC 31, 2016

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	Three Months Ended December 31, 2016					
	As Reported	Adj Depreciation	Adj Amortization	Adj Stock Compensation	Other (2)	Adj EBITDA
Net Revenue	$ 82,204	$ —	$ —	$ —	$ —	$ 82,204
Cost of Revenue	51,996	(151)	—	(159)	—	51,686
Gross Profit	**30,208**	**151**	**—**	**159**	**—**	**30,518**
Operating Expense	14,912	(729)	(100)	(579)	(100)	13,405
Operating income (loss)	**15,296**	**880**	**100**	**738**	**100**	**17,113**
Interest expense	2,116					
Other non-operating (income) expense, net	1,026					1,026
Earnings before income tax benefit	12,154					
Income tax benefit	(47)					
Net income	**$ 12,201**				**Adjusted EBITDA**	**$ 16,087**

(1) Other includes business transition costs and restructuring charges.

GAAP TO ADJUSTED EBITDA RECONCILIATION – YEAR ENDED DEC 31, 2016

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	Year Ended December 31, 2016					
	As Reported	**Adj Depreciation**	**Adj Amortization**	**Adj Stock Compensation**	**Other (2)**	**Adj EBITDA**
Net Revenue	$ 173,978	$ —	$ —	$ —	$ —	$ 173,978
Cost of Revenue	131,368	(571)	(3,660)	(557)	(7,079)	119,501
Gross Profit	**42,610**	**571**	**3,660**	**557**	**7,079**	**54,477**
Operating Expense	120,311	(4,496)	(468)	(3,403)	(63,900)	48,045
Operating income (loss)	**(77,701)**	**5,067**	**4,128**	**3,960**	**70,979**	**6,432**
Interest expense	7,447					
Other non-operating (income) expense, net	2,421					2,421
Loss before income tax benefit	(87,569)					
Income tax benefit	(387)					
Net loss	**$ (87,182)**				**Adjusted EBITDA**	**$ 4,011**

GAAP TO ADJUSTED EBITDA RECONCILIATION

Consolidated	December 31, 2017	December 31, 2016	December 31, 2015
Net Income (Loss)	**(3,248)**	**(87,182)**	**(82,907)**
Depreciation	4,075	5,066	5,901
Amortization of intangibles	349	4,128	2,015
Interest	7,916	7,447	5,100
Taxes	592	(387)	2,392
Stock Compensation	1,429	3,960	5,897
Restructuring Expense	533	664	399
Goodwill Impairment	-	63,236	49,822
Business Transaction Expense	(79)	7,079	-
Adj EBITDA	**11,567**	**4,011**	**(11,381)**