

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: May 12, 2016  
(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))

**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**

<b>Exhibit No.</b>	<b>Description</b>
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: May 12, 2016

By: \_\_\_\_\_

/S/ JOHN T. HANSON

**John T. Hanson**  
**Chief Financial Officer, Treasurer and Secretary**



**TURTLE BEACH**  
CORPORATION

NASDAQ: HEAR

CORPORATE PRESENTATION

May 2016

## 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 containing 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. A discussion of some of these risks and uncertainties that could cause Turtle Beach Corporation’s results to differ materially from those described in the forward-looking statements include but are not limited to, for example, the application of quarter-end and year-end accounting procedures and adjustments, other developments that may arise between the date of this presentation and the time that financial results for the first quarter ended March 31, 2016 are finalized, statements regarding market opportunities, future products and anticipated future financial and operating performance and results, including estimates for growth, and the other factors discussed in our public filings, including the section entitled “Risk Factors” in Turtle Beach’s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q and other periodic reports filed with the SEC and available on the SEC’s website, [www.sec.gov](http://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. Turtle Beach Corporation undertakes no obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation. 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, that the Securities and Exchange Commission defines as “non-GAAP financial measures.” This non-GAAP financial measure, as calculated by the Company, is not necessarily comparable to similarly titled measures reported by other companies. Additionally, this non-GAAP financial measure is not a measurement 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 this non-GAAP financial measure, 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 second quarter and full year 2016, have not been reconciled to our net loss outlook for the same periods because certain items that would impact interest expense, provision for income taxes and stock-based compensation, which are reconciling items between net loss and Adjusted EBITDA, cannot be reasonably predicted.

## Who We Are

- ▶ **Turtle Beach** is a premier audio innovation company with a 40-year legacy of creating new audio categories
- ▶ Longstanding, **#1 brand for gaming headsets** with **42% share** of the U.S. market<sup>1</sup>
- ▶ Positioned for **renewed revenue and profit growth** as major industry product cycle continues
- ▶ We have created an **entirely new audio market** for directional sound with HyperSound Clear™ 500P
- ▶ HyperSound Clear 500P product launched in Q4-15 and is targeted at the **\$5B hearing health market**

1) Based on U.S. NPD Market data, revenue share for 2015.





	Headsets	HyperSound
Overview	Market share leader with large, loyal customer base	Breakthrough audio technology that allows directed placement of sound
Markets	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Console Gaming</p> </div> <div style="text-align: center;"> <p>PC Gaming</p> </div> <div style="text-align: center;"> <p>Mobile</p> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Healthcare</p> </div> <div style="text-align: center;"> <p>Commercial</p> </div> <div style="text-align: center;"> <p>Consumer</p> </div> <div style="text-align: center;"> <p>Licensing</p> </div> </div>
Catalysts	Well-positioned product portfolio for new gen consoles	Launched HyperSound Clear 500P into the \$5B hearing health market in Q4-15
FY16 Financial Profile	<ul style="list-style-type: none"> <li>▶ \$160-\$170M in revenues</li> <li>▶ New gen up ~20% over 2015</li> <li>▶ ~30% gross margins</li> </ul>	<ul style="list-style-type: none"> <li>▶ \$5-\$7M in revenues</li> <li>▶ Significant growth with full rollout</li> <li>▶ 40-50% target gross margins<sup>1</sup></li> </ul>

1) Target gross margins (excluding amortization) at full run rate in Q4 2016.

- ▶ Significantly improve profitability of headset business (~5X EBITDA improvement)
  - ▶ Drive overall growth, offsetting expected \$20M+ YoY decline in old gen revenues with new gen increases
  - ▶ Continue to improve headset gross margins to achieve ~30% for the year
  - ▶ Improve international performance in spite of strong dollar impact
  - ▶ Manage OpEx to improve headset adjusted EBITDA to ~\$12M (~5x increase)
- ▶ Move HyperSound business towards cash flow breakeven
  - ▶ Prove success in the hearing healthcare channel – happy consumers, productive offices
  - ▶ Grow revenues to \$5-\$7M by scaling healthcare channel in U.S. and Europe
  - ▶ Continue to drive additional advancements in technology and HyperSound intellectual property
  - ▶ Manage spend carefully to have HyperSound adjusted EBITDA loss of less than \$12M
- ▶ Targeting positive consolidated adjusted EBITDA of \$0-\$2M for 2016





# 2016 Outlook<sup>1</sup>

(\$ in millions)	Old	New	% Δ <sup>2</sup>	Management Commentary
<b>Revenue:</b>				
<i>New Gen</i>	\$140-\$145	\$147-\$153	5%	18-23% growth from 2015
<i>Old Gen</i>	\$8-\$10	\$8-\$10	-	60-70% decline from 2015
<i>Other</i>	\$5-\$7	\$5	(17)%	Opportunity for international growth
<b>Total Headset</b>	<b>\$153-\$162</b>	<b>\$160-\$170</b>	<b>5%</b>	Strong new gen growth combined with old gen drop
<i>HyperSound</i>	\$7-\$10	\$5-\$7	(29)%	Slower than expected ramp, lower spend on sales & marketing
<b>Consolidated</b>	<b>\$160-\$172</b>	<b>\$165-\$175</b>	<b>2%</b>	1-8% growth from 2015
<b>Gross Margins</b>				
<i>Headsets</i>	~30%	~30%	-	+400 basis points over 2015
<i>HyperSound</i>	40%-50% by Q4	40%-50% by Q4	-	By Q4-16 as revenues ramp (cash margin excluding amortization)
<b>Adjusted EBITDA:</b>				
<i>Headsets</i>	~\$9	~\$12	33%	~5X increase over 2015
<i>HyperSound Investment</i>	<\$14	<\$12	14%	Modest reduction from 2015 reflecting revenue and OpEx growth
<b>Consol. Adj. EBITDA</b>	<b>~\$(5)</b>	<b>\$0-\$2</b>	<b>NA</b>	\$11M+ increase from 2015

1) Guidance updated and effective on May 10, 2016.

2) Delta reflects midpoint of the outlook.

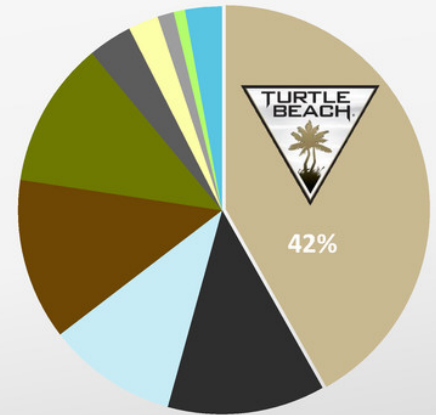


**Gaming Headsets**

- ▶ **#1 gaming headset** provider for Xbox and PlayStation
  - ▶ 42% of U.S. market in 2015 (42% in Q1 2016)<sup>1</sup>
  - ▶ 45% of U.K. market in 2015 (46% in Q1 2016)<sup>2</sup>
- ▶ **Completely transitioned portfolio** from old gen (Xbox 360 & PlayStation 3) to new gen (Xbox One & PlayStation 4) from 2013 to 2015
- ▶ **New gen headset revenues increased** 24% in 2015, 64% in Q1 2016 vs. 2015
- ▶ Xbox One: **4 of the top 5 headsets** and the top selling 3<sup>rd</sup> party headset in 2015<sup>1</sup>
- ▶ PlayStation 4: **3 of the top 5 headsets** and the top selling 3<sup>rd</sup> party headset in 2015<sup>1</sup>

*— #1 IN —*  
**GAMING AUDIO**

2015 U.S. Gaming Headset Market Share<sup>1</sup>

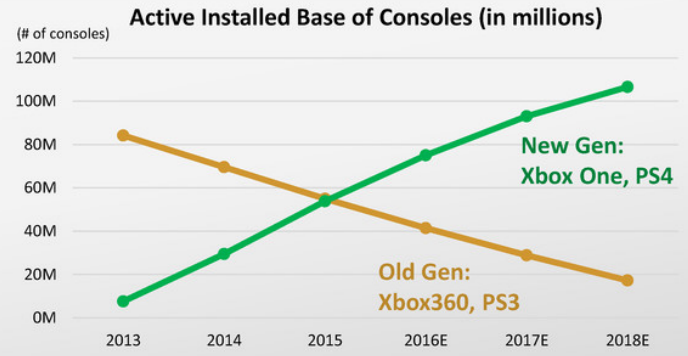
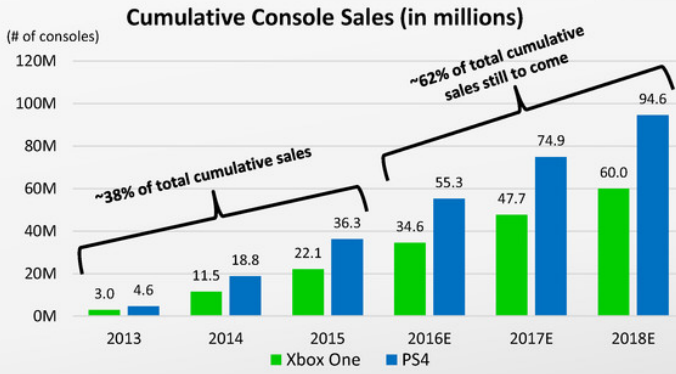


1) Video Games POS Monthly Update, The NPD Group, Inc. (US data).  
2) Gfk/Gfk Chart-Track.

# New Gen Console Growth


Platform	Cumulative Sales (Current → 2018 est.)
	22M → 60M
	36M → 94M

- ▶ Cumulative new gen console sales totaled 58M as of 12/31/15
- ▶ New gen console sales are up over 40% vs. old gen at same time in cycle
- ▶ Over 30M new gen consoles expected to be sold worldwide in 2016
- ▶ New gen cumulative console sales projected to exceed 150M worldwide in 2018



Sources: DFC Intelligence Forecasts: Worldwide Console Forecast, May 2015.

# We Cover All Key Price Points – More Than Any Competitor

Retail ASP	<\$50		\$50 - \$99		\$100 - \$200		>\$200		TOTAL
Console	PS4	Xbox One	PS4	Xbox One	PS4	Xbox One	PS4	Xbox One	
	Recon 60P	Recon 50X	Stealth 400	XO4 Stealth	Stealth 500P	Stealth 420X	Elite 800	Stealth 500X	16
	Recon 50P		PX22	XO1					
	P4c	Recon 30X	PX24						
Sony			Silver Wired Gold Wireless						2
Microsoft		XB1 Chat		XB1 Stereo					2
Astro						A40 + M80	A40 + MixAmp A50	A40 + MixAmp A50	5
PDP	LVL 5+ LVL 3 LVL 1	LVL 3 LVL 1	AG 9	AG 9 LVL 5+					8
Mad Catz	Kaiken Kama	Kaiken Kama		Kunai					5



### Advanced Chat

Chat technology like noise gate, chat boost, variable microphone monitor



### Digital Signal Processing (DSP)

Game audio and chat presets that can be customized using a new mobile app



### Bluetooth

Dual-pairing Bluetooth in most wireless headsets for chat, mobile gaming, audio calls and music streaming



### Active Noise Cancellation

1<sup>st</sup> gaming headset to use noise cancellation for both inbound audio and outbound chat



### DTS Headphone:X

1<sup>st</sup> gaming headsets with DTS 7.1 surround sound to provide incredibly accurate and immersive directional sound



### Superhuman Hearing™

Provides a competitive advantage by making important, quiet sounds louder and easier to hear

**Strong Retail Presence**

Product sales in over 40 countries with over 280,000 points of distribution

Sample retailers



**Great Partnerships**

Partnerships with industry leading brands



**12,000+ Interactive Displays**

Market leader in deploying interactive gaming headset displays



## PC Gaming

## International

- ▶ Approximately \$400M market globally<sup>1</sup>
- ▶ Launched eight new SKUs in 2014 and 2015
- ▶ Launched PC gaming accessories via a partner in 2014 including:
  - ▶ Keyboards
  - ▶ Mice
  - ▶ Mouse pads
- ▶ PC gaming more popular than console gaming in markets like Germany, China and other parts of Asia<sup>2</sup>
- ▶ **Leveraging expanded portfolio as a growth platform in Germany and China**

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

### Sample PC Products



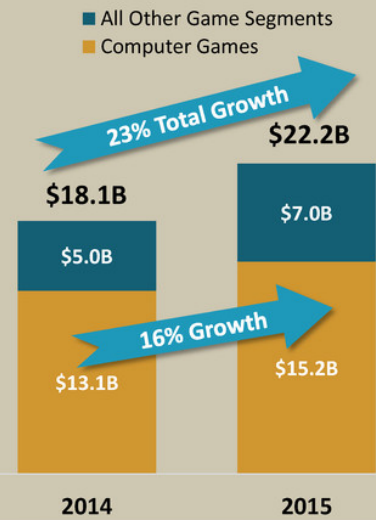


## PC Gaming

## International

- ▶ China represents long-term growth opportunity for console and PC gaming headsets
  - ▶ 446M Chinese gamers<sup>2</sup>
  - ▶ China represents <2% of our annual revenues today
  - ▶ China has lifted video game console ban
  - ▶ Turtle Beach first-to-market with Xbox One gaming headsets, planning to begin sales efforts in 2016-2017 when console sales ramp
  - ▶ Expect to initiate modest investment in 2016 to begin China growth efforts

### Chinese Games Market Sales Forecast<sup>1</sup>



1) Newzoo 2015 Global Games Market Report Premium.  
2) CGA, Newzoo China vs. US report Aug 2015.

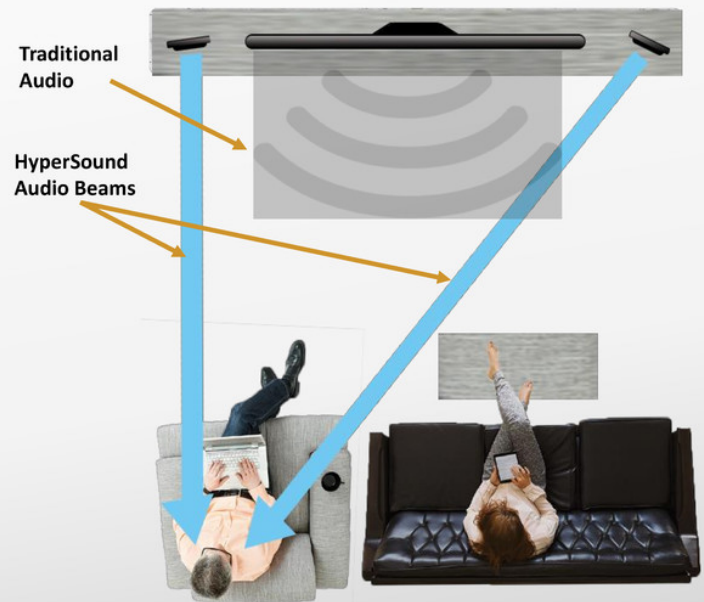
 **HYPERSOUND®**



## ▶ How does HyperSound technology work?

- ▶ Thin panels produce directional audio within an ultrasound beam, masking ambient noise
- ▶ Q4-15 launch into **\$5B hearing health market**<sup>1</sup> via HyperSound Clear 500P product
- ▶ HyperSound Clear 500P TV audio solution **improves the listening experience and speech intelligibility** for individuals with mild to severe hearing loss
- ▶ HyperSound technology shown to be effective in **commercial markets** requiring directed sound (as demonstrated by national kiosk rollout at Best Buy)
- ▶ Future opportunities in consumer markets and **licensing agreements**

## How HyperSound Clear 500P Works



1) Johns Hopkins School of Medicine, Nov 2011. World Health Organization, 2013.

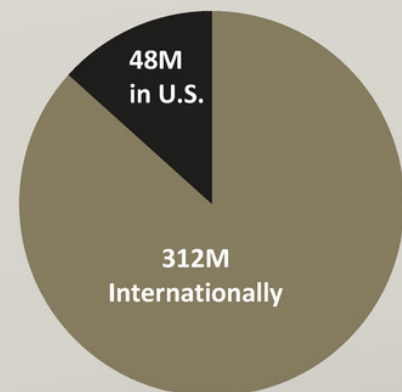
- ▶ Global hearing health market size estimated at \$5B<sup>1</sup>
- ▶ 35-40% of people 65+ suffer from hearing loss<sup>1</sup>
- ▶ ~13M hearing aids are sold annually<sup>1</sup>
- ▶ Potential **complementary and incremental revenue stream** for audiologists given low conversion rates on hearing aids
  - ▶ ~4% in ages 50-59<sup>2</sup>
  - ▶ ~22% in ages 80+<sup>2</sup>
- ▶ Two successful patient preference studies of HyperSound Clear 500P completed<sup>3</sup>
  - ▶ 79% said HyperSound Clear 500P improved their ability to hear and understand speech
  - ▶ 69% said they would either maybe, probably or definitely purchase

1) Johns Hopkins School of Medicine, Nov 2011. World Health Organization, 2013.

2) The Hearing Review, Tech Topic, Oct 2015.

3) Patient Preferences of 58 adult participants after two minute demonstration of HyperSound Clear 500P at conclusion of their audiologist appointment for a Directed Audio Solution, Hearing Review, 2015.

## 360 Million or 5% of the World's Population Suffer from Hearing Loss<sup>1</sup>



**HyperSound Clear 500P improves the listening experience and speech intelligibility for individuals with hearing loss**

# U.S. Hearing Health Market Structure & Channel Approach

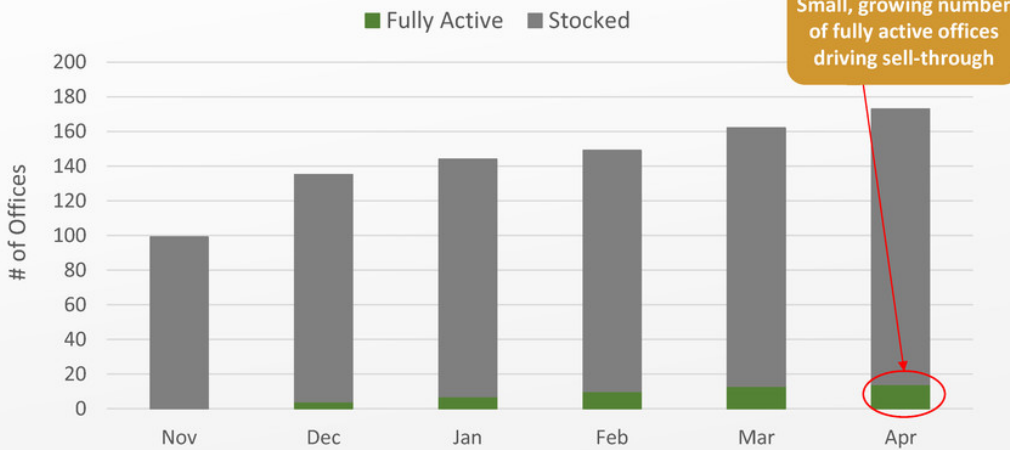
Retail Channel	Market Size (est.)	Channel Landscape	✓ = Signed deals
Independent & Buying Groups	8,000 POS (Points of Sale) 1.2M Units <sup>1</sup>		<ul style="list-style-type: none"> <li>Initial channel focus for HyperSound Clear represents ~90%+ of the points of sale</li> <li>We've already signed ~45% of overall points of sale</li> </ul>
Retail Store Front	4,000 POS 750K Units <sup>1</sup>		
Veterans Admin.	800 POS 725K Units <sup>1</sup>		
Direct to Consumer	300 POS 450K Units <sup>1</sup>		

1) Approximate units of hearing aids sold via this channel. 17

- ▶ **Hire Leader:** Former president/CEO of two large hearing aid companies hired in 2014 to lead HyperSound
- ▶ **Get Clearance for Medical Device:** FDA 510(k) clearance in Feb 2014 allows us to market the product “to improve clarity and comprehension of sounds with or without use of hearing aids”
- ▶ **Commercialize Product:** Two years of product development completed with shipments started late Oct 2015
- ▶ **Sell as Hearing Product:** Now sold through hearing health care professionals for MSRP of \$1,675 and programmable for specific user’s hearing profile
- ▶ **Set-up Sales Channel:** Signed channel relationships giving us access to 5,600+ prospective hearing health offices and retail locations in the U.S. – representing ~45% of total distribution points
- ▶ **Scale Manufacturing:** Partnered with leading electronics manufacturer, Foxconn, and producing in Mexico



# HyperSound Clear 500P Initial Channel Ramp Progress



### Early Purchaser Survey Results<sup>1</sup>:

★★★★★ (4.6/5) **Improvement in Speech Clarity**

★★★★★ (4.7/5) **Ease of Use**

★★★★★ (4.7/5) **Overall Satisfaction**

1) Company conducted initial sample phone survey of 12 consumer purchasers and may not be indicative of each listener's experience.

- ▶ We are in early stage of rollout to hearing healthcare offices, pursuing careful approach to ensure success
- ▶ Offices require training and visits to become fully active (which has taken more time than expected)
- ▶ Certain fully active offices have experienced sales conversion rates of 20+% during product demonstration events
- ▶ Product survey results from initial set of consumer users are very positive (4.6+ star ratings)<sup>1</sup>
- ▶ Launched in European market March 2016

## Commercial

- ▶ **Pre-defined sound zones** for in-store promotional, informational, beaconing and way-finding messages
  - ▶ Deployed in Nov 2014 to ~1,000 Best Buy stores in Activision Call of Duty® retail displays
- ▶ HyperSound/Kiosk pairing has shown a **28% sales increase** in a retail environment<sup>1</sup>
- ▶ Audio for **interactive kiosks and displays**
  - ▶ 20M digital signs currently in North America<sup>2</sup>
  - ▶ 34M ATMs, vending machines and self-services kiosks in N. America at the end of 2015<sup>3</sup>
  - ▶ 2.5M self-service kiosks in 2015<sup>2</sup>



1) POPAI | HyperSound In-Store Research Report, Jun 2015.  
2) BUNN Research, Jan 2014.  
3) *Self-Service Markets: ATMs, Kiosks, Vending Machines*, BCC Research, Mar 2011.

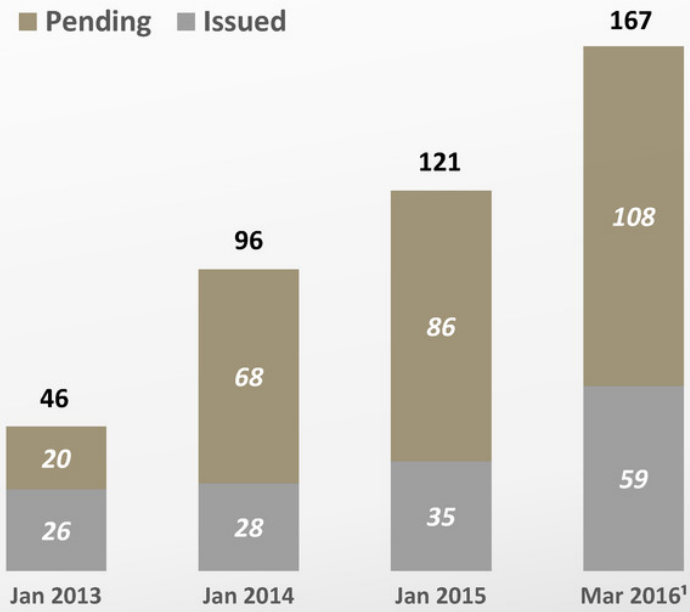
## Consumer & Licensing

- ▶ Immersive, directed 3D audio presents **consumer opportunities** for:
  - ▶ Home theater systems and sound bars
  - ▶ Desktop and gaming speakers
  - ▶ Other potential consumer audio opportunities
- ▶ Potential **licensing market opportunities** include:
  - ▶ Automotive and other transportation markets
  - ▶ Government and military applicants
  - ▶ Displays and televisions





■ Pending ■ Issued



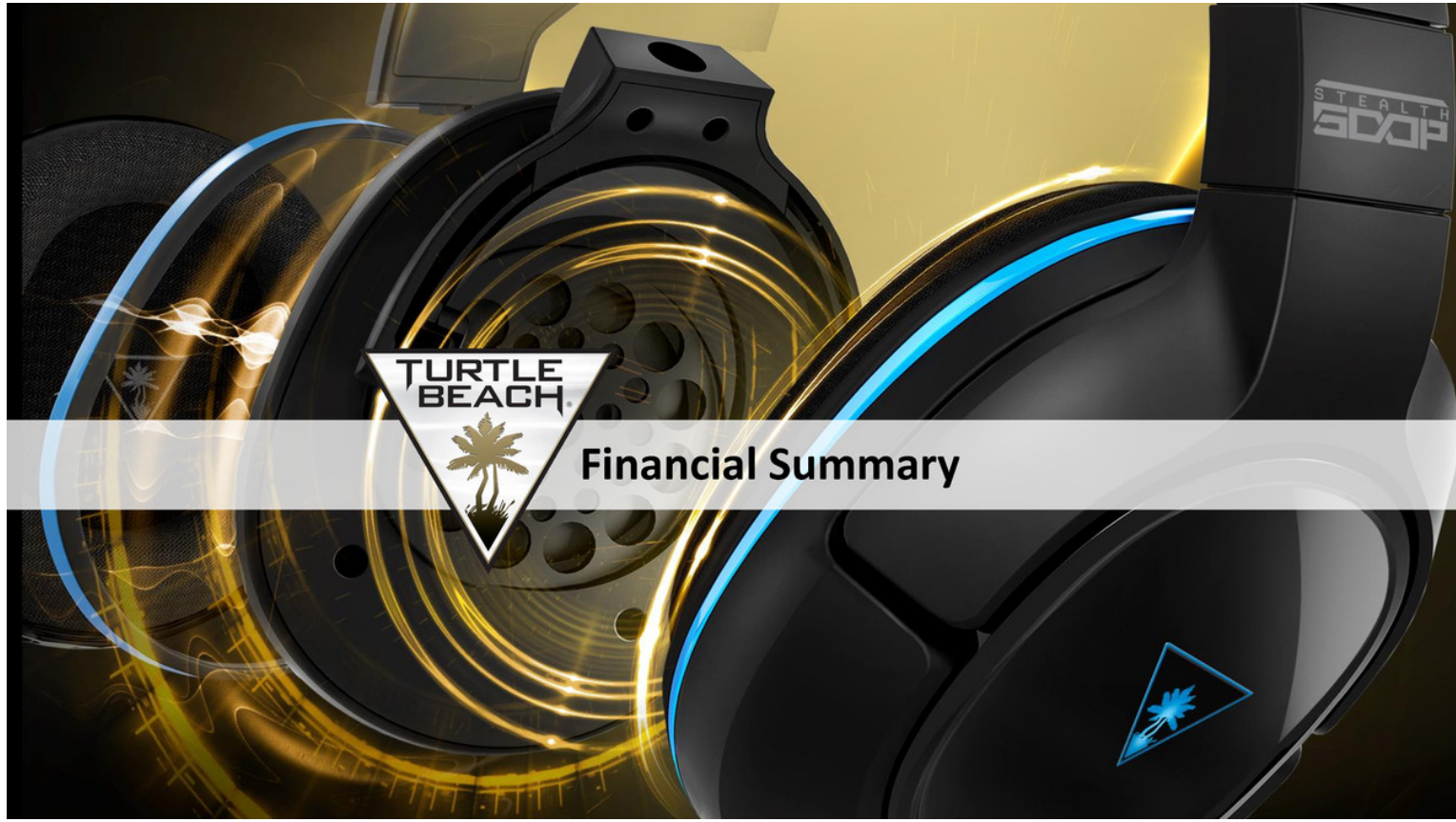
1) As of March 31, 2016.

## ▶ Headset innovations:

- ▶ Audio processing
- ▶ Gaming specific features

## ▶ HyperSound innovations:

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



# Financial Summary

# Key Stats

Trading Data (@ May 6, 2016)		Capitalization			Balance Sheet Highlights
<b>Stock Price</b>	<b>\$0.95</b>		<b>@ 12-31-15</b>	<b>@ 3-31-16</b>	<ul style="list-style-type: none"> <li>▶ Revolver typically peaks in Q4 and lowest in Q1 after holiday receipts</li> <li>▶ In Feb 2016, raised \$6.2M in net proceeds (over 50% purchased by insiders), stabilizing liquidity</li> <li>▶ Accounts payable down 30% to \$12.5M @ Mar 31, 2016</li> <li>▶ Cash + AR - AP = \$6.5M @ Mar 31, 2016 (\$9M higher YoY)</li> <li>▶ \$44.6M federal, \$20.6M state net operating losses @ Dec 31, 2015 offset taxable income (not scheduled to expire until 2029)</li> </ul>
Market Capitalization	\$46.8M	<b>Cash &amp; Equivalents</b>	\$7.1M	\$3.2M	
52 Wk. Low/High	\$0.85/\$3.72	Debt			
Avg. Daily Vol. (3 mo)	98.0K	Revolver (asset-based loan)	\$32.5M	\$0.5M	
Public Float	25%	Term Loans	\$18.4M	\$17.2M	
Primary Shares <sup>1</sup>	49.2M	Subordinated Notes <sup>2</sup>	\$17.2M	\$17.8M	
SG VTB Holdings & Affiliates <sup>1</sup>	21.5M	<b>Total Debt</b>	<b>\$68.1M</b>	<b>\$35.5M</b>	
Retired Founders of Turtle Beach <sup>1</sup>	11.0M	Series B - Preferred Stock <sup>3</sup>	\$16.1M	\$16.5M	
Options/Restricted Stock <sup>1</sup>	5.2M				
Warrants <sup>1</sup>	3.1M				
<b>Fully Diluted Shares<sup>1</sup></b>	<b>57.5M</b>				

Sources: S&P Capital IQ, company filings.

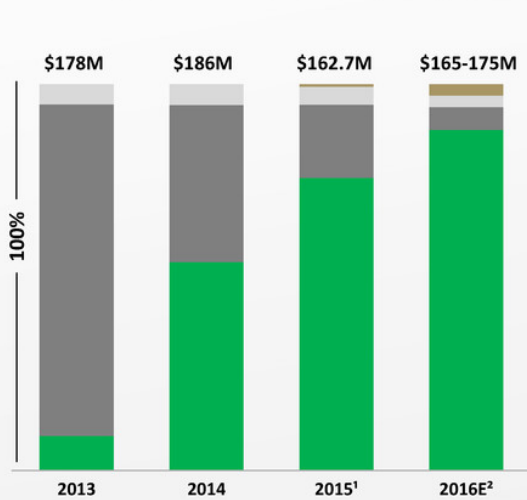
1) As of March 31, 2016.

2) Includes SG VTB Holdings (Stripes Group LLC, a private equity fund and our largest shareholder) and trusts affiliated with Ron Doornink, the Company's chairman of the board.

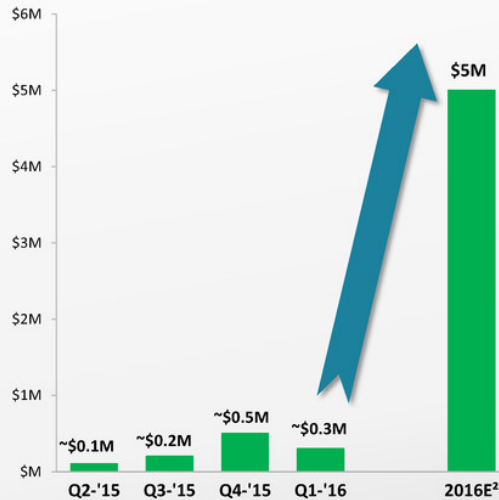
3) Non-callable, due in October 2030, and has 8% per annum PIK interest.

## Revenue Profile Over Time

■ New Gen ■ Old Gen ■ Other ■ HyperSound



## Expected HyperSound Growth



- ▶ New gen sales up 24% from 2014 to 2015, up 64% in Q1-16 YoY
- ▶ Old gen sales declined ~\$40M to under 12% of revenues in Q4 2015
- ▶ 2015 and YTD 2016 retail sell-through outpaced sales, leading to lower channel inventory
- ▶ New gen revenue expected to increase 18-23% in 2016<sup>2</sup>
- ▶ Old gen revenue expected to decline 60-70% in 2016<sup>2</sup>
- ▶ HyperSound Clear 500P launched in Q4-15 and expected to reach \$5-\$7M in revenues for 2016

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

1) Strong dollar and rapid drop in old gen significantly reduced revenues from 2014 to 2015.

2) Guidance updated and effective on May 10, 2016

	Q2-16	YoY Δ	Management Commentary
<b>Revenue</b>	\$25M	11%	Strong start to 2016 in headsets and upcoming product launches driving strong outlook
<b>Gross Margin</b>	~15%	Roughly flat	New gen headsets carry higher gross margin, offset by HyperSound amortization
<b>Adj. EBITDA</b>	\$(6)M	27%	Reduced OpEx to more than offset increased HyperSound investments
<b>EPS</b>	\$(0.23)	Flat	23% YoY excluding \$3.1M tax benefit in Q2-15

1) Guidance updated and effective on May 10, 2016.

# 2016 Outlook<sup>1</sup>

(\$ in millions)	Old	New	% Δ <sup>2</sup>	Management Commentary
<b>Revenue:</b>				
<i>New Gen</i>	\$140-\$145	\$147-\$153	5%	18-23% growth from 2015
<i>Old Gen</i>	\$8-\$10	\$8-\$10	-	60-70% decline from 2015
<i>Other</i>	\$5-\$7	\$5	(17)%	Opportunity for international growth
<b>Total Headset</b>	<b>\$153-\$162</b>	<b>\$160-\$170</b>	<b>5%</b>	Strong new gen growth combined with old gen drop
<i>HyperSound</i>	\$7-\$10	\$5-\$7	(29)%	Slower than expected ramp, lower spend on sales & marketing
<b>Consolidated</b>	<b>\$160-\$172</b>	<b>\$165-\$175</b>	<b>2%</b>	1-8% growth from 2015
<b>Gross Margins</b>				
<i>Headsets</i>	~30%	~30%	-	+400 basis points over 2015
<i>HyperSound</i>	40%-50% by Q4	40%-50% by Q4	-	By Q4-16 as revenues ramp (cash margin excluding amortization)
<b>Adjusted EBITDA:</b>				
<i>Headsets</i>	~\$9	~\$12	33%	~5X increase over 2015
<i>HyperSound Investment</i>	<\$14	<\$12	14%	Modest reduction from 2015 reflecting revenue and OpEx growth
<b>Consol. Adj. EBITDA</b>	<b>~\$(5)</b>	<b>\$0-\$2</b>	<b>NA</b>	\$11M+ increase from 2015

1) Guidance updated and effective on May 10, 2016.

2) Delta reflects midpoint of the outlook.

## Key Takeaways

- ▶ Longstanding, dominant market leader in console gaming headset market with technologically differentiated products
- ▶ Console market growing strongly post new platform launches late 2013
- ▶ Company now completed successful portfolio transition for new Xbox and PlayStation consoles
- ▶ HyperSound Clear 500P launch into \$5B hearing health category, creating strong growth opportunity
- ▶ HyperSound commercialization and new gen headset transition expected to meaningfully improve margins, profitability and cash flows



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COMPANY WEBSITES

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[www.turtlebeach.com](http://www.turtlebeach.com)

[www.hypersound.com](http://www.hypersound.com)





## Appendix



# Experienced Management Team



**Juergen Stark**  
CEO

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



**John Hanson**  
CFO

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



**Rodney Schutt**  
SVP, GM - HyperSound

- 25+ years of experience in the hearing health & medical device industries
- Past president/CEO of Luminetx, Aspyra, Unitron Hearing, and Widex Hearing, both leading hearing aid companies



**Richard Kuvalik**  
CTO

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



**Rob Andris**  
SVP, Global Supply Chain & Ops

- VP, Global Supply Chain Operations, Hewlett Packard
- 20 year, supply chain management, IBM, Cisco, HP



**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**  
VP of Global Consumer Sales

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



**Megan Wynne**  
General Counsel

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



**Scott Steele**  
SVP of Product Development

- 23 years of experience in technology product development
- Founded Green Edge Technologies and served for 2 years as its CEO



**Woody Norris**  
Chief Scientist

- Noted life-long inventor and entrepreneur
- Lemelson-MIT Prize for the invention of HyperSound



## 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)



**Lauren DeBuono**  
*Director*

- Partner at leading CFO consulting services firm FLG Partners, LLC
- Former President and CEO of Coapt Systems, Inc.
- Former COO and CFO of hearing aid manufacturer ReSound Corp.



**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

