

GoPro, Inc.
Form S-1
November 10, 2014
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As filed with the Securities and Exchange Commission on November 10, 2014.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT

Under

The Securities Act of 1933

GOPRO, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3600
(Primary standard
industrial code number)

77-0629474
(I.R.S. employer
identification no.)

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Copies to:

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3000 Clearview Way

San Mateo, California 94402

(650) 332-7600

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

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If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Class A common stock, par value \$0.0001 per share	\$800,000,000	\$92,960

- (1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes the offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. Neither we nor the selling stockholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and neither we nor the selling stockholders are soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated November 10, 2014

Preliminary Prospectus

shares

Class A common stock

We are selling _____ shares of Class A common stock, and the selling stockholders are selling _____ shares of Class A common stock. We will not receive any proceeds from the sale of shares by the selling stockholders.

We have two classes of outstanding common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except voting and conversion rights. Each share of Class A common stock is entitled to one vote. Each share of Class B common stock is entitled to 10 votes and is convertible at any time into one share of Class A common stock. The holders of our outstanding Class B common stock will hold approximately _____ % of the voting power of our outstanding capital stock following this offering, with our executive officers and directors and their affiliates holding approximately _____ %, and Nicholas Woodman, our Chief Executive Officer, holding approximately _____ % after his sale of _____ shares of Class A common stock in this offering.

Our Class A common stock is listed on the NASDAQ Global Select Market under the symbol GPRO. On November 7, 2014 the last reported sale price of our Class A common stock was \$79.06 per share.

We are an **emerging growth company** as defined under the federal securities laws. Investing in our Class A common stock involves a high degree of risk. See **Risk factors** beginning on page 15.

	Per share	Total
Public offering price	\$	\$
Underwriting discounts and commissions(1)	\$	\$
Proceeds to GoPro, Inc., before expenses	\$	\$
Proceeds to selling stockholders	\$	\$

(1) See Underwriting for a description of the compensation payable to the underwriters. Certain of the selling stockholders have granted the underwriters an option for a period of 30 days to purchase up to additional shares of Class A common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of Class A common stock to purchasers on _____, 2014.

J.P. Morgan

Barclays

Morgan Stanley

Citigroup

Allen & Company LLC

Stifel

Baird

JMP Securities

Piper Jaffray

Raymond James

, 2014

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You should rely only on the information contained in this prospectus or contained in any free writing prospectus filed with the Securities and Exchange Commission, or SEC. Neither we, the selling stockholders nor the underwriters have authorized anyone to provide you with additional information or information different from that contained in this prospectus or in any free writing prospectus filed with the SEC. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the selling stockholders are offering to sell, and seeking offers to buy, our Class A common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our Class A common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: Neither we, the selling stockholders nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of Class A common stock and the distribution of this prospectus outside the United States.

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Prospectus summary

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information you should consider before investing in our Class A common stock. You should read the entire prospectus carefully, including Risk factors, Management's discussion and analysis of financial condition and results of operations and our consolidated financial statements and related notes included elsewhere in this prospectus, before making an investment decision.

Company overview

GoPro is transforming the way consumers capture, manage, share and enjoy meaningful life experiences. We do this by enabling people to capture compelling, immersive photo and video content of themselves participating in their favorite activities. Our customers include some of the world's most active and passionate people. The volume and quality of their shared GoPro content, coupled with their enthusiasm for our brand, are virally driving awareness and demand for our products. To date, we have generated substantially all of our revenue from the sale of our cameras and accessories and we believe that the growing adoption of our capture devices and the engaging content they enable, position GoPro to become an exciting new media company.

What began as an idea to help athletes document themselves engaged in their sport has become a widely adopted solution for people to document themselves engaged in their interests, whatever they may be. From extreme to mainstream, professional to consumer, GoPro has enabled the world to capture and share its passions, and the world, in turn, is enabling GoPro to become one of the most exciting and aspirational companies of our time.

In 2011, 2012, 2013 and the nine months ended September 30, 2014, we generated revenue of \$234.2 million, \$526.0 million, \$985.7 million and \$760.3 million and reported net income of \$24.6 million, \$32.3 million, \$60.6 million and \$5.8 million, respectively.

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Our business focus

Enabling engaging content is at the core of our business. We develop hardware and software solutions to alleviate consumer pain points associated with capturing, managing, sharing and enjoying engaging content.

Capture

Our mountable and wearable cameras and accessories, which we refer to as capture devices, enable professional-quality capture and exceptional versatility at affordable prices. Our products' small, lightweight, yet durable designs make them easy to use even in highly challenging situations. In addition, our remote control solutions and our seamless integration with mobile devices via the GoPro App, our mobile application, enable engaging self-capture during virtually any activity.

Since launching our first high-definition, or HD, capture device in July 2009, we have sold more than 10.3 million HD cameras, including more than 3.8 million in 2013 and 2.8 million in the nine months ended September 30, 2014. We sell our products in over 100 countries and through more than 25,000 retail stores. According to The NPD Group's Retail Tracking Service, GoPro was the #1 selling camcorder (by dollars and units) and a top six selling camera accessory company (by dollars and units) in the United States in 2013. Also according to The NPD Group, our HERO cameras represented a 45% share of the U.S. camcorder market (by dollars) in 2013, up from an 11% share during December 2011 and our camera accessories represented a 4% share of the U.S. camera accessory market (by dollars) in 2013.

Manage

We seek to eliminate the pain point of managing content by making it easy for our customers to transfer footage from their cameras to a system that efficiently organizes their content and facilitates convenient editing and sharing. GoPro Studio, our desktop application, and the GoPro App, reflect the early stages of our content management platform strategy.

GoPro Studio enables our customers to quickly edit simple or complex videos and create videos from time-lapse photo sequences. Since January 1, 2014, there have been more than 3.1 million installations of GoPro Studio. During the third quarter of 2014, our customers in the aggregate exported, on average, more than 30,000 videos per day using GoPro Studio.

In addition to facilitating full camera control from a mobile device, the GoPro App enables a customer to easily and wirelessly copy footage from a GoPro camera to a mobile device for storage and sharing without a computer.

Share

By facilitating the capture, management and editing of engaging photos and videos, we are ultimately helping our customers share more compelling personal content. GoPro Studio and the GoPro App facilitate the posting of photos and videos directly to leading social networks and content platforms, including Facebook, Instagram, Twitter, Vimeo and YouTube. Thousands of GoPro customer photos and videos are shared daily, driving awareness and enthusiasm for our customers' content, as well as for GoPro's own brand and products. In 2013, our customers uploaded to YouTube approximately 2.8 years' worth of video featuring GoPro in the title. In the third quarter of 2014, there were over 79 million views of content published on the GoPro

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Channel on YouTube, representing a 99% increase compared to the third quarter of 2013. This viewed content represented over 2.6 million watched hours of videos on the YouTube GoPro Channel alone.

Enjoy

GoPro enables the production of entertaining and inspiring content, both in the form of our customers' user-generated content, or UGC, as well as GoPro originally produced content, that we collectively refer to as GoPro programming. This often features professional athletes, celebrities and entertainers, as well as everyday people engaged in their favorite activities. Having recognized the role GoPro content plays in attracting and exciting consumers, we are expanding the distribution of GoPro programming to engage and build relationships with even those consumers who do not own a GoPro capture device.

We distribute GoPro programming through what we refer to as the GoPro Network, a collection of GoPro Channels hosted on a variety of platforms, including the following:

Facebook: over 8.0 million likes;

Instagram: over 3.3 million followers;

Twitter: over 1.1 million followers; and

YouTube: over 608 million video views and over 2.4 million subscribers.

As of December 31, 2013, we had not derived revenue from the distribution of, or social engagement with, our content on the GoPro Network. However, in the first quarter of 2014, we entered into an agreement with Microsoft to develop and launch the GoPro Channel on Xbox 360 and Xbox One, leading delivery systems for IP video streams on connected televisions, that will provide us with access to advertising revenue, fees from third-party sponsorship of the GoPro Channel and the ability to sell our capture devices directly to consumers as they watch GoPro programming. We began generating revenue from GoPro Channel advertising and sponsorship opportunities on Xbox Live and GoPro Channel advertising on YouTube and Virgin America in the second quarter of 2014. We do not expect the revenue earned from these GoPro Channels to be material to us in 2014. We will seek to increase revenue from these GoPro channels and pursue new revenue opportunities from the distribution of engaging GoPro content.

The virtuous cycle

We believe our business focus results in a virtuous cycle and a self-reinforcing consumer acquisition model that fuels our growth. Our products in the hands of our customers enable compelling, authentic content that organically increases awareness for GoPro and drives demand for our products.

The GoPro opportunity

We believe the following create an attractive market opportunity for GoPro.

Consumers want an easy way to self-capture engaging content

Before GoPro, if people wanted compelling, high-quality footage of themselves engaged in activities, they needed a skilled third-party camera operator and often required expensive, fragile and cumbersome camera equipment.

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GoPro has enabled a new era of convenient self-documentation. Our products' high-performance features, ease of use and versatility, made available at affordable price points, provide a premium-quality self-capture solution that appeals to both consumers and professionals.

Consumers want a quick, easy way to manage, edit and share their content

Managing, editing and sharing engaging, high-quality content often requires substantial time, resources and skill. GoPro Studio and the GoPro App begin to address these pain points by offering intuitive, easy-to-use tools for managing, editing and sharing professional-grade footage. As social media and content sharing outlets like Facebook, Instagram, Twitter, Vimeo and YouTube proliferate, we see an opportunity to further develop our currently separate software solutions into an integrated and enhanced GoPro content management platform.

Consumers continue to replace traditional cameras with mobile devices

As mobile devices continue to displace traditional cameras and camcorders, we believe consumers will seek capture devices that offer differentiated capabilities like GoPro products. Moreover, we believe mobile devices complement our products. With the GoPro App, mobile devices can be used to remotely control GoPro cameras, thereby optimizing customers' ability to self-capture high-quality content of themselves and their activities. The GoPro App also enables customers to manage and share their captured content without the need for a computer. Furthermore, smartphones and tablets expand consumers' ability to access and enjoy GoPro content online.

Consumers want compelling content on demand

We believe consumer demand for compelling content combined with GoPro's self-capture technology and the explosive popularity of social media create a significant media opportunity for GoPro. GoPro programming has developed a dedicated and growing audience. We believe GoPro is well-positioned to become the first media company whose content is captured exclusively using its own hardware. We will continue to expand our distribution of GoPro programming and the reach of the GoPro Network to new platforms such as Xbox Live.

What makes GoPro unique

Category-defining self-capture devices

Our capture devices offer our customers, both consumers and professionals, exceptional capabilities that have earned us multiple awards, including a 2013 technical Emmy Award. Our cameras' small, lightweight, yet durable designs make them easy to use even in highly challenging situations, and along with their affordable prices, encourage adoption and experimentation that often leads to interesting content. In addition, our broad portfolio of mountable and wearable accessories enables multiple use cases and facilitates a differentiated self-capture experience than that of traditional cameras and smartphones. Our products have been embraced by media professionals and are used in production by The Discovery Channel, ESPN and other networks.

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Passionate consumer- and content-supported business model

Our business model is supported by some of the world's most active and influential consumers who use GoPro to capture and share their life experiences and interests. Their shared content excites and inspires others around the world to do the same, which we believe, leads to higher camera and accessory sales and, in turn, a massive volume of UGC.

Best-in-class marketing relationships

GoPro has established marketing relationships with more than 130 athletes, celebrities and entertainers, and sponsors more than 200 sporting events annually, including the X Games, Supercross and ASP world surfing championship events. We partner with athletes such as Olympic gold medal winning snowboarder Shaun White and 11-time world champion surfer Kelly Slater, as well as entertainers, such as Foo Fighters, Jane's Addiction, Guy Fieri and Alton Brown, and producers of popular television shows. We also have promotional agreements with recreational destination resorts, such as all Vail Company resorts and the Whistler Blackcomb resort. Validating the quality of our products and our growing role as a media brand, we are approached by professionals and organizations seeking to leverage GoPro as a media platform to distribute their own branded content captured with our products.

Differentiated sales strategy with specialty retailers

Since our first sale in 2004, our distribution strategy has focused on specialty retailers, including surf, ski and motorsports outlets, where we believe GoPro is often the only capture device sold in-store. Our early, first-mover relationships with these retailers and their customers helped us establish an authenticity that remains a cornerstone of our business. This focus on the specialty retail channel has also enabled us to develop a high-touch, differentiated sales network of more than 25,000 stores globally that we believe is difficult to replicate.

Strong, global brand

Over the past 10 years, we have built a powerful brand that is emblematic of the pursuit and celebration of human passion. Our trademarks, GoPro and Be a Hero, are relevant and aspirational to consumers, as reflected in the variety of our customers' shared content, which spans from our roots in action sports to now include family, travel, music, science and other areas of human interest. The strength of our brand is further evidenced by our customers' frequent tagging, titling and describing of their footage as GoPro content.

A company culture built around our vision

GoPro was founded by dedicated sports enthusiasts who wanted a better way to document and share their personal passions. As we have grown, we have remained focused on hiring employees who share this same ethos, whatever their personal interests may be. We have built a team focused on developing innovative solutions to the problems we encounter during our own self-capture pursuits, and we believe our employees' shared passion, experience and vision represent an increasingly important competitive advantage.

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Our strategy

We intend to expand our existing capture business with content management, editing and sharing solutions to provide increased value to our customers, introduce new revenue streams and further differentiate us from competitors. Key components of our strategy include the following:

Continue to introduce innovative capture devices

We relentlessly pursue our goal of developing the world's most versatile capture devices and enabling self-capture during any activity. In furtherance of this goal, in September 2014 we introduced our line of HERO4 capture devices and our HERO entry-level capture device. To stay at the forefront of our industry, we are focused on continued product innovation and leadership. Areas of innovation include custom sensor and digital signal processing technologies as well as custom lens, audio, battery and accessory design.

Develop seamless content management, editing and sharing solutions

We are developing an integrated content management platform to simplify the organizing, editing and sharing of engaging content. Our October 2013 acquisition of General Things Inc., a web development firm, has provided us with additional software competencies to accelerate this process. In addition, we may seek to leverage our content management platform as a new revenue stream.

Scale as a media brand

We are investing to scale GoPro as a media entity and develop new revenue opportunities by increasing production of GoPro originally produced content while simultaneously increasing the aggregation and redistribution of our customers' best of UGC. Additionally, we are investing to develop, distribute and promote GoPro programming on additional partner platforms such as Virgin America and Xbox Live.

Expand into new vertical markets

Leveraging the product development and sales and marketing strategies that have enabled us to be a leader in vertical markets such as skiing, surfing and motorsports, we are targeting new vertical markets where we believe GoPro can authentically deliver meaningful solutions to consumers.

Grow internationally

We believe that international markets represent a significant growth opportunity for us. We plan to capitalize on the strength of our brand to increase our presence worldwide through additional retailers and strategic distribution partnerships.

Expand in-store brand and sales footprint

We invest heavily to produce GoPro-branded, video-enabled point of purchase, or POP, merchandising displays that we make available to nearly all of the retail outlets through which our products are sold. Having recognized our sales success in these stores, coupled with our expanding product portfolio, we are working with our retailers to further expand the footprint of our POP displays. For example, in October 2014, we began to increase the size of our POP displays in many Best Buy stores.

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Extend strategic marketing relationships

We form relationships with marketing partners that use our products and services to promote their own brands and properties. As a result, GoPro benefits not only from the expanded brand awareness that traditionally comes with such marketing partnerships, but also from being recognized as our partners' technology enabler. We will continue developing and leveraging strategic marketing relationships to increase GoPro brand awareness.

Expand brand awareness through increased advertising

Notwithstanding the visibility we have gained in the consumer markets where we have historically focused, we believe consumers in many other markets are not familiar with our brand and products. We believe this underscores a significant opportunity for GoPro to expand awareness through increased advertising on television, in print, online, and on billboards and other out of home advertising, while continuing to scale our promotional marketing efforts and trade show presence.

Risk factors

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks highlighted in the section titled Risk factors following this prospectus summary before making an investment decision. These risks include:

We operate in a highly competitive market and the size and resources of some of our competitors may allow them to compete more effectively than we can, which could result in a loss of our market share and a decrease in our revenue and profitability.

We depend on sales of our capture devices for substantially all of our revenue, and any decrease in the sales of these products would harm our business.

We rely on third-party suppliers, some of which are sole-source suppliers, to provide components for our products.

We do not expect to continue to grow in the future at the same rate as we have in the past and profitability in recent periods might not be indicative of future performance.

If our sales during the holiday season fall below our forecasts, our overall financial condition and results of operations could be adversely affected.

We may have difficulty in accurately predicting our future customer demand, which could adversely affect our operating results.

Our success depends on our ability to maintain the value and reputation of our brand.

To remain competitive and stimulate customer demand, we must successfully manage frequent product introductions and transitions.

We are subject to international business uncertainties.

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We are highly dependent on our Chief Executive Officer, or CEO.

If we do not effectively maintain and further develop our sales channels, including developing and supporting our retail sales channel and distributors, our business could be harmed.

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Any material disruption of our information systems could adversely affect our operating results.

Corporate information

We were incorporated as Woodman Labs, Inc. in California and began doing business as GoPro in February 2004. We reincorporated in Delaware in December 2011 and in February 2014 we changed our name to GoPro, Inc. Our principal executive offices are located at 3000 Clearview Way, San Mateo, California 94402, and our telephone number is (650) 332-7600. Our website address is www.gopro.com. The information contained on, or that can be accessed through, our website is not a part of this prospectus. Investors should not rely on any such information in deciding whether to purchase our Class A common stock. We have included our website address in this prospectus solely as an inactive textual reference.

Unless the context indicates otherwise, as used in this prospectus, the terms GoPro, we, us, our and the Company refer to GoPro, Inc., a Delaware corporation, and its subsidiaries taken as a whole, unless otherwise noted.

We have registered a number of trademarks including GOPRO, HERO, BACPAC and CINEFORM and have filed with the U.S. Patent and Trademark Office to register the GoPro logo and GoPro Be a Hero logo. This prospectus also includes references to trademarks and service marks of other entities, and those trademarks and service marks are the property of their respective owners.

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Class A common stock offered by us	shares
Class A common stock offered by the selling stockholders	shares
Option to purchase additional shares of Class A common stock	shares of Class A common stock being offered by certain of the selling stockholders
Class A common stock to be outstanding after this offering	shares (in full) shares if the option to purchase additional shares is exercised
Class B common stock to be outstanding after this offering	shares (in full) shares if the option to purchase additional shares is exercised
Total common stock to be outstanding after this offering	shares
Use of proceeds	The principal purposes of this offering are to raise additional capital, facilitate an orderly distribution of shares for the selling stockholders in this offering and increase our public float. We expect to use the net proceeds from this offering for general corporate purposes, including working capital. We may also use a portion of the net proceeds to acquire or invest in complementary businesses, technologies or assets. We will not receive any of the proceeds from the sale of shares by the selling stockholders.
Voting rights	We have two classes of authorized common stock: Class A common stock and Class B common stock. The rights of the holders of our Class A and Class B common stock are identical, except with respect to voting and conversion. The holders of our Class B common stock are entitled to 10 votes per share, and the holders of our Class A common stock are entitled to one vote per share. The holders of our Class A common stock and Class B common stock vote together as a single class on all matters submitted to a vote of our stockholders, unless otherwise required by law. Each share of our Class B common stock is convertible into one share of our Class A common stock at any time and will convert automatically upon certain transfers or the date that the total number of shares of Class B common stock outstanding represents less than 10% of the total

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number of shares of Class A and Class B common stock outstanding. The holders of our outstanding Class B common stock will hold approximately % of the voting power of our outstanding capital stock following this offering, with our executive officers and directors and their affiliates holding approximately %, and Mr. Woodman, our CEO, holding approximately % after his sale of shares of Class A common stock in this offering. These holders will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors and the approval of any change in control transaction. See Principal and selling stockholders and Description of capital stock.

NASDAQ symbol

GPRO

The number of shares of our Class A and Class B common stock to be outstanding after this offering is based on (i) 26,292,404 shares of Class A common stock and 99,484,734 shares of Class B common stock outstanding as of September 30, 2014, (ii) the exercise of options for the purchase of shares of Class B common stock by certain selling stockholders and the conversion of such shares into the same number of shares of Class A common stock for sale in this offering and (iii) the contribution of shares of Class B common stock by Mr. Woodman to us in respect of stock options exercised by a certain selling stockholder and excludes:

27,095,134 shares of Class B common stock issuable upon the exercise of stock options outstanding as of September 30, 2014 with a weighted average exercise price of \$5.17 per share and 3,804,426 shares of Class B common stock issuable upon settlement of restricted stock units, or RSUs, outstanding as of September 30, 2014 under our 2010 Equity Incentive Plan, or 2010 Plan;

422,828 shares of Class A common stock issuable upon the exercise of stock options outstanding as of September 30, 2014 with a weighted average exercise price of \$45.52 per share and 95,877 shares of Class A common stock issuable upon settlement of RSUs outstanding as of September 30, 2014 under our 2014 Equity Incentive Plan, or 2014 Plan;

The effect of the contribution back to us of a number of shares of Class B common stock equal to the number of shares we issue upon exercise of an outstanding option for the purchase of 5,918,984 shares of Class B common stock (other than those shares of Class B common stock contributed back to us in respect of stock options exercised by a certain selling stockholder); see Certain relationships and related person transactions Equity grants and contribution agreements;

19,250 shares of Class A common stock issuable upon settlement of RSUs granted after September 30, 2014 under our 2014 Plan;

272,117 shares of Class B common stock subject to a right of repurchase by us outstanding as of September 30, 2014;

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13,921,880 shares of Class A common stock reserved for future issuance under our 2014 Plan; and

3,367,557 shares of Class A common stock reserved for future issuance under our 2014 Employee Stock Purchase Plan, or ESPP. Our 2014 Plan and ESPP also provide for automatic annual increases in the number of shares reserved under the plans, as more fully described in Executive compensation Employee benefit plans.

Unless otherwise noted, all information in this prospectus assumes:

no exercise of the underwriters' option to purchase up to _____ additional shares of Class A common stock from certain of the selling stockholders in this offering;

the conversion by the selling stockholders of shares of our Class B common stock into the same number of shares of our Class A common stock, in each case in connection with the closing of this offering; and

no exercise of options, warrants or similar rights outstanding as of the date of this prospectus.

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The following tables summarize our consolidated financial data and should be read together with Selected consolidated financial data, Management's discussion and analysis of financial condition and results of operations and our consolidated financial statements, related notes and other financial information included elsewhere in this prospectus.

We derived the consolidated statements of operations data for the years ended December 31, 2011, 2012 and 2013 and the balance sheet data as of December 31, 2013 from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statements of operations data for the nine months ended September 30, 2013 and 2014 and the consolidated balance sheet data as of September 30, 2014 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. We have prepared the unaudited consolidated financial statements on the same basis as the audited consolidated financial statements and have included all adjustments, consisting only of normal recurring adjustments that, in our opinion, are necessary to state fairly the financial information set forth in those statements. Our historical results are not necessarily indicative of the results we expect in the future, and our interim results should not necessarily be considered indicative of results we expect for the full year or any other period.

Consolidated statements of operations data:

(in thousands, except per share amounts)	Year ended December 31,			Nine months ended	
	2011	2012	2013	September 30, 2013	September 30, 2014
Revenue	\$ 234,238	\$ 526,016	\$ 985,737	\$ 624,285	\$ 760,292
Cost of revenue(1)	111,683	298,530	623,953	414,005	436,870
Gross profit	122,555	227,486	361,874	210,280	323,422
Operating expenses:					
Research and development(1)	8,644	36,115	73,737	48,286	105,778
Sales and marketing(1)	64,375	116,855	157,771	112,151	133,151
General and administrative(1)	10,757	20,899	31,573	21,715	71,146
Total operating expenses	83,776	173,869	263,081	182,152	310,075
Operating income	38,779	53,617	98,703	28,128	13,347
Other income (expense), net	12	(407)	(7,374)	(5,150)	(4,945)
Income before income taxes	38,791	53,210	91,329	22,978	8,402
Income tax expense	14,179	20,948	30,751	6,129	2,574
Net income	\$ 24,612	\$ 32,262	\$ 60,578	\$ 16,849	\$ 5,828
Weighted-average shares used to compute net income per share attributable to common stockholders(2):					
Basic	73,481	74,226	81,018	80,914	96,905
Diluted	78,551	74,226	98,941	98,671	115,578
Net income per share attributable to common stockholders(2):					
Basic	\$ 0.26	\$ 0.07	\$ 0.54	\$ 0.15	\$ 0.05
Diluted	\$ 0.24	\$ 0.07	\$ 0.47	\$ 0.13	\$ 0.04
Other financial information:					
Adjusted EBITDA	\$ 52,873	\$ 75,288	\$ 133,726	\$ 51,870	\$ 90,526

(footnotes appear on the following page)

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(1) Includes stock-based compensation expense as follows:

(in thousands)	Year ended December 31,			Nine months ended	
	2011	2012	2013	September 30, 2013	September 30, 2014
Cost of revenue	\$ 122	\$ 333	\$ 690	\$ 530	\$ 555
Research and development	261	1,452	3,003	1,737	5,486
Sales and marketing	7,690	6,335	5,670	4,077	6,293
General and administrative	902	1,036	1,524	1,003	39,809
Total stock-based compensation expense	\$ 8,975	\$ 9,156	\$ 10,887	\$ 7,347	\$ 52,143

(2) See Note 8 of our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our historical basic and diluted net income per share attributable to common stockholders.

Adjusted EBITDA

We use adjusted EBITDA as a key measure to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short- and long-term operational plans. In particular, the exclusion of certain expenses in calculating adjusted EBITDA can provide a useful measure for period-to-period comparisons of our business. Accordingly, we believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

Adjusted EBITDA is not prepared in accordance with U.S. generally accepted accounting principles, or GAAP, and should not be considered in isolation from, or as an alternative to, measures prepared in accordance with GAAP. In addition, adjusted EBITDA is not based on any comprehensive set of accounting rules or principles. As a non-GAAP measure, adjusted EBITDA has limitations in that it does 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 interest expense, or the cash requirements necessary to service interest or principal payments on our debt;

adjusted EBITDA does not reflect the amounts we paid in taxes or other components of our tax expense;

adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;

adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

adjusted EBITDA does not reflect the non-cash component of employee compensation;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often will have to be replaced in the future, including POP displays, and adjusted EBITDA does not reflect any cash requirements for such replacements; and

other companies may calculate adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

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Because of these limitations, you should consider adjusted EBITDA alongside other financial performance measures, including our financial results presented in accordance with GAAP.

The following table presents a reconciliation of net income to adjusted EBITDA:

(in thousands)	Year ended December 31,			Nine months ended	
	2011	2012	2013	September 30, 2013	September 30, 2014
Net income	\$ 24,612	\$ 32,262	\$ 60,578	\$ 16,849	\$ 5,828
Income tax expense	14,179	20,948	30,751	6,129	2,574
Interest (income) and expense, net	(12)	346	6,018	4,129	4,009
Depreciation and amortization	1,517	3,975	12,034	8,508	12,769
POP display amortization	3,602	8,601	13,458	8,908	13,203
Stock-based compensation	8,975	9,156	10,887	7,347	52,143
Adjusted EBITDA	\$ 52,873	\$ 75,288	\$ 133,726	\$ 51,870	\$ 90,526

The following table presents our summary unaudited consolidated balance sheet data on an actual basis and on an as adjusted basis as of September 30, 2014:

(in thousands)	As of September 30, 2014	
	Actual	As adjusted(1)
Consolidated balance sheet data:		
Cash	\$ 237,749	\$
Working capital	273,394	
Total assets	589,058	
Total stockholders' equity	350,661	

- (1) The as adjusted column gives effect to the (i) the issuance of _____ shares of our Class B common stock upon the exercise of outstanding stock options with an aggregate exercise price of \$ _____ million by certain selling stockholders in connection with this offering and the contribution back to us by a certain stockholder of _____ shares of our Class B common stock in respect of stock options exercised by a selling stockholder, and (ii) the sale by us of _____ shares of Class A common stock in this offering, at an assumed public offering price of \$79.06 per share, the last reported sale price of our Class A common stock on the NASDAQ Global Select Market on November 7, 2014, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

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Risk factors

You should carefully consider the risks described below and all other information contained in this prospectus before making an investment decision. Our business, financial condition and results of operations could be materially and adversely affected if any of the following risks, or other risks and uncertainties that are not yet identified or that we currently think are immaterial, actually occur. In that event, the trading price of our shares may decline, and you may lose part or all of your investment.

Risks related to our business and industry

We operate in a highly competitive market and the size and resources of some of our competitors may allow them to compete more effectively than we can, which could result in a loss of our market share and a decrease in our revenue and profitability.

The market for capture devices, including cameras and camcorders, is highly competitive. Further, we expect competition to intensify in the future as existing competitors introduce new and more competitive offerings alongside their existing products, and as new market entrants introduce new products into our markets. We compete against established, well-known camera manufacturers such as Canon Inc., Nikon Corporation, Olympus Corporation, Polaroid Holding Corporation and Vivitar Corporation, large, diversified electronics companies such as JVC Kenwood Corporation, Panasonic Corporation, Samsung Electronics Co., Sony Corporation and Toshiba Corporation, and specialty companies such as Garmin Ltd. Many of our current competitors have substantial market share, diversified product lines, well-established supply and distribution systems, strong worldwide brand recognition and greater financial, marketing, research and development and other resources than we do. In addition, many of our existing and potential competitors enjoy substantial competitive advantages, such as:

longer operating histories;

the capacity to leverage their sales efforts and marketing expenditures across a broader portfolio of products;

broader distribution and established relationships with channel partners;

access to larger established customer bases;

greater resources to make acquisitions;

larger intellectual property portfolios; and

the ability to bundle competitive offerings with other products and services.

Moreover, smartphones and tablets with photo and video functionality have significantly displaced traditional camera sales. It is possible that, in the future, the manufacturers of these devices, such as Apple Inc. and Samsung, may design them for use in a range of conditions, including challenging physical environments, or develop products similar to ours. In addition to competition or potential competition from large, established companies, new companies may emerge and offer competitive products. Further, we are aware that certain companies have developed cameras designed and labeled to appear similar to our products, which may confuse consumers or distract consumers from purchasing GoPro products.

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Increased competition may result in pricing pressures and reduced profit margins and may impede our ability to continue to increase the sales of our products or cause us to lose market share, any of which could substantially harm our business and results of operations.

We depend on sales of our capture devices for substantially all of our revenue, and any decrease in the sales of these products would harm our business.

To date, substantially all of our revenue has been derived from sales of our capture devices, and we expect to continue to derive the substantial majority of our revenue from sales of cameras and accessories for the foreseeable future. A decline in the price of these products, whether due to macroeconomic conditions, competition or otherwise, or our inability to increase sales of these products, would harm our business and operating results more seriously than it would if we derived significant revenue from a variety of product lines and services. Any decrease in the sales of our capture devices would harm our business. While we are evaluating other products and services to add to our offerings, we may not be successful in identifying or executing on such opportunities, and we expect sales of capture devices to represent a substantial portion of our revenue for the foreseeable future. As a result, our future growth and financial performance will depend heavily on our ability to develop and sell enhanced versions of our capture devices. If we fail to deliver product enhancements, new releases or new products that our customers want, our business and results of operations would be harmed.

We rely on third-party suppliers, some of which are sole-source suppliers, to provide components for our products.

All of the components that go into the manufacture of our cameras and accessories are sourced from third-party suppliers, and some of these components are provided by a single supplier or by a supplier that could potentially become a competitor. If we lose access to components from a particular supplier, or experience a significant disruption in the supply of products and components from a current supplier, we may be unable to locate alternative suppliers of comparable quality at an acceptable price, or at all, and our business could be materially and adversely affected. In addition, if we experience a significant increase in demand for our products, our suppliers might not have the capacity or elect to meet our needs as they allocate components to other customers. Identifying a suitable supplier is an involved process that requires us to become satisfied with the supplier's quality control, responsiveness and service, financial stability and labor and other ethical practices, and if we seek to source materials from new suppliers there can be no assurance that we could do so in a manner that does not disrupt the manufacture and sale of our products. Our reliance on single source, or a limited number of, suppliers involves a number of additional risks, including risks related to:

supplier capacity constraints;

price increases;

timely delivery;

component quality;

failure of a key supplier to remain in business and adjust to market conditions;

delays in, or the inability to execute on, a supplier roadmap for components and technologies; and

natural disasters, fire, acts of terrorism or other catastrophic events.

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In particular, we incorporate video compression and image processing semiconductors from one provider, Ambarella, Inc., into all of our cameras, and we do not have an alternative supplier for these key components. If Ambarella stopped supplying components on acceptable terms, or at all, or we experienced delays in receipt of components from Ambarella, we would experience a significant disruption in our ability to produce our products, and our business would be materially and adversely affected.

We do not expect to continue to grow in the future at the same rate as we have in the past and profitability in recent periods might not be indicative of future performance.

Although our revenue and profitability have grown rapidly from 2009 through the nine months ended September 30, 2014, you should not consider our recent revenue growth as indicative of our future performance. In future periods, our revenue could decline or grow more slowly than we expect. We also may incur significant losses in the future for a number of reasons, including other risks described in this prospectus, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors.

If our sales during the holiday season fall below our forecasts, our overall financial condition and results of operations could be adversely affected.

Seasonal consumer shopping patterns significantly affect our business. Specifically, our revenue is traditionally strongest in the fourth quarter of each year due to increased consumer purchases during holiday periods, and fourth quarter revenue comprised 44% and 37% of our 2012 and 2013 revenue, respectively. Given the strong seasonal nature of our sales, appropriate forecasting is critical to our operations. We anticipate that this seasonal impact on our net sales is likely to continue and any shortfall in expected fourth quarter net sales, due to macroeconomic conditions, a decline in the effectiveness of our promotional activities or supply chain disruptions, or for any other reason, would cause our annual results of operations to suffer significantly.

In contrast, a substantial portion of our expenses are personnel related and include salaries, stock-based compensation, benefits and incentive-based compensation plan expenses, which are not seasonal in nature. Accordingly, in the event of revenue shortfalls, we are generally unable to mitigate the negative impact on margins in the short term. If this were to occur, our operating results would be harmed.

We may have difficulty in accurately predicting our future customer demand which could adversely affect our operating results.

To ensure adequate inventory supply and meet the demands of our retailers and distributors, we must forecast inventory needs and place orders with our contract manufacturers and component suppliers based on our estimates of future demand for particular products. We have relatively recently begun producing our products in substantial volumes, and we have experienced rapid growth. We may be unable to meet customer, retailer or distributor demand for our products or may be required to incur higher costs to secure the necessary production capacity and components. We could also overestimate future sales of our products and risk carrying excess product and component inventory. Further, our ability to accurately forecast demand for our products could be affected by other factors, including product introductions by competitors, unanticipated changes in general market demand, macroeconomic conditions or consumer confidence. If we fail to continue to develop the infrastructure that enables us to accurately forecast customer demand for our products, our business and operating results could be adversely affected.

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Our success depends on our ability to maintain the value and reputation of our brand.

Our success depends on the value and reputation of our brand, including our primary trademarks GoPro and Be a Hero. The GoPro name and premium brand image are integral to the growth of our business and expansion into new vertical markets. Maintaining, promoting and positioning our brand will largely depend on the success of our marketing and merchandising efforts and our ability to provide consistent, high quality products. If we fail to achieve these objectives or if our public image or reputation were to be tarnished by negative publicity, our brand, business and operating results could be adversely affected. Negative publicity regarding the athletes we sponsor and celebrities we are associated with, our products, our customers UGC and the labor policies of any of our suppliers or manufacturers could create corresponding negative publicity for us, harm our brand image and, as a result, adversely impact our sales and results of operations. Maintaining and enhancing our brand may require us to make substantial investments and these investments may not achieve the desired goals. If we fail to successfully promote and maintain our brand or if we incur excessive expenses in this effort, our business and operating results could be adversely affected.

To remain competitive and stimulate customer demand, we must successfully manage frequent product introductions and transitions.

We believe that we must continually develop and introduce new products, enhance our existing products and effectively stimulate customer demand for new and upgraded products. Our research and development efforts are complex and require us to incur substantial research and development expense. Our research and development expense was \$8.6 million, \$36.1 million, \$73.7 million and \$105.8 million for 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively, and we anticipate that research and development expense will continue to increase in the future. We may not be able to achieve an acceptable return, if any, on our research and development efforts. Further, any failure to complete product transitions effectively could harm our brand.

The success of new product introductions depends on a number of factors including, but not limited to, timely and successful research and development, market and customer acceptance, the effective forecasting and management of product demand, purchase commitments and inventory levels, the management of manufacturing and supply costs, and the risk that new products may have quality or other defects in the early stages of introduction. For example, in order to launch our HERO3 line of capture devices in time for the 2012 holiday shopping season, we implemented a compressed design and manufacturing cycle. As a result, our initial production run of HERO3 Black edition capture devices suffered from a number of design issues, part shortages and manufacturing problems, which reduced the number of units we were able to ship for the 2012 holiday season. Moreover, because of the compressed development schedule, our HERO3 capture devices required a subsequent firmware update to address certain issues, which resulted in negative publicity for us. In the future, if we do not successfully manage product transitions, especially during the holiday shopping season, such as our recently announced introduction of our HERO4 and HERO lines of capture devices, our revenue and business may be harmed.

The introduction of new products or product enhancements may shorten the life cycle of our existing products, or replace sales of some of our current products, thereby offsetting the benefit of even a successful product introduction, and may cause customers to defer purchasing our existing products in anticipation of the new products and potentially lead to challenges in managing inventory of existing products. We also provide price protection to some of our retailers as a result of our new product introductions. If we fail to effectively manage new product introductions, our revenue and profitability may be harmed.

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Any material disruption of our information systems could adversely affect our operating results.

We are increasingly dependent on information systems to operate our ecommerce website, process transactions, respond to customer inquiries, manage our supply chain and inventory, ship goods on a timely basis and maintain cost-efficient operations. Any material disruption or slowdown of our systems, including a disruption or slowdown caused by our failure to successfully upgrade our systems, system failures, viruses, computer hackers or other causes, could cause delays in our supply chain or cause information, including data related to customer orders, to be lost or delayed which could result in delays in the delivery of merchandise to our stores and customers or lost sales, especially if the disruption or slowdown occurred during the holiday season. Any of these events could reduce demand for our products, impair our ability to complete sales through our ecommerce channels and cause our revenue to decline. If changes in technology cause our information systems to become obsolete, or if our information systems are inadequate to handle our growth, we could lose customers or our business and operating results could be adversely affected.

In particular, we are heavily reliant on our software-as-a-service, or SaaS, enterprise resource planning systems to conduct our order and inventory management and financial processes. As we expand our operations, we expect to utilize additional systems and service providers that may also be essential to managing our business. Although the systems and services that we require are typically available from a number of providers, it is time consuming and costly to qualify and implement these relationships. Therefore, our ability to manage our business would suffer if one or more of our providers suffer an interruption in their business, or experience delays, disruptions or quality control problems in their operations, or we have to change or add systems and services. We may not be able to control the quality of the systems and services we receive from third-party service providers, which could impair our ability to implement appropriate internal controls over financial reporting and may impact our business, operating results and financial condition.

We are highly dependent on our Chief Executive Officer.

Our future success depends in significant part on the continued service of our CEO, Nicholas Woodman. Mr. Woodman is critical to the strategic direction and overall management of our company as well as our research and development process. Mr. Woodman is an at-will employee and there are no vesting restrictions on any of the Class B common stock that he owns, although he holds RSUs subject to vesting restrictions. The loss of Mr. Woodman could adversely affect our business, financial condition and operating results.

We depend on key personnel to operate our business, and many members of our current management team are new. If we are unable to retain, attract and integrate qualified personnel, our ability to develop and successfully grow our business could be harmed.

In addition to the continued services of Mr. Woodman, we believe that our future success is highly dependent on the contributions of our executive officers, as well as our ability to attract and retain highly skilled and experienced sales, research and development and other personnel in the United States and abroad. Some of our executive management team, including our President and Chief Financial Officer, joined us recently and these changes in our management team may be disruptive to our business.

All of our employees, including our executive officers, are free to terminate their employment relationship with us at any time, and their knowledge of our business and industry may be difficult to replace. If one or more of our executive officers or key employees leaves, we may not

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be able to fully integrate new personnel or replicate the prior working relationships, and our operations could suffer. Qualified individuals are in high demand, and we may incur significant costs to attract them. Many of the companies with which we compete for experienced personnel also have greater resources than we do. Competition for qualified personnel is particularly intense in the San Francisco Bay Area, where our headquarters are located. If we are unable to attract and retain highly skilled personnel, we may not be able to achieve our strategic objectives, and our business, financial condition and operating results could be adversely affected.

If we do not effectively maintain and further develop our sales channels, including developing and supporting our retail sales channel and distributors, our business could be harmed.

As a consumer-facing company, we depend upon effective sales channels to reach the consumers who are the ultimate purchasers of our capture devices. In the United States, we primarily sell our products directly through a mix of retail channels, including big box, mid-market and specialty retailers, and we reach certain U.S. markets through distributors. In international markets, we primarily sell through distributors who in turn sell to local retailers. We depend on retailers to provide adequate and attractive space for our products and POP displays in their stores. We further depend on our retailers to employ, educate and motivate their sales personnel to effectively sell our products. If our retailers do not adequately display our products, choose to promote competitors' products over ours or do not effectively explain to customers the advantages of our products, our sales could decrease and our business could be harmed. Similarly, our business could be adversely affected if any of our large retail customers were to experience financial difficulties, or change the focus of their businesses in a way that deemphasized the sale of our products. We are also investing heavily in providing new retailers with POP displays and expanding the footprint of our POP displays in existing stores, and there can be no assurance that this investment will lead to increased sales.

We depend on our distributors to reach certain market segments in the United States and to reach our international retailers. Our distributors generally offer products from several different manufacturers. Accordingly, we are at risk that these distributors may give higher priority to selling other companies' products. If we were to lose the services of a distributor, we might need to find another distributor in that area, and there can be no assurance of our ability to do so in a timely manner or on favorable terms. Further, our distributors build inventories in anticipation of future sales, and if such sales do not occur as rapidly as they anticipate, our distributors will decrease the size of their future product orders. We are also subject to the risks of our distributors encountering financial difficulties, which could impede their effectiveness and also expose us to financial risk if they are unable to pay for the products they purchase from us. Any reduction in sales by our current distributors, loss of key distributors or decrease in revenue from our distributors could adversely affect our revenue, operating results and financial condition.

A small number of retailers and distributors account for a substantial portion of our revenue, and if our relationships with any of these retailers or distributors were to be terminated or the level of business with them significantly reduced, our business could be harmed.

Our ten largest customers, measured by the revenue we derive from them, accounted for 44%, 42%, 51% and 50% of our revenue for 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively. One retailer accounted for 15%, 15%, 17% and 19% of our revenue for 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively. The loss of a small number of our large customers, or the reduction in business with one or more of

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these customers, could have a significant adverse impact on our operating results. While we have agreements with these large customers, these agreements do not require them to purchase any meaningful amount of our products.

If we encounter problems with our distribution system, our ability to deliver our products to the market and to meet customer expectations could be harmed.

We rely on a select number of third-party distribution facilities for substantially all of our product distribution. Our distribution facilities include computer controlled and automated equipment, which means their operations may be vulnerable to computer viruses or other security risks, the proper operation of software and hardware, electronic or power interruptions or other system failures. Further, because substantially all of our products are distributed from only a few locations, our operations could be interrupted by labor difficulties, extreme or severe weather conditions, or floods, fires or other natural disasters near our distribution centers. If we encounter problems with our distribution system, our ability to meet customer expectations, manage inventory, complete sales and achieve our objectives for operating efficiencies could be harmed.

We are subject to international business uncertainties.

Revenue from outside the United States comprised 35%, 47%, 49% and 44% of our revenue in 2011, 2012, 2013 and the nine months ended September 30, 2014, respectively, and we expect this portion to continue to be significant in the future. Further, our supply chain partners have operations in countries including China, Singapore and the Netherlands. We intend to expand our relationships in these countries and may establish additional relationships in other countries to grow our operations. Operating in foreign countries requires significant resources and management attention, and we have limited experience entering new geographic markets. We cannot be assured that our international efforts will be successful. International sales and operations may be subject to risks such as:

difficulties in staffing and managing foreign operations;

burdens of complying with a wide variety of laws and regulations;

adverse tax effects and foreign exchange controls making it difficult to repatriate earnings and cash;

political and economic instability;

terrorist activities and natural disasters;

trade restrictions;

differing employment practices and laws and labor disruptions;

the imposition of government controls;