

**Q4 2022**

**Preliminary Earnings  
Results Summary**

**February 2, 2023**

# SAFE HARBOR STATEMENT



This presentation may contain projections or other forward-looking statements within the meaning Section 27A of the Private Securities Litigation Reform Act. Words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “should,” “will” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements in this presentation may include, but are not limited to, statements regarding our expectations for profitability and subscription growth; and overall consumer demand for our products. These statements involve risks and uncertainties, and actual events or results may differ materially. Among the important factors that could cause actual results to differ materially from those in the forward-looking statements include the inability to achieve our revenue growth or profitability in the future, and if revenue growth or profitability is achieved, we may not be able to sustain it; the fact that an economic downturn or economic uncertainty in our key U.S. and international markets, inflation, and fluctuations in interest rates or currency exchange rates may adversely affect consumer discretionary spending and demand for our products; the fact that our goal to grow revenue and be profitable relies upon our ability to grow sales from our direct-to-consumer business and our retail partners and distributors; our ability to acquire and retain subscribers; our reliance on third-party suppliers, some of which are sole-source suppliers, to provide services and components for our products which may be impacted due to supply shortages, long lead times or other service disruptions and may increase costs due to the impact of the COVID-19 pandemic and the war in Ukraine, inflation or the negative impact on exchange rates; our ability to maintain the value and reputation of our brand and protect our intellectual property and proprietary rights; the risk that our sales fall below our forecasts, especially during the holiday season; the risk we fail to manage our operating expenses effectively, and may result in our financial performance suffering the fact that our continued profitability depends in part on further penetrating our total addressable market, and we may not be successful in doing so; the fact that we rely on sales of our cameras, mounts and accessories for substantially all of our revenue, and any decrease in the sales or change in sales mix of these products could harm our business; the risk that we may not successfully manage product introductions, product transitions, product pricing and marketing; the fact that a small number of retailers and distributors account for a substantial portion of our revenue and our level of business with them could be significantly reduced; the impact of fluctuations in foreign currency exchange rates on our results of operations; our ability to attract, engage and retain qualified personnel; any changes to trade agreements, trade policies, tariffs, and import/export regulations; the effects of the highly competitive market in which we operate, including new market entrants; the fact that we may experience fluctuating revenue, expenses and profitability in the future; risks related to inventory, purchase commitments and long-lived assets; the risk that we may not be able to maintain the value and reputation of our brand; the risk that we will encounter problems with our distribution system; the threat of a security breach or other disruption including cyberattacks; the concern that our intellectual property and proprietary rights may not adequately protect our products and services; the continuing impact of the COVID-19 pandemic and the war in Ukraine and their effects on the United States and global economies and our business in particular; and other factors detailed in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2021, which is on file with the Securities and Exchange Commission (SEC), and as updated in filings with the SEC. These forward-looking statements speak only as of the date hereof or as of the date otherwise stated herein. GoPro disclaims any obligation to update these forward-looking statements.

# USE OF **NON-GAAP METRICS**



We report gross margin, operating expenses, operating income (loss), net income (loss) and diluted net income (loss) per share in accordance with U.S. generally accepted accounting principles (GAAP) and on a non-GAAP basis. We additionally report non-GAAP adjusted EBITDA. Revenue, gross profit, gross margin percentage, adjusted EBITDA as a percentage of revenue, and street average selling price are also presented on a constant currency basis to show performance unaffected by fluctuations in currency exchange rates. We believe that non-GAAP information is useful because it can enhance the understanding of our ongoing economic performance. We use non-GAAP reporting internally to evaluate and manage our operations. We have chosen to provide this information to investors to enable them to perform comparisons of operating results in a manner similar to how we analyze our own operating results.

A full reconciliation of GAAP to non-GAAP financial data can be found in the appendix to this slide package and in our Q4 2022 earnings press release issued on February 2, 2023, which should be reviewed in conjunction with this presentation.

# QUARTERLY NON-GAAP INCOME STATEMENT SUMMARY



| (\$ in millions, except per share data)              | Q4 2022  | Q3 2022  | Q2 2022  | Q1 2022  | Q4 2021  | Q3 2021  | Q2 2021  | Q1 2021  | Q4 2020  |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Revenue</b>                                       | \$ 321.0 | \$ 305.1 | \$ 250.7 | \$ 216.7 | \$ 391.1 | \$ 316.7 | \$ 249.6 | \$ 203.7 | \$ 357.8 |
| <b>Camera units shipped</b><br><i>(in thousands)</i> | 850      | 797      | 640      | 523      | 1,033    | 832      | 724      | 556      | 1,108    |
| <b>Gross margin*</b>                                 | 35.1%    | 38.2%    | 38.5%    | 42.0%    | 41.3%    | 43.8%    | 40.1%    | 39.2%    | 38.3%    |
| <b>Operating expenses*</b>                           | \$ 93.7  | \$ 83.1  | \$ 81.5  | \$ 72.9  | \$ 92.3  | \$ 79.9  | \$ 79.4  | \$ 73.0  | \$ 73.0  |
| <b>Operating income*</b>                             | \$ 19.1  | \$ 33.4  | \$ 15.0  | \$ 18.1  | \$ 69.2  | \$ 58.8  | \$ 20.7  | \$ 6.9   | \$ 64.2  |
| <b>Net income*</b>                                   | \$ 21.1  | \$ 31.8  | \$ 12.8  | \$ 15.2  | \$ 66.1  | \$ 55.2  | \$ 19.9  | \$ 4.8   | \$ 61.1  |
| <b>Diluted net income per share*</b>                 | \$ 0.12  | \$ 0.19  | \$ 0.08  | \$ 0.09  | \$ 0.41  | \$ 0.34  | \$ 0.12  | \$ 0.03  | \$ 0.39  |
| <b>Adjusted EBITDA*</b>                              | \$ 22.0  | \$ 35.2  | \$ 16.9  | \$ 20.6  | \$ 71.6  | \$ 60.4  | \$ 25.1  | \$ 10.7  | \$ 67.7  |
| <b>Headcount</b>                                     | 877      | 860      | 839      | 796      | 766      | 778      | 774      | 765      | 758      |

\* Non-GAAP metric. See reconciliations in Appendix.

# QUARTERLY REVENUE METRICS



| (\$ in millions)               | Q4 2022         |                | Q3 2022         |                | Q2 2022         |                | Q1 2022         |                | Q4 2021         |                |
|--------------------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| Revenue by Channel:            | \$              | % of Rev       | \$              | % of Rev       | \$              | % of Rev       | \$              | % of Rev       | \$              | % of Rev       |
| GoPro.com                      | \$ 128.2        | 39.9 %         | \$ 98.6         | 32.3 %         | \$ 95.3         | 38.0 %         | \$ 88.6         | 40.9 %         | \$ 127.8        | 32.7 %         |
| Retail                         | 192.8           | 60.1           | 206.5           | 67.7           | 155.4           | 62.0           | 128.1           | 59.1           | 263.3           | 67.3           |
| <b>Total Revenue</b>           | <b>\$ 321.0</b> | <b>100.0 %</b> | <b>\$ 305.1</b> | <b>100.0 %</b> | <b>\$ 250.7</b> | <b>100.0 %</b> | <b>\$ 216.7</b> | <b>100.0 %</b> | <b>\$ 391.1</b> | <b>100.0 %</b> |
| GoPro.com Revenue:             | \$              | % of Rev       | \$              | % of Rev       | \$              | % of Rev       | \$              | % of Rev       | \$              | % of Rev       |
| Hardware                       | \$ 106.0        | 82.7 %         | \$ 77.2         | 78.3 %         | \$ 75.2         | 78.9 %         | \$ 70.0         | 79.0 %         | \$ 110.7        | 86.6 %         |
| Subscription and service       | 22.2            | 17.3           | 21.4            | 21.7           | 20.1            | 21.1           | 18.6            | 21.0           | 17.1            | 13.4           |
| <b>Total GoPro.com Revenue</b> | <b>\$ 128.2</b> | <b>100.0 %</b> | <b>\$ 98.6</b>  | <b>100.0 %</b> | <b>\$ 95.3</b>  | <b>100.0 %</b> | <b>\$ 88.6</b>  | <b>100.0 %</b> | <b>\$ 127.8</b> | <b>100.0 %</b> |
| Revenue by Geography:          | \$              | % of Rev       | \$              | % of Rev       | \$              | % of Rev       | \$              | % of Rev       | \$              | % of Rev       |
| Americas                       | \$ 152.9        | 47.6 %         | \$ 139.4        | 45.6 %         | \$ 126.4        | 50.4 %         | \$ 102.6        | 47.3 %         | \$ 193.4        | 49.5 %         |
| Europe, Middle East and Africa | 82.7            | 25.8           | 85.0            | 27.9           | 71.7            | 28.6           | 61.5            | 28.4           | 108.9           | 27.8           |
| Asia and Pacific               | 85.4            | 26.6           | 80.7            | 26.5           | 52.6            | 21.0           | 52.6            | 24.3           | 88.8            | 22.7           |
| <b>Total Revenue</b>           | <b>\$ 321.0</b> | <b>100.0 %</b> | <b>\$ 305.1</b> | <b>100.0 %</b> | <b>\$ 250.7</b> | <b>100.0 %</b> | <b>\$ 216.7</b> | <b>100.0 %</b> | <b>\$ 391.1</b> | <b>100.0 %</b> |

# SELECT BALANCE SHEET METRICS

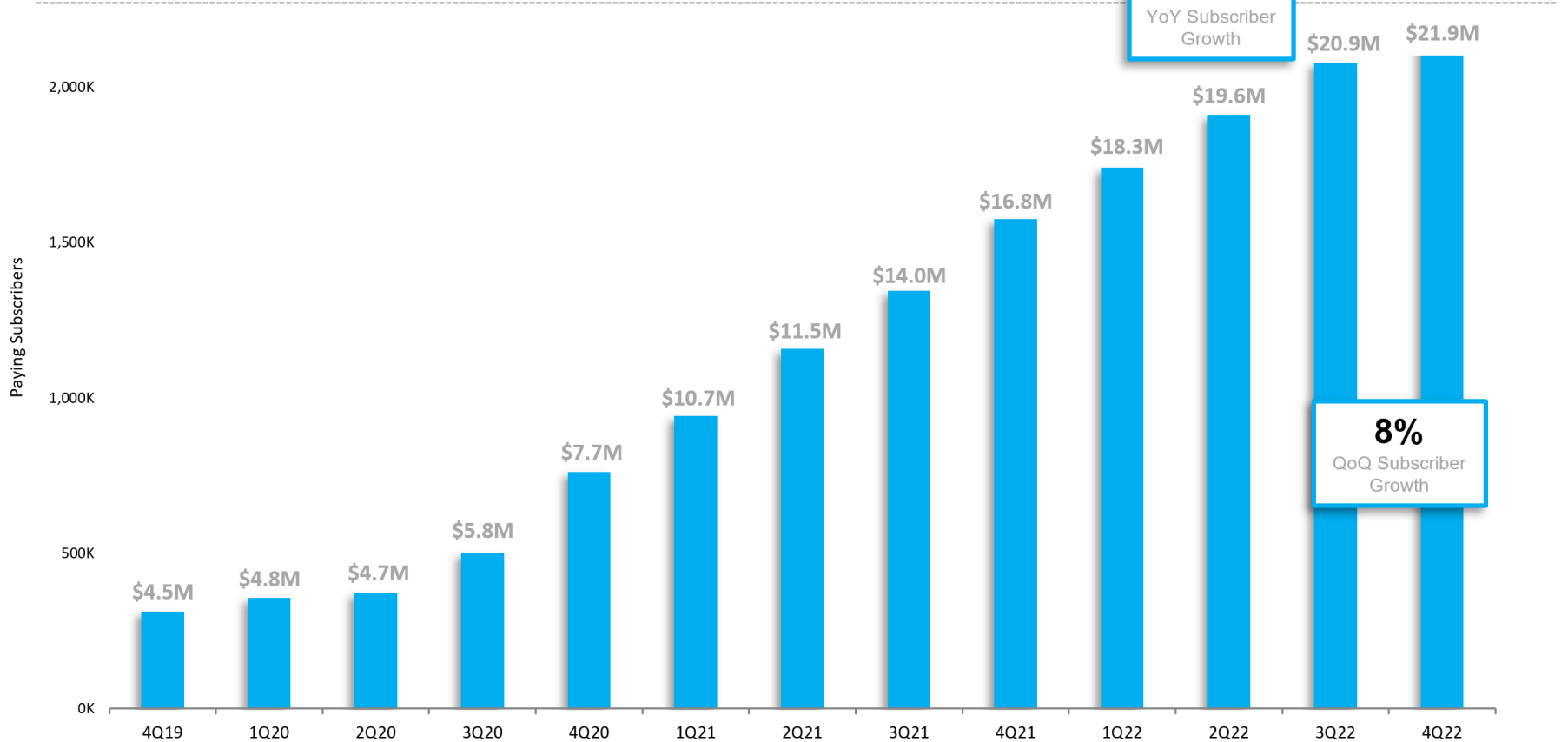


| <i>(\$ in millions)</i>  | Q4 2022  | Q3 2022  | Q2 2022  | Q1 2022  | Q4 2021  | Q3 2021  | Q2 2021  | Q1 2021  | Q4 2020  |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Cash, cash equivalents, restricted cash and marketable securities</b> | \$ 367.3 | \$ 348.8 | \$ 322.5 | \$ 449.9 | \$ 538.9 | \$ 378.5 | \$ 318.7 | \$ 296.8 | \$ 327.7 |
| <b>Days sales outstanding</b>  | 22       | 25       | 32       | 29       | 26       | 28       | 35       | 30       | 27       |
| <b>Inventory</b>   | \$ 127.1 | \$ 153.4 | \$ 126.0 | \$ 119.4 | \$ 86.4  | \$ 120.9 | \$ 106.8 | \$ 111.8 | \$ 97.9  |
| <b>Annualized inventory turns</b>  | 5.9x     | 5.4x     | 5.0x     | 4.9x     | 8.9x     | 6.3x     | 5.5x     | 4.7x     | 7.6x     |
| <b>Inventory days</b>  | 55       | 73       | 74       | 85       | 34       | 61       | 64       | 81       | 40       |

# GOPRO SUBSCRIPTION



Subscribers & Subscription Revenue (\$M)



# Appendix



# APPENDIX: GAAP TO **NON-GAAP RECONCILIATIONS**



To supplement our unaudited selected financial data presented on a basis consistent with GAAP, we disclose certain non-GAAP financial measures, including non-GAAP gross margin, operating expenses, operating income (loss), net income (loss), diluted net income (loss) per share and adjusted EBITDA. Additionally, we present revenue, gross profit, gross margin percentage, adjusted EBITDA in dollars and as a percentage of revenue, and street average selling price on a constant currency basis to show performance unaffected by fluctuations in currency exchange rates. We calculate constant currency amounts by translating current period amounts at the prior period's average exchange rate and compare that to the current period performance. We use non-GAAP financial measures to help us understand and evaluate our core operating performance and trends, to prepare and approve our annual budget, and to develop short-term and long-term operational plans. Our management uses, and believes that investors benefit from referring to these non-GAAP financial measures in assessing our operating results. These non-GAAP financial measures should not be considered in isolation from, or as an alternative to, the measures prepared in accordance with GAAP, and are not based on any comprehensive set of accounting rules or principles. We believe that these non-GAAP measures, when read in conjunction with our GAAP financials, provide useful information to investors by facilitating:

- the comparability of our on-going operating results over the periods presented;
- the ability to identify trends in our underlying business; and
- the comparison of our operating results against analyst financial models and operating results of other public companies that supplement their GAAP results with non-GAAP financial measures.

These non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP. Some of these limitations are:

- adjusted EBITDA does not reflect tax payments that reduce cash available to us;
- adjusted EBITDA excludes depreciation and amortization and, although these are non-cash charges, the property and equipment being depreciated and amortized often will have to be replaced in the future, and adjusted EBITDA does not reflect any cash capital expenditure requirements for such replacements;

# APPENDIX: GAAP TO **NON-GAAP RECONCILIATIONS**



- adjusted EBITDA excludes the amortization of point of purchase (POP) display assets because it is a non-cash charge, and is treated similarly to depreciation of property and equipment and amortization of acquired intangible assets;
- adjusted EBITDA and non-GAAP net income (loss) exclude restructuring and other related costs which primarily include severance-related costs, stock-based compensation expenses, manufacturing consolidation charges, facilities consolidation charges recorded in connection with restructuring actions, including right-of-use asset impairment charges, and the related ongoing operating lease cost of those facilities recorded under ASC 842, *Leases*. These expenses do not reflect expected future operating expenses and do not contribute to a meaningful evaluation of current operating performance or comparisons to the operating performance in other periods;
- adjusted EBITDA and non-GAAP net income (loss) exclude stock-based compensation expense related to equity awards granted primarily to our workforce. We exclude stock-based compensation expense because we believe that the non-GAAP financial measures excluding this item provide meaningful supplemental information regarding operational performance. In particular, we note that companies calculate stock-based compensation expense for the variety of award types that they employ using different valuation methodologies and subjective assumptions. These non-cash charges are not factored into our internal evaluation of net income (loss) as we believe their inclusion would hinder our ability to assess core operational performance;
- adjusted EBITDA and non-GAAP net income (loss) exclude the loss on extinguishment of debt because it is not reflective of ongoing operating results in the period, and such losses vary in the frequency and amount;

# APPENDIX: GAAP TO **NON-GAAP RECONCILIATIONS**



- non-GAAP net income (loss) excludes acquisition-related costs including the amortization of acquired intangible assets (primarily consisting of acquired technology), the impairment of acquired intangible assets (if applicable), as well as third-party transaction costs incurred for legal and other professional services. These costs are not factored into our evaluation of potential acquisitions, or of our performance after completion of the acquisitions, because these costs are not related to our core operating performance or reflective of ongoing operating results in the period, and the frequency and amount of such costs vary significantly based on the timing and magnitude of our acquisition transactions and the maturities of the businesses being acquired. Although we exclude the amortization of acquired intangible assets from our non-GAAP net income (loss), management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation.
- non-GAAP net income (loss) excludes non-cash interest expense. Prior to the adoption of ASU 2020-06 in fiscal year 2022, we were required to recognize non-cash interest expense related to the amortization of a debt discount associated with our 2022 Notes and 2025 Notes in accordance with the prior authoritative accounting guidance for convertible debt that may be settled in cash. From fiscal year 2022 and onwards, this debt discount accounting requirement was removed, and as a result, non-cash interest expense will no longer be a reconciling item between GAAP and non-GAAP net income (loss);
- non-GAAP net income (loss) includes income tax adjustments. We utilize a cash-based non-GAAP tax expense approach (based upon expected annual cash payments for income taxes) for evaluating operating performance as well as for planning and forecasting purposes. This non-GAAP tax approach eliminates the effects of period specific items, which can vary in size and frequency and does not necessarily reflect our long-term operations. Historically, we computed a non-GAAP tax rate based on non-GAAP pre-tax income on a quarterly basis, which considered the income tax effects of the adjustments above;
- GAAP and non-GAAP net income (loss) per share includes the dilutive, tax effected cash interest expense associated with our 2022 Notes and 2025 Notes, as if converted at the beginning of the period in connection with the adoption of ASU 2020-06 on January 1, 2022; and
- other companies may calculate these non-GAAP financial measures differently than we do, limiting their usefulness as comparative measures.

# APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS



| (\$ in thousands, except per share data) | Q4 2022   | Q3 2022   | Q2 2022   | Q1 2022   | Q4 2021   | Q3 2021    | Q2 2021   | Q1 2021     | Q4 2020   |
|--|-----------|-----------|-----------|-----------|-----------|------------|-----------|-------------|-----------|
| <b>GAAP net income (loss)</b>            | \$ 3,073  | \$ 17,570 | \$ 2,519  | \$ 5,685  | \$ 52,626 | \$ 311,761 | \$ 16,952 | \$ (10,168) | \$ 44,413 |
| Stock-based compensation:                |           |           |           |           |           |            |           |             |           |
| Cost of revenue                          | 434       | 441       | 483       | 447       | 374       | 483        | 508       | 429         | 373       |
| Operating expenses                       | 9,131     | 8,898     | 9,768     | 9,389     | 10,049    | 8,846      | 9,521     | 8,440       | 7,664     |
| Total stock-based compensation           | 9,565     | 9,339     | 10,251    | 9,836     | 10,423    | 9,329      | 10,029    | 8,869       | 8,037     |
| Acquisition-related costs:               |           |           |           |           |           |            |           |             |           |
| Cost of revenue                          | —         | —         | —         | 47        | 71        | 70         | 288       | 723         | 723       |
| Total acquisition-related costs          | —         | —         | —         | 47        | 71        | 70         | 288       | 723         | 723       |
| Restructuring and other costs:           |           |           |           |           |           |            |           |             |           |
| Cost of revenue                          | 8,047     | (21)      | 4         | 5         | 7         | 51         | 49        | 50          | 11        |
| Operating expenses                       | (242)     | (393)     | 80        | 74        | 106       | 747        | 856       | 783         | 58        |
| Total restructuring and other costs      | 7,805     | (414)     | 84        | 79        | 113       | 798        | 905       | 833         | 69        |
| Non-cash interest expense                | —         | —         | —         | —         | 3,673     | 3,590      | 3,512     | 3,433       | 3,018     |
| Loss on extinguishment of debt           | —         | —         | —         | —         | —         | —          | —         | —           | 5,389     |
| Income tax adjustments                   | 647       | 5,352     | (64)      | (451)     | (759)     | (270,324)  | (11,824)  | 1,145       | (585)     |
| <b>Non-GAAP net income</b>               | \$ 21,090 | \$ 31,847 | \$ 12,790 | \$ 15,196 | \$ 66,147 | \$ 55,224  | \$ 19,862 | \$ 4,835    | \$ 61,064 |

# APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS



| (\$ in thousands, except per share data)          | Q4 2022          | Q3 2022          | Q2 2022          | Q1 2022          | Q4 2021          | Q3 2021           | Q2 2021          | Q1 2021            | Q4 2020          |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|--------------------|------------------|
| <b>Numerator:</b>                                 |                  |                  |                  |                  |                  |                   |                  |                    |                  |
| GAAP net income (loss) - Basic                    | \$ 3,073         | \$ 17,570        | \$ 2,519         | \$ 5,685         | \$ 52,626        | \$ 311,761        | \$ 16,952        | \$ (10,168)        | \$ 44,413        |
| Add: Interest on convertible notes, tax effected* | 334              | 485              | 715              | 1,521            | —                | —                 | —                | —                  | —                |
| <b>GAAP net income (loss) - Diluted</b>           | <b>\$ 3,407</b>  | <b>\$ 18,055</b> | <b>\$ 3,234</b>  | <b>\$ 7,206</b>  | <b>\$ 52,626</b> | <b>\$ 311,761</b> | <b>\$ 16,952</b> | <b>\$ (10,168)</b> | <b>\$ 44,413</b> |
| Non-GAAP net income - Basic                       | \$ 21,090        | \$ 31,847        | \$ 12,790        | \$ 15,196        | \$ 66,147        | \$ 55,224         | \$ 19,862        | \$ 4,835           | \$ 61,064        |
| Add: Interest on convertible notes, tax effected* | 334              | 485              | 715              | 1,521            | —                | —                 | —                | —                  | —                |
| <b>Non-GAAP net income - Diluted</b>              | <b>\$ 21,424</b> | <b>\$ 32,332</b> | <b>\$ 13,505</b> | <b>\$ 16,717</b> | <b>\$ 66,147</b> | <b>\$ 55,224</b>  | <b>\$ 19,862</b> | <b>\$ 4,835</b>    | <b>\$ 61,064</b> |
| <b>Denominator:</b>                               |                  |                  |                  |                  |                  |                   |                  |                    |                  |
| GAAP shares - Diluted*                            | 172,124          | 173,184          | 176,860          | 188,737          | 162,742          | 162,746           | 164,857          | 152,181            | 156,464          |
| Add: Non-GAAP only dilutive shares                | —                | —                | —                | —                | —                | —                 | —                | 7,671              | —                |
| <b>Non-GAAP shares - Diluted</b>                  | <b>172,124</b>   | <b>173,184</b>   | <b>176,860</b>   | <b>188,737</b>   | <b>162,742</b>   | <b>162,746</b>    | <b>164,857</b>   | <b>159,852</b>     | <b>156,464</b>   |
| <b>GAAP diluted net income (loss) per share</b>   | <b>\$ 0.02</b>   | <b>\$ 0.10</b>   | <b>\$ 0.02</b>   | <b>\$ 0.04</b>   | <b>\$ 0.32</b>   | <b>\$ 1.92</b>    | <b>\$ 0.10</b>   | <b>\$ (0.07)</b>   | <b>\$ 0.28</b>   |
| <b>Non-GAAP diluted net income per share</b>      | <b>\$ 0.12</b>   | <b>\$ 0.19</b>   | <b>\$ 0.08</b>   | <b>\$ 0.09</b>   | <b>\$ 0.41</b>   | <b>\$ 0.34</b>    | <b>\$ 0.12</b>   | <b>\$ 0.03</b>     | <b>\$ 0.39</b>   |

\* Reflects the use of the if-converted method for our convertible notes, effective 1/1/22 due to the adoption of ASU 2020-06.

# APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS



| (\$ in thousands)                   | Q4 2022          | Q3 2022          | Q2 2022          | Q1 2022          | Q4 2021          | Q3 2021          | Q2 2021          | Q1 2021          | Q4 2020          |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>GAAP gross margin</b>            | 32.5%            | 38.0%            | 38.3%            | 41.8%            | 41.2%            | 43.6%            | 39.8%            | 38.6%            | 38.0%            |
| Stock-based compensation            | 0.1              | 0.2              | 0.2              | 0.2              | 0.1              | 0.2              | 0.2              | 0.2              | 0.1              |
| Acquisition-related costs           | —                | —                | —                | —                | —                | —                | 0.1              | 0.4              | 0.2              |
| Restructuring and other costs       | 2.5              | —                | —                | —                | —                | —                | —                | —                | —                |
| <b>Non-GAAP gross margin</b>        | <b>35.1%</b>     | <b>38.2%</b>     | <b>38.5%</b>     | <b>42.0%</b>     | <b>41.3%</b>     | <b>43.8%</b>     | <b>40.1%</b>     | <b>39.2%</b>     | <b>38.3%</b>     |
| <b>GAAP operating expenses</b>      | \$ 102,596       | \$ 91,614        | \$ 91,349        | \$ 82,314        | \$ 102,449       | \$ 89,452        | \$ 89,780        | \$ 82,208        | \$ 80,728        |
| Stock-based compensation            | (9,131)          | (8,898)          | (9,768)          | (9,389)          | (10,049)         | (8,846)          | (9,521)          | (8,440)          | (7,664)          |
| Restructuring and other costs       | 242              | 393              | (80)             | (74)             | (106)            | (747)            | (856)            | (783)            | (58)             |
| <b>Non-GAAP operating expenses</b>  | <b>\$ 93,707</b> | <b>\$ 83,109</b> | <b>\$ 81,501</b> | <b>\$ 72,851</b> | <b>\$ 92,294</b> | <b>\$ 79,859</b> | <b>\$ 79,403</b> | <b>\$ 72,985</b> | <b>\$ 73,006</b> |
| <b>GAAP operating income (loss)</b> | \$ 1,707         | \$ 24,431        | \$ 4,655         | \$ 8,162         | \$ 58,625        | \$ 48,601        | \$ 9,502         | \$ (3,512)       | \$ 55,355        |
| Stock-based compensation            | 9,565            | 9,339            | 10,251           | 9,836            | 10,423           | 9,329            | 10,029           | 8,869            | 8,037            |
| Acquisition-related costs           | —                | —                | —                | 47               | 71               | 70               | 288              | 723              | 723              |
| Restructuring and other costs       | 7,805            | (414)            | 84               | 79               | 113              | 798              | 905              | 833              | 69               |
| <b>Non-GAAP operating income</b>    | <b>\$ 19,077</b> | <b>\$ 33,356</b> | <b>\$ 14,990</b> | <b>\$ 18,124</b> | <b>\$ 69,232</b> | <b>\$ 58,798</b> | <b>\$ 20,724</b> | <b>\$ 6,913</b>  | <b>\$ 64,184</b> |

# APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS



| (\$ in thousands)              | Q4 2022   | Q3 2022   | Q2 2022   | Q1 2022   | Q4 2021   | Q3 2021    | Q2 2021   | Q1 2021     | Q4 2020   |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-------------|-----------|
| <b>GAAP net income (loss)</b>  | \$ 3,073  | \$ 17,570 | \$ 2,519  | \$ 5,685  | \$ 52,626 | \$ 311,761 | \$ 16,952 | \$ (10,168) | \$ 44,413 |
| Income tax expense (benefit)   | (413)     | 5,960     | 110       | (51)      | (392)     | (270,228)  | (11,670)  | 1,219       | 116       |
| Interest expense, net          | (486)     | 262       | 1,244     | 2,111     | 5,701     | 5,697      | 5,484     | 5,796       | 5,442     |
| Depreciation and amortization  | 1,980     | 2,035     | 2,253     | 2,302     | 2,363     | 2,371      | 2,694     | 3,534       | 3,570     |
| POP display amortization       | 490       | 448       | 430       | 687       | 737       | 714        | 671       | 637         | 708       |
| Stock-based compensation       | 9,565     | 9,339     | 10,251    | 9,836     | 10,423    | 9,329      | 10,029    | 8,869       | 8,037     |
| Loss on extinguishment of debt | —         | —         | —         | —         | —         | —          | —         | —           | 5,389     |
| Restructuring and other costs  | 7,805     | (414)     | 84        | 79        | 113       | 798        | 905       | 833         | 69        |
| <b>Adjusted EBITDA</b>         | \$ 22,014 | \$ 35,200 | \$ 16,891 | \$ 20,649 | \$ 71,571 | \$ 60,442  | \$ 25,065 | \$ 10,720   | \$ 67,744 |