

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

FORM 8-K

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

Date of Report: July 11, 2017
(Date of earliest event reported)

Turtle Beach Corporation
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

001-35465
(Commission File
Number)

27-2767540
(I.R.S. Employer
Identification Number)

12220 Scripps Summit Drive, Suite 100
San Diego, California 92131
(Address of principal executive offices)

(888) 496-8001
(Registrant's telephone number, including area code)

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

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

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

- Emerging growth company

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

Item 7.01. Regulation FD Disclosure*Investor Presentation*

Certain information concerning our business and financial results can be currently accessed on our website, <http://corp.turtlebeach.com/investor-relations> under the heading “Investor Presentations.” Representatives of the Company expect to use this presentation, in whole or in part, and possibly with modifications, periodically in connection with conferences and presentations to investors, analysts and others. Portions of the presentation are attached hereto as Exhibit 99.1.

The investor presentation includes financial information not prepared in accordance with generally accepted accounting principles (“Non-GAAP Financial Measures”). A reconciliation of the Non-GAAP Financial Measures included in the presentation to financial information prepared in accordance with generally accepted accounting principles (“GAAP”), as required by Regulation G, appears in Appendix A to the presentation. The information contained in the presentation is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission (“SEC”) filings and other public announcements that it may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in the presentation or this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

The information in this report is being furnished pursuant to Item 7.01 and shall not be deemed to be “filed” for purposes of Section 17 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 — Financial Statements and Exhibits**(d) Exhibits**

| Exhibit No. | Description |
|--------------------|--|
| 99.1 | Turtle Beach Corporation Investor Presentation |

SIGNATURE

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

TURTLE BEACH CORPORATION

Date: July 11, 2017

By: _____

/S/ JOHN T. HANSON

John T. Hanson
Chief Financial Officer, Treasurer and Secretary



TURTLE BEACH
CORPORATION

CORPORATE PRESENTATION

NASDAQ: HEAR

July 2017

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, the application of quarter-end and year-end accounting procedures and adjustments, 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, the outcome of our HyperSound strategic review process, 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.

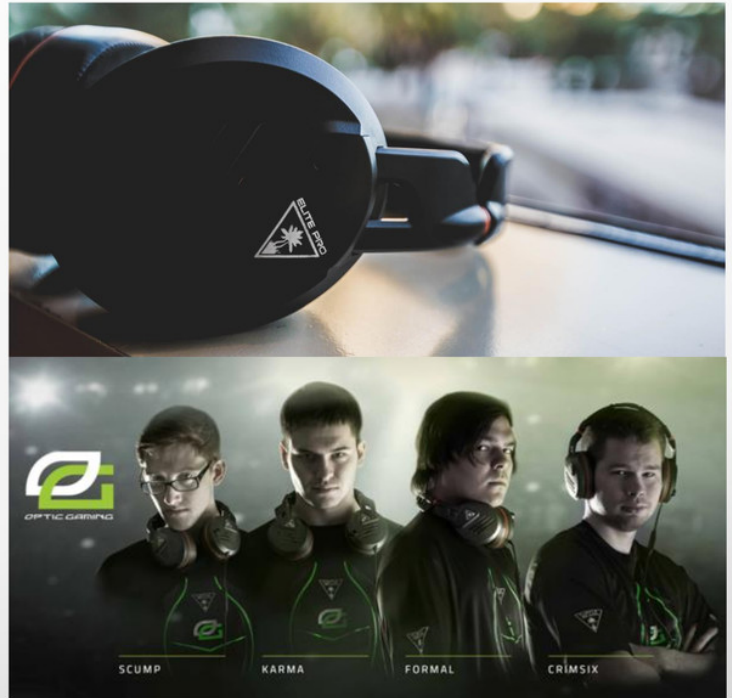
Non-GAAP Financial Measures

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. Non-GAAP EPS is defined as EPS less \$0.01 per diluted share in HyperSound business transition charges. The Adjusted EBITDA outlook for the second quarter and full year 2017 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.

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Who We Are

- ▶ **Dominant market leader** in gaming headsets
- ▶ **Strong brand** with high consumer loyalty
- ▶ **Global distribution** and partnerships
- ▶ Full line of **differentiated products**
- ▶ Extensive and valuable **patent portfolio**
- ▶ Key player in **\$96B gaming market**
- ▶ Well positioned for a **strong 2017**
- ▶ Opportunities to drive **double-digit growth**
- ▶ **Strengthening balance sheet**
- ▶ **Experienced board and management team**



Key Stats

| Trading Data (@ Jul 6, 2017) | | Capitalization | | | Balance Sheet Highlights |
|--|---------------|---|----------------|----------------|---|
| Stock Price | \$0.68 | | @ 3-31-16 | @ 3-31-17 | <ul style="list-style-type: none"> ▶ 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 expectation to be significantly more profitable on consolidated basis is anticipated to provide sufficient capital to fund our plan |
| Market Cap. | \$33.5M | Cash & Equivalents | \$3.2M | \$3.6M | |
| 52 Wk. Low/High | \$0.65/\$2.00 | Debt | | | |
| Avg. Daily Vol. (3 mos.) | 120K | Revolver (asset-based loan) | \$0.5M | \$0M | |
| Public Float ¹ | 45% | Term Loans | \$17.2M | \$14.4M | |
| Insider Ownership ¹ | 55% | Subordinated Notes | \$17.8M | \$20.0M | |
| Shares Outstanding ¹ | 49.3M | Total Debt | \$35.5M | \$34.4M | |
| | | Series B - Preferred Stock ² | \$16.5M | \$17.8M | |
| Valuation Metrics (@ Jul 6, 2017) | | | | | |
| | | Enterprise Value | | | \$64.3M |
| | | Revenue (trailing 12 mos.) | | | \$164.3M |
| | | EV/Revenue | | | 0.4x |



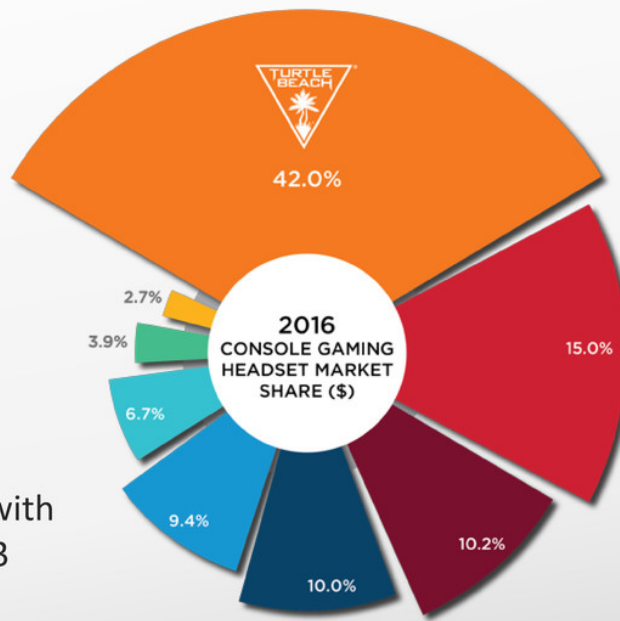
Sources: S&P Capital IQ, company filings.

1) As of March 31, 2017.

2) Due in October 2030 and has 8% per annum PIK interest.

#1 gaming headset provider for Xbox and PlayStation

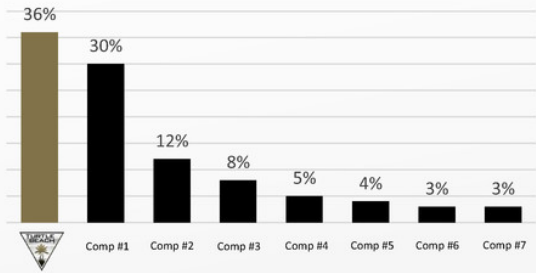
All 5 of the top 5 selling 3rd party headsets are Turtle Beach



Longstanding position with higher share than next 3 players combined

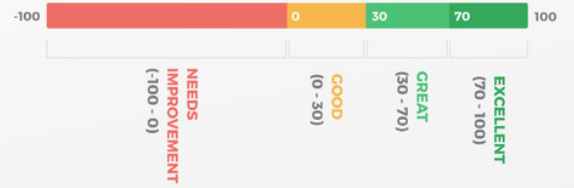
5 of the top 10 sellers overall (1st & 3rd party) are Turtle Beach

Consumers' Favorite Gaming Headset Brand¹

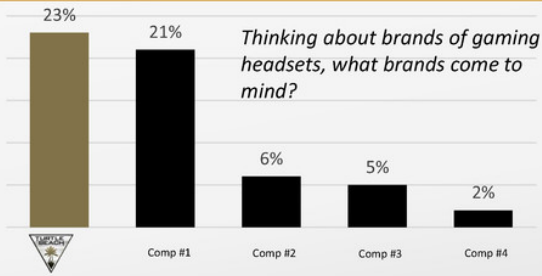


#1 rated headset based on audio quality¹

+52 Net Promoter Score²

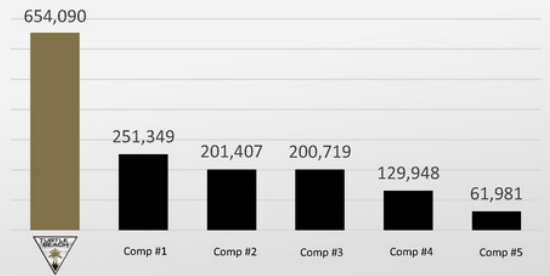


Unaided Brand Awareness²



#1 rated headset based on comfort¹

Facebook "Likes"³



(1) Source: Bowen Research (June 2015); (2) Source: Survey Sampling International Research (April 2017), showing main Console Gaming Headset competitors; (3) Source: Simply Measured Service, June 2017.

Strong Retail Presence

Product sales in 42 countries with over 270,000 points of distribution

Sample retailers



Great Partnerships

Partnerships with industry leading brands



















12,000+ Interactive Displays

Market leader in deploying interactive gaming headset displays



Full Line of Products...

| | ASP | Sample Products | TB Key Features |
|--|---------------|--|---|
| eSports | Varies |  | <ul style="list-style-type: none"> • Unique, adjustable tension • Cooling gel ear pads • Patented glasses relief system |
| Core Gamer <i>16+ hours per week</i> | > \$200 |   | <ul style="list-style-type: none"> • 100% wireless and active noise cancelling • DTS 7.1 Headphone:X • Boomless Microphone • Superhuman Hearing™ • Bluetooth integration |
| Enthusiast Gamer <i>7-15 hours per week</i> | \$100 - \$200 |     | <ul style="list-style-type: none"> • DTS 7.1 Headphone:X • Superhuman Hearing • 100% wireless • Noise cancelling • EQ Presets |
| Casual Gamer <i>4-6 hours per week</i> | \$50 - \$100 |      | <ul style="list-style-type: none"> • Superhuman Hearing • 50mm speaker drivers • Mic monitoring |
| Entry-Level Gamer <i>< 4 hours per week</i> | < \$50 |     | <ul style="list-style-type: none"> • Stereo sound, 40mm speaker drivers • 3.5mm connection • Removable mic • Open earcup • Glasses friendly design |



...with Differentiated Technology

Bolded and Italicized Text = Turtle Beach Headset First Mover Advantage

Superhuman Hearing™

Hear every single thing around you, from enemy footsteps to distant vehicles to weapon reloads.

ProSpecs™ Glasses Relief System

Ear pads with pressure-release technology that provides relief for gamers who wear glasses. (Not on pictured headset.)

Active Noise Cancellation

Silence unwanted background sound for an immersive listening experience.

Boomless Mic

Hidden, high-quality noise-cancelling microphones.

Bluetooth

Bluetooth integration allows you to take phone calls with your headset while playing.

Bass Boost

Bass boost enhances deep rumbling sounds in games.



DTS Headphone:X 7.1 Surround

Superior surround sound that adds a height dimension, recreating the sound in your environment.

Mic Monitoring

Allows gamers to hear their voice within the headset so they know how loud they are speaking.

Dynamic Chat Boost™

Chat volume increases as game volume increases.

100% Wireless

Interference free game audio and chat.

Audio Presets

Customize your settings to create the perfect, personalized experience.

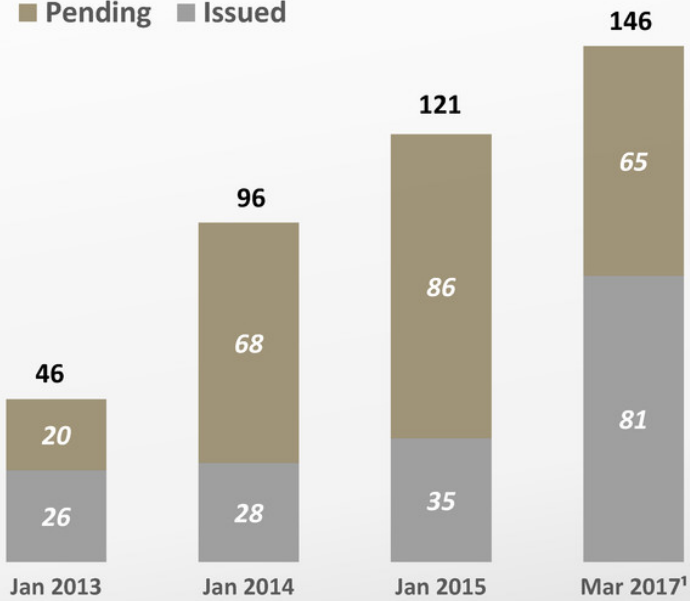
Rechargeable Batteries

Built-in rechargeable batteries provide for hours of continuous game play.

Magnetic Charging Stand

Easily charge and store your headset when not in use without fussing with wires.

■ Pending ■ Issued



1) As of Mar 10, 2017.

▶ Headset innovations:

- ▶ Audio processing
- ▶ Gaming specific features

▶ *HyperSound* innovations:

- ▶ Emitter construction
- ▶ Ultrasound and emitter electronics
- ▶ Digital signal processing techniques

Patent Portfolio
Valued at \$45+M in
June 2015

Key Player in \$96 Billion Global Gaming Market



Source: DFC Intelligence Video Game Worldwide Market Forecast (October 2016).

Strong New Product Additions



Recon Chat headsets launched in Q2 and propelled Turtle Beach to #1 spot for Xbox One chat communicator sales in May 2017 (U.S. market)¹.

Current sales trends indicate Recon Chats will become #1 chat communicators across both platforms.



XO Three and Recon 150 launching in July refresh a headset with proven market leadership to a new, lower price point of \$69.95.



Stealth 600 and 700's launch in Sept, bringing unprecedented features to \$99 and \$149 price points.

Xbox One models expected to be first-to-market with direct wireless connection to Xbox consoles.

1. Source: The NPD Group, May 2017 and Turtle Beach projections.

New Titles Expected To Do Well

Strong '17 holiday outlook for AAA game titles.



NPD predicting at least 4 titles will exceed \$100M in Q4 packaged consumer sales².

NPD predicting top 5 selling titles this Q4 will combine to **generate at least 20% more** packaged consumer revenues than the top 5 one year ago².

2. Source: Industry Analysts, Video Games The NPD Group, Inc.

'17 Results Expected to Improve

- ▶ Consolidated Adj. EBITDA expected to improve to \$11M (\$4M in '16)³.
- ▶ Consolidated Adj. EBITDA margin expected to improve to 7% (2% in '16)³.
- ▶ Adjusted EBITDA expected to be sufficient to support senior debt repayment.
- ▶ Average revolver balance (asset-based loan) in 2017 expected to decline.

3. Guidance effective on May 9, 2017. Reflects midpoint of range.

2017 Outlook Reflects Q4-16 Channel Inventory Impact on Revenues But Significantly Improved Profitability

| (\$ in millions) | 2017 ¹ | % Δ ² | Management Commentary & Assumptions |
|-----------------------------|-------------------|------------------------------|---|
| <i>Total Revenue</i> | \$155-\$160 | (9)% | Holiday '16 inventory carryover impacts first half 2017 revenue |
| <i>Headset Gross Margin</i> | ~30% | Up from 24.5% in '16 | Lower operations costs, continued COGS improvements, some loss of operating leverage due to lower revenue |
| <i>EPS³</i> | \$(0.08)-\$(0.12) | \$(0.33) in '16 ³ | Based upon 49.3M shares |
| <i>Adjusted EBITDA:</i> | | | |
| <i>Headsets</i> | ~\$12 | (17)% | Higher channel inventory in early 2017 impacts full-year sales |
| <i>HyperSound</i> | ~\$(1) | \$(10.4)M '16 | Significant cost reductions enable consolidated adj. EBITDA improvement |
| Consol. Adj. EBITDA | \$10-\$12 | 162% | \$4M in 2016 |

1) Guidance reiterated and effective on May 9, 2017.

2) Delta reflects midpoint of the outlook.

3) Excludes intangible asset amortization costs associated with HyperSound Clear™ 500P launch, \$7.1M in inventory reserves associated with HyperSound restructuring and \$0.6M for other restructuring charges in 2016.

Historical Segment Results Detail the Drivers of Consolidated Performance

| (\$ in millions) | 2013 | 2014 | 2015 | 2016 | 2017E ¹ |
|------------------------------|---------|----------|----------|----------|--------------------|
| Headset | | | | | |
| Net Revenue | \$178.5 | \$185.5 | \$161.8 | \$173.3 | \$157.0 |
| Adjusted EBITDA ² | \$13.9 | \$12.0 | \$2.4 | \$14.4 | \$12.0 |
| Gross Margin % | 28.2% | 27.5% | 26.5% | 31.9% | ~ 30% |
| HyperSound | | | | | |
| Net Revenue | - | \$0.7 | \$0.9 | \$0.7 | - |
| Adjusted EBITDA ² | - | (\$10.0) | (\$13.8) | (\$10.4) | (\$1.0) |
| Consolidated | | | | | |
| Net Revenue | \$178.5 | \$186.2 | \$162.7 | \$174.0 | \$157.0 |
| Adjusted EBITDA ² | \$13.9 | \$2.0 | (\$11.4) | \$4.0 | \$11.0 |

Gaming business drives revenue and cash flows going forward

HyperSound transitioned to a license model in Q3/Q4 2016

Following HyperSound Transition to a License Model, Gaming Business Driving Revenue and Adj. EBITDA Going Forward

- 1) Guidance reiterated and effective on May 9, 2017.
2) See appendix for a reconciliation of adjusted EBITDA.

Historical Headset GAAP Financial Results Strengthening As Console Transition Completes

| (\$ in millions) | 2013 | 2014 | 2015 | 2016 | 2017E ¹ |
|-----------------------------|---------|---------|---------|---------|--------------------|
| Net Revenue | \$178.5 | \$185.5 | \$161.8 | \$173.3 | \$157.0 |
| Gross Margin \$ | \$50.3 | \$51.0 | \$42.8 | \$55.2 | |
| Gross Margin % | 28.2% | 27.5% | 26.5% | 31.9% | ~30% |
| Operating Expenses | \$48.7 | \$51.6 | \$51.5 | \$46.4 | |
| Operating Income | \$1.6 | (\$0.3) | (\$8.7) | \$8.6 | |
| Foreign Exchange Gain(Loss) | - | (\$0.7) | (\$1.0) | (\$2.4) | |
| Adjusted EBITDA | \$13.9 | \$12.0 | \$2.4 | \$14.4 | ~\$12.0 |

Headset Business Generates Sufficient Cash to Service Senior Debt

Consolidated Adjusted EBITDA Improves to \$11M or 7% of Revenue in 2017

Highlights:

- Between 2013 and 2016, new gen net revenue grew from zero to \$173.3M
- Between 2013 and 2016, old gen net revenue declined from \$207.1M to \$6.9M
- From 2013-2016, wound down all old gen products and built entire new gen product line-up
- 2014 and 2015 had greatest negative impact from console transition driven by product portfolio changes, higher promotional activity to clear inventory, incremental costs to get new gen products to market, and higher logistics costs

1) Guidance reiterated and effective on May 9, 2017.

Strong New Gen Compounded Annual Growth Now Driving Headset Business

| (\$ millions) | 2013 | 2014 | 2015 | 2016 | 2017E ¹ |
|------------------------------|----------|----------|----------|----------|--------------------|
| New Gen Revenue ¹ | \$15.9 | \$100.2 | \$124.2 | \$160.0 | \$151.0 |
| YoY \$ Change | \$15.9 | \$84.3 | \$24.0 | \$35.8 | (\$9.0) |
| YoY % Change | 100% | 530% | 24% | 29% | (6%) |
| Old Gen Revenue ¹ | \$153.4 | \$75.4 | \$30.4 | \$6.9 | - |
| YoY \$ Change | (\$53.7) | (\$78.0) | (\$45.0) | (\$23.5) | (\$6.9) |
| YoY % Change | (26%) | (51%) | (60%) | (77%) | (100%) |

2017 new gen revenue

- Negatively impacted by ~\$12M due primarily to first-person shooter game titles being down 40% year-over-year in 2016 holiday

2014 new gen revenue

- Microsoft gaming audio for headsets not available until March 2014, missing 2013 holiday and benefitting 2014

2015 was inflection point for new gen:

- More games for new gen platforms vs. 2014
- New gen consoles over 50% of active installed base
- New gen console unit sales significantly higher than original projections

1. Xbox and PlayStation net revenue only

2. Midpoint of guidance reiterated and effective on May 9, 2017.

Opportunities To Drive Double-Digit Revenue Growth

History

2013 - 2015:

Console platform change forces changeover to new portfolio (not expected to happen again). Strong dollar impacted 2015.

2014 - 2016:

Significant investment in HyperSound. Gaming market has weak Q4-16, leading to high channel inventory.

Focus/Priorities

2016:

Focus on returning headset business to strong profitability. Wind-down HyperSound. Enter eSports, virtual reality (VR), Streaming Mic categories.

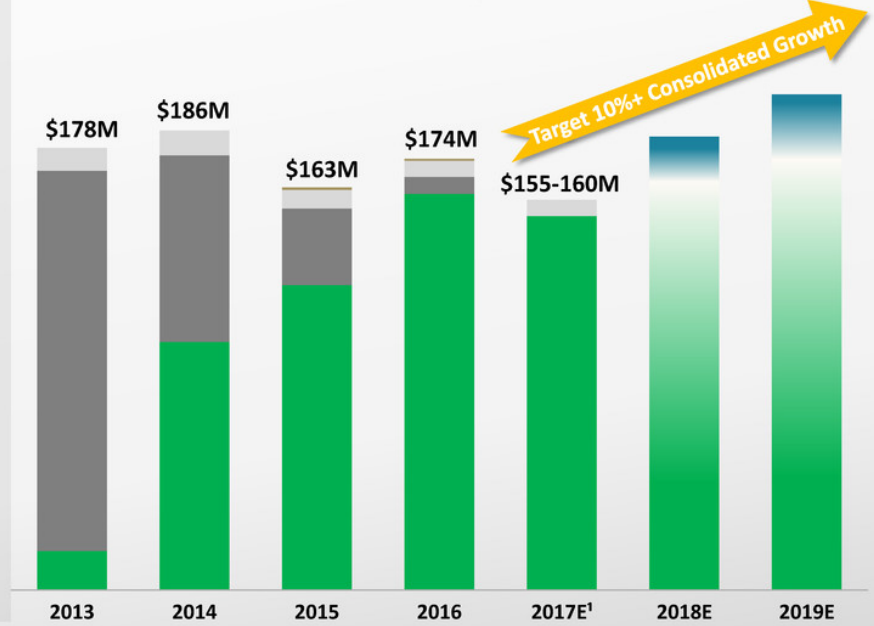
2017:

Focus on core headset business and continued profitability improvements. Expand eSports. Nurture new VR and mic business. Lay groundwork for 2018+ growth initiatives in PC and international.

2018 - 2019:

Maintain leadership in core console segment. Expand into PC gaming headsets including China market. Drive eSports, VR, mic businesses. Evaluate additional new product categories for 2019+.

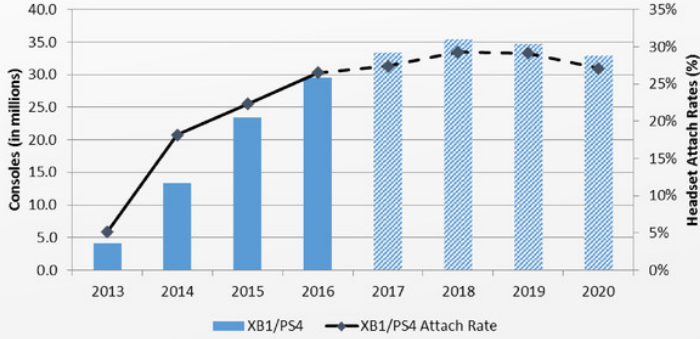
■ New Gen ■ Old Gen ■ Other ■ HyperSound ■ PC/VR/New Products



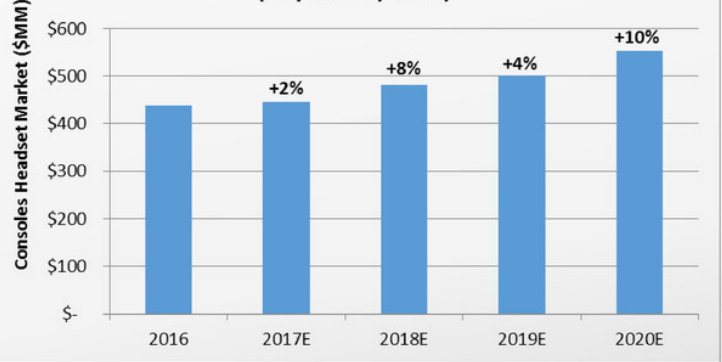
Note: Old-gen, new-gen revenue splits are approximations.

1) Guidance reiterated and effective on May 9, 2017.

N.A. Console Active Installed Base & Attach Rate (Playstation / Xbox)



N.A. Console Headset Market Projections (Playstation / Xbox)



Sources: DFC Intelligence Forecasts: Worldwide Console Forecast, Preliminary February 2017 and Turtle Beach projections.

PC Gaming

International

Virtual Reality (VR)

- ▶ PC gaming headsets market ~\$400M market globally¹
- ▶ PC gaming more popular than console gaming in markets including Germany, China, other parts of Asia²
- ▶ Leveraging expanded portfolio as a growth platform in Germany and China
- ▶ Microsoft introduced Xbox on Window 10 gaming PCs/laptops
 - ▶ Compatibility of Xbox accessories provides good path from Xbox leadership into PC segment

Sample PC Products



1) The NPD Group, IDC and Company Estimates.
2) Newzoo 2015 Global Games Market Report Premium.

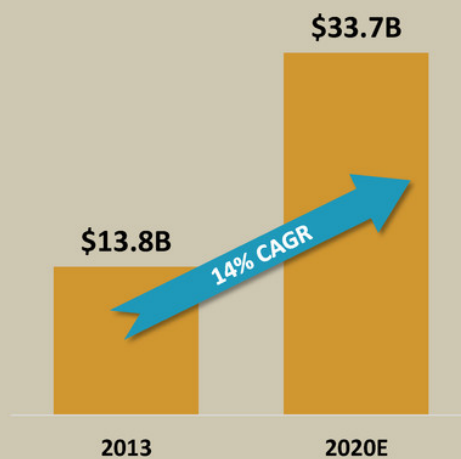
PC Gaming

International

Virtual Reality (VR)

- ▶ China represents long-term growth opportunity for console and PC gaming headsets
 - ▶ 530M Chinese gamers²
 - ▶ Turtle Beach revenues from China well under \$1M in 2016
 - ▶ Initiated modest growth investment in 2016, expected to ramp in 2018
 - ▶ 73M Esports audience in China of which 42M are Esports Enthusiasts²
 - ▶ Turtle Beach investment in eSports underway
- ▶ Growth Plans and expansion in Latin America
 - ▶ 209M estimated gamers³
 - ▶ Turtle Beach in 12 countries and over 1600 stores in Latin America

Chinese Games Market Forecast¹



1) Newzoo | Q2 2017 Update | Global Games Market Report.
2) Newzoo 2016 Global Esports Market Report.
3) Newzoo 2016 Global Games Market Report Premium.

PC Gaming

International

Virtual Reality (VR)

- ▶ According to SuperData Research, VR hardware market expected to reach \$17.8B by 2020 from \$1.5B in 2016 (85% CAGR)¹
- ▶ Consoles likely to be key driver of non-mobile VR as evidenced by Sony PSVR having 70%+ revenue share of major non-mobile VR headsets since Oct '16 launch²
- ▶ STEALTH 350VR, our first gaming headset designed for upcoming VR devices, launched in Oct 2016

STEALTH 350VR



1) <https://www.superdataresearch.com/market-data/virtual-reality-industry-report/>
2) February 2017 NPD report.

Experienced Board of Directors



Ron Doornink
Chairman

- Former Chairman and CEO of Activision Publishing (NASDAQ: ATVI)
- Operating partner of Stripes Group, LLC
- Founder and principal of Erasmus Equity Investments



Juergen Stark
CEO and Director

- COO of Motorola Mobility's mobile business
- 10 years as Principal at McKinsey & Company, Inc.
- MBA, Harvard Business School; B.S. Aerospace, University of Michigan



Ken Fox
Director

- Managing partner of Stripes Group, LLC
- Former Managing Director and co-founder of Internet Capital Group (NASDAQ: ICGE)
- Co-founder of A-10 Capital and Sentinel Fund



William Keitel
Director

- Former CFO of Qualcomm Incorporated (NASDAQ: QCOM)
- During his time at the company grew revenues from ~\$800M to ~\$25B
- Held senior financial roles at Nortel (OTC: NRTLQ) and Pepsico (NYSE: PEP)



Dr. Andrew Wolfe, PhD
Director

- Founder and principal of Wolfe Consulting
- Former Chief Technology Officer for SONICblue, Inc.
- B.S.E.E. in Electrical Engineering and Computer Science, Johns Hopkins; Ph.D. in Computer Engineering, Carnegie Mellon



Gregory Ballard
Director

- General partner with Eleven Ventures
- Former senior VP for mobile & social games at Warner Bros., former CEO of Glu Mobile, former board member with DTS
- JD, Harvard Law School

Experienced Management Team



Juergen Stark
CEO

- COO of Motorola Mobility's mobile business
- 10 years as principal at McKinsey & Company



Richard Kuvalik
CTO

- 15+ years in consumer audio
- Led peripheral products for PlayStation at Sony



John Hanson
CFO

- EVP and CFO at Dialogic
- CFO at One Communications Corp



Andrew Lilien
VP of Marketing

- 20+ years of brand, consumer and retail marketing experience
- Past experience at ESPN, Fler Trading Cards and National Media Group



Cris Keirn
SVP, Global Sales

- Led headset transition as VP of business planning & strategy
- 17 years with Motorola in product management, operations, quality and customer relations



Jose Rosado
VP Global Operations

- Former Sr. Director, Global Supply Chain Operations for HP
- 22 years of supply chain management with Motorola, On Semiconductor, HP, Cisco



Matt Seymour
VP, Product Management

- 20+ years in the Consumer Electronics industry
- Previously with Sony leading television portfolio planning & development, product marketing



Scott Rankin
VP Global Logistics

- 20+ years of logistics, transportation and operations experience
- 11+ years at Turtle Beach



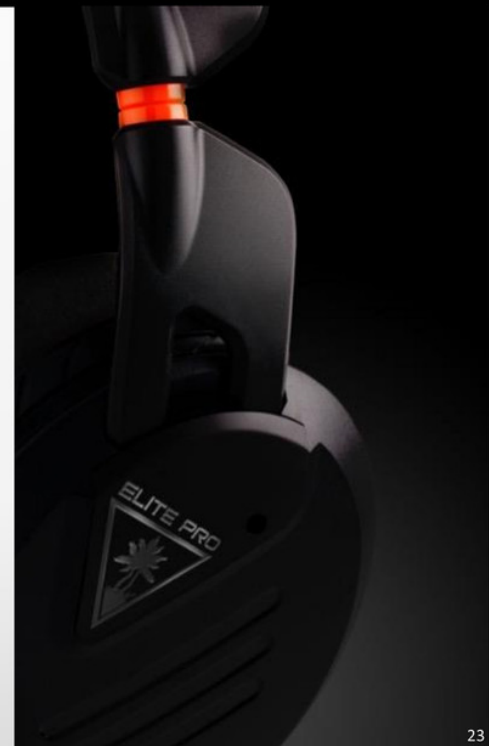
Megan Wynne
General Counsel

- 5 years with I-Flow, a Kimberly-Clark Health Care Company
- 13 years with Morris Polich & Purdy law firm



Key Takeaways

- ▶ #1 console gaming headset brand in the world - ~3x larger than next competitor by revenue
- ▶ \$92 billion global gaming opportunity
- ▶ Disruptive, cutting-edge technologies and patents
- ▶ New-gen headset transition expected to continue to improve margins, profitability and cash flows
- ▶ 2017 is focused on improving profitability and strengthening the balance sheet
- ▶ VR, PC gaming and international expansion all provide meaningful longer-term headset growth opportunities



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Appendix

| | Q2-17 ¹ | YoY Δ ² | Management Commentary & Assumptions |
|--------------------|--------------------|--------------------|---|
| Revenue | \$17-\$18M | (40)% | <ul style="list-style-type: none"> - Lingering impact of weak holiday '16 sales - Higher-than-normal post-holiday channel inventory - New Q3 product launches expected to impact Q2 as company pulls back sales to prep for launch of replacement models |
| Adj. EBITDA | \$(5.5)M | 13% | <ul style="list-style-type: none"> - Reflects anticipated lower revenue but lower opex (better adj. EBITDA margins) |
| EPS | \$(0.17)-\$(0.19) | 22% ³ | <ul style="list-style-type: none"> - Profit expected to increase despite weak operating environment highlights strong expense management |

1) Guidance effective on May 9, 2017.

2) Delta reflects midpoint of the outlook.

3) Assumes Q2-16 EPS of \$(0.23), which excludes a \$0.63 non-cash goodwill impairment charge.

Financial Overview – Last Reported Quarter

| \$ in millions (except per share data) | 2016 | 2017 | YOY Δ |
|---|----------|----------|-------------|
| | Q1 | Q1 | |
| Revenue | \$24.0 | \$14.4 | -40% |
| Gross Profit | \$3.4 | \$2.2 | -34% |
| Gross Margin | 14.0% | 15.4% | +140bps |
| Headset Gross Margin | 19.9% | 19.5% | -40bps |
| Operating Expenses | \$13.1 | \$10.3 | Reduced 22% |
| Operating Income (Loss) | (\$9.8) | (\$8.1) | +\$1.7 |
| Headset Operating Income | (\$5.3) | (\$7.1) | -\$1.8 |
| GAAP Net Income (Loss) | (\$12.0) | (\$9.9) | +\$2.1 |
| GAAP EPS Diluted | (\$0.26) | (\$0.20) | +\$0.06 |
| Non-GAAP Net Income (Loss) ¹ | (\$11.8) | (\$9.3) | +\$2.5 |
| Non-GAAP EPS Diluted ¹ | (\$0.26) | (\$0.19) | +\$0.07 |
| Adj. EBITDA ¹ | (\$6.3) | (\$6.2) | +\$0.1 |
| Headset Adj. EBITDA | (\$3.2) | (\$5.6) | -\$2.4 |

1) See slides 28 and 29 for a reconciliation of non-GAAP measures.

Reconciliation of GAAP and Non-GAAP Measures

| | Three Months Ended | |
|-----------------------------------|--------------------|------------------|
| | March 31, 2017 | March 31, 2016 |
| <u>Net Income (Loss)</u> | | |
| GAAP Net Income (Loss) | \$ (9,926) | \$ (12,011) |
| Business transition charges | 651 | 225 |
| Non-GAAP Earnings | <u>(9,275)</u> | <u>(11,786)</u> |
| <u>Diluted Earnings Per Share</u> | | |
| GAAP - Diluted | \$ (0.20) | \$ (0.26) |
| Business transition charges | \$ 0.01 | \$ — |
| Non-GAAP - Diluted | <u>\$ (0.19)</u> | <u>\$ (0.26)</u> |

GAAP to Adjusted EBITDA Reconciliation

| | Three Months Ended | | | | | |
|---------------------------------|--------------------|---------------------|---------------------|------------------------------|------------------------|-------------------|
| | March 31, 2017 | | | | | |
| | As Reported | Adj Depreciation | Adj Amortization | Adj Stock Compensation | Other (1) | Adj EBITDA |
| Net Revenue | \$ 14,352 | \$ — | \$ — | \$ — | \$ — | \$ 14,352 |
| Cost of Revenue | 12,136 | (122) | — | 85 | (353) | 11,746 |
| Gross Profit | 2,216 | 122 | — | (85) | 353 | 2,606 |
| Operating Expense | 10,308 | (647) | (84) | (471) | (298) | 8,808 |
| Operating loss | (8,092) | 769 | 84 | 386 | 651 | (6,202) |
| Interest expense | 1,840 | | | | | |
| Other non-operating income, net | (51) | | | | | (51) |
| Loss before income tax expense | (9,881) | | | | | |
| Income tax expense | 45 | | | | | |
| Net loss | \$ (9,926) | | | | Adjusted EBITDA | \$ (6,151) |

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

GAAP to Adjusted EBITDA Reconciliation (continued)

| | December 31, 2016 | December 31, 2015 | December 31, 2014 | December 31, 2013 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Net Income (Loss) | (87,182) | (82,907) | (15,485) | (6,163) |
| Depreciation | 5,066 | 5,901 | 5,800 | 4,422 |
| Amortization of intangibles | 4,128 | 2,015 | 1,066 | 923 |
| Interest | 7,447 | 5,100 | 7,209 | 6,626 |
| Taxes | (387) | 2,392 | (6,272) | 1,090 |
| Stock Compensation | 3,960 | 5,897 | 5,194 | 2,563 |
| Restructuring Expense | 664 | 399 | 747 | 527 |
| Goodwill | 63,236 | 49,822 | - | - |
| Business Transaction Expense | 7,079 | - | 3,744 | 3,864 |
| EBITDA | 4,011 | (11,381) | 2,003 | 13,852 |

GAAP to Adjusted EBITDA Reconciliation (continued)

| | December 31, 2016 | December 31, 2015 | December 31, 2014 | December 31, 2013 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Headset | | | | |
| Net Income (Loss) | (930) | (17,201) | (1,969) | (6,163) |
| Depreciation | 4,061 | 5,704 | 5,680 | 4,422 |
| Amortization of intangibles | 437 | 670 | 800 | 923 |
| Interest | 7,445 | 5,096 | 7,205 | 6,626 |
| Taxes | (392) | 2,393 | (6,272) | 1,090 |
| Stock Compensation | 3,457 | 5,347 | 4,266 | 2,563 |
| Restructuring Expense | 289 | 399 | 747 | 527 |
| Business Transaction Expense | - | - | 1,556 | 3,864 |
| EBITDA | 14,367 | 2,408 | 12,013 | 13,852 |

GAAP to Adjusted EBITDA Reconciliation (continued)

| | December 31, 2016 | December 31, 2015 | December 31, 2014 | December 31, 2013 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| HyperSound | | | | |
| Net Income (Loss) | (86,252) | (65,706) | (13,516) | - |
| Depreciation | 1,005 | 197 | 120 | - |
| Amortization of intangibles | 3,691 | 1,345 | 266 | - |
| Interest | 2 | 4 | 4 | - |
| Taxes | 5 | (1) | - | - |
| Stock Compensation | 503 | 550 | 928 | - |
| Restructuring Expense | 375 | - | - | - |
| Goodwill | 63,236 | 49,822 | - | - |
| Business Transaction Expense | 7,079 | - | 2,188 | - |
| EBITDA | (10,356) | (13,789) | (10,010) | - |

