



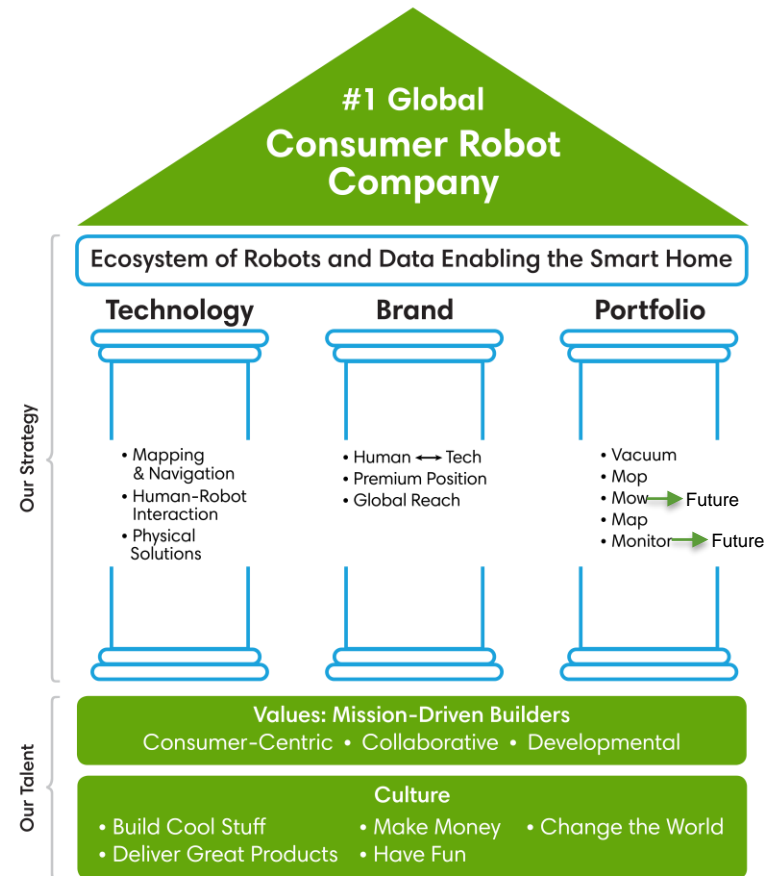
**iRobot Corporation
Canaccord Genuity Growth Conference
August 2016**

Empowering People to Do More

- Certain statements made in this presentation that are not based on historical information are forward-looking statements which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.
- These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements.
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- This presentation contains various non-GAAP financial measures as defined by SEC Regulation G, including Adjusted EBITDA, which we define as Earnings Before Interest, Taxes, Depreciation, Amortization, merger and acquisition expenses, restructuring expenses, net intellectual property litigation expenses and non-cash stock compensation expense. The most directly comparable GAAP financial measures and a reconciliation of the differences between the GAAP financial measures and the non-GAAP financial measures are posted on the investor relations page of our web site at www.irobot.com.
- For additional disclosure regarding these and other risks faced by iRobot Corporation, see the disclosure contained in our public filings with the Securities and Exchange Commission.

iRobot® | The Consumer Robot Company

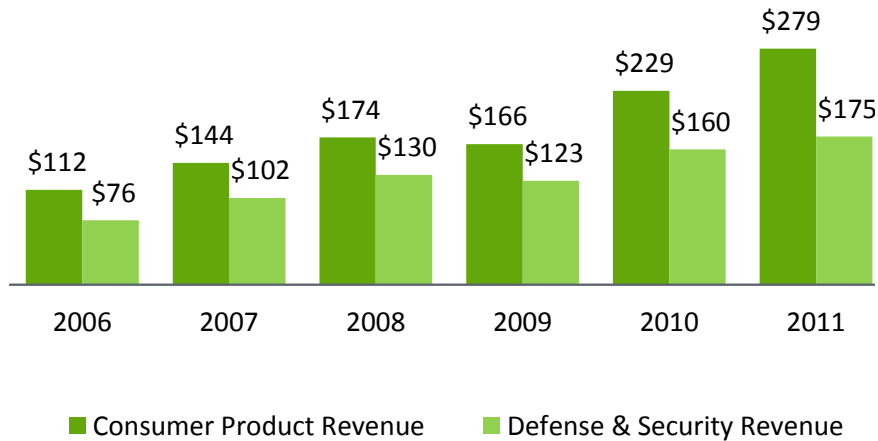
- **Focused** on the Consumer as our Customer
- **Leading Today**
 - Products, Technology, Brand, Marketing
 - Global Market Leadership
- **Leading Tomorrow**
 - RVC Market Large and Growing
 - Additional Market Categories
 - Investing in our Product & Technology future
 - Investing to accelerate growth and maintain market leadership



More than 25 years of global robotic-technology market leadership

Defense Significant Value Driver (2006 – 2011)

(\$ in millions)

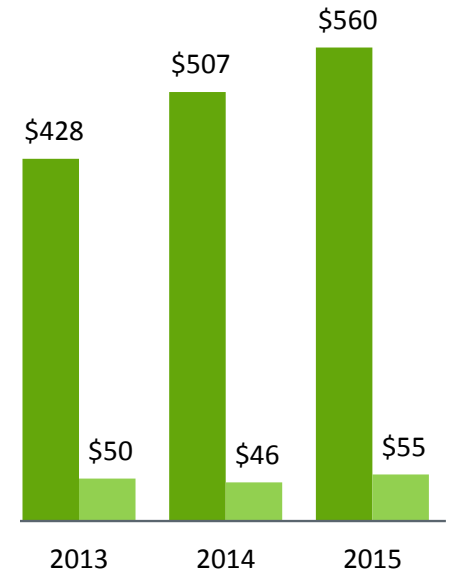


Critical Transition Period (2012)



Acquired
Evolution
Robotics

Focus on Consumer (2013 – 2015+)



Introduced
Braava and
Roomba 880

Introduced
Roomba 980

Strategic shift to focus on consumer due to fundamental changes in D&S market



Current: Product and Innovative Technology Leadership

Disciplined Research and Development Allocation

Global Market Leadership – Near-term Growth Potential

Adjacent product opportunities

Diversifying Revenue with Wet Floor Care and Lawn Care

China Growth

Future: Mapping Robots & The Smart Home

Long Term Financial Model

Roomba



2002

Original Series

Autonomous vacuuming robot with cliff sensors



2007

500 Series

Improved battery life and easy scheduling



2011

700 Series

New cleaning system and touch screen UX



2013

800 Series

Debris extractors



2015

900 Series

Wi-Fi connected, iRobot app and vSLAM navigation

Wet Floor Care



2005

Scooba 300 Floor Scrubbing

Autonomous floor mopping robot capable of cleaning larger spaces



2011

Scooba 200 Floor Scrubbing

Discontinued due to shifting demand to Braava mopping and sweeping



2013

Braava 300 Mopping & Sweeping

Rebranded Mint product acquired from ER into a global sweeping solution



2016

Braava jet Mopping & Sweeping

Designed for bathrooms and high traffic areas, 3 cleaning methods, consumable pads

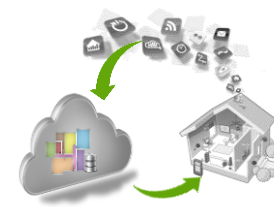
Next Growth Opportunities



Robotic Lawn Mower



Other Connected Home Products



Mapping Technologies (vSLAM) enabling Consumer IoT

More than 16 million home robots sold since 2002, each generation accelerating with advances in functionality



with **AeroForce™**
Performance Cleaning System



Smart

iAdapt® 2.0 Navigation with Visual Localization helps Roomba® seamlessly and efficiently navigate an entire level of your home, recharging as needed until the job is done.



Simple

The iRobot HOME App lets you Clean and Schedule conveniently—anytime, anywhere.* Or just press **CLEAN** on the robot.

*Some features available only through the iRobot® HOME App.



Clean

The AeroForce™ Cleaning System with Carpet Boost provides up to 10x the air power* by automatically increasing the performance of the Gen 3 motor on carpet and rugs, where dust and dirt hide.

*Compared to Roomba 600 & 700 Series AeroVac™ Systems

The Power to Change the Way You Clean

Rigorous Process to Allocate Capital to R&D

- R&D is allocated against key technologies and specific product development within bounds of profitability targets
- New product opportunities assessed for revenue, margin, profitability, and return
- Expected cash flows are risk adjusted based upon each specific program's characteristics
- Roadmaps designed to have regular new product introduction cadence
- Management and Board regularly review performance of major programs

SW Development Competitive Enabler

Roomba 880



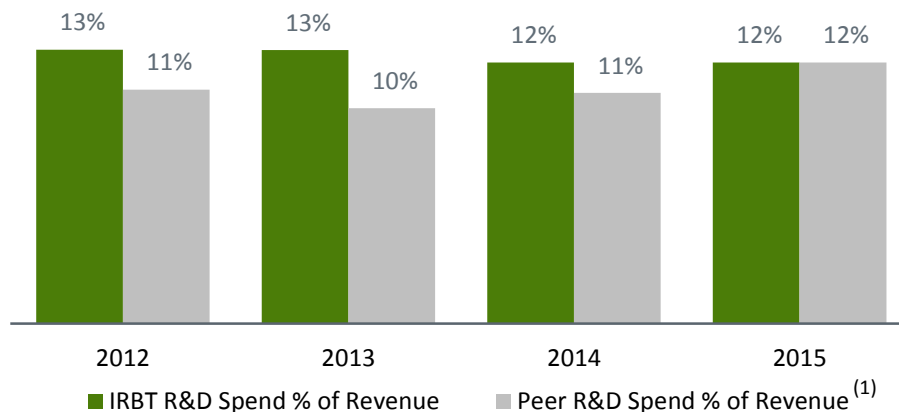
50,000 Lines of Code

Roomba 980

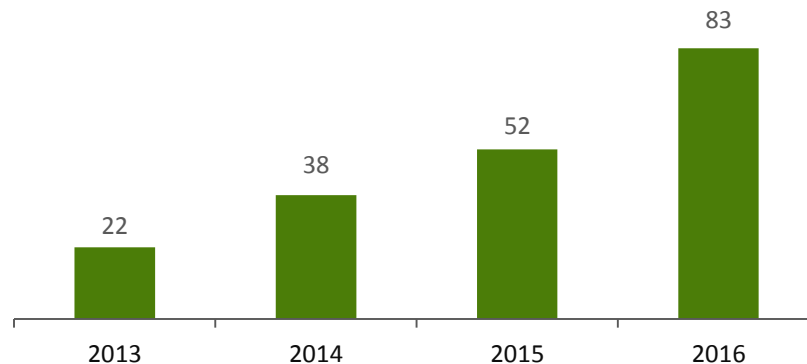


500,000 Lines of Code

Disciplined Investing in R&D



4x Increase in Software Developers to Enable Focus Shift to Consumer Market



Management has focused the Company's R&D efforts to drive topline growth and build on iRobot's history of industry-leading technology

Source: Company filings, Capital IQ.

(1) Peer set is comprised of 3D Systems, AeroVironment, Alphabet, Apple, Cognex, Dolby, Electrolux, Fitbit, Garmin, Intuitive Surgical, InvenSense, Koninklijke Philips, Logitech, Microsoft, Nautilus, Netgear, Plantronics, TiVo, Trimble Navigation, Universal Electronics, and Whirlpool.

IP Strategy

Sword

Encourage or force competitors to design products that avoid iRobot's technology and brand identity

Shield

Ensure freedom to operate



Openness

Embrace open source and interoperability where appropriate

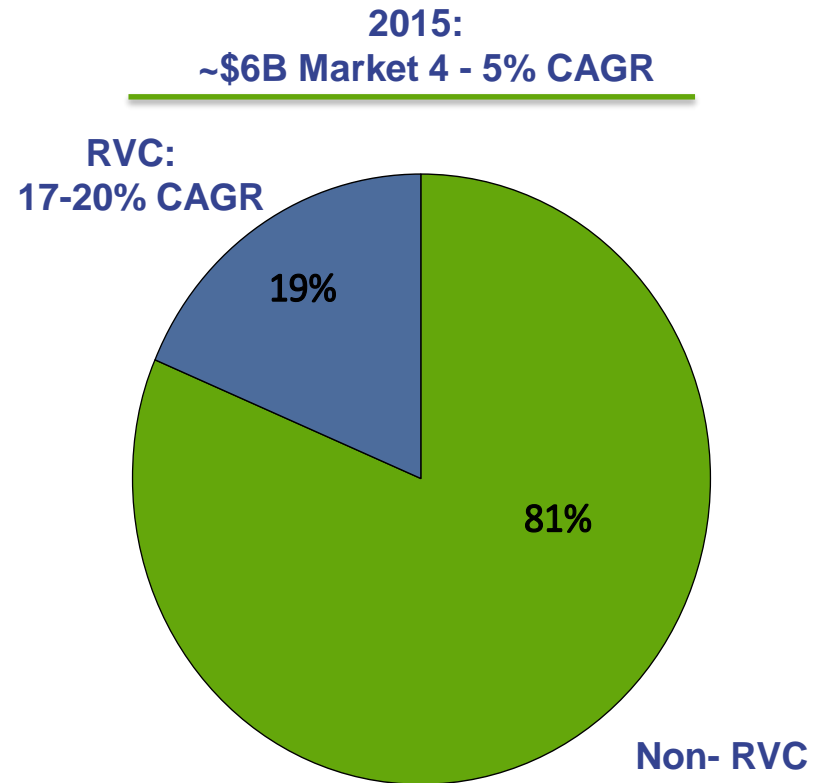
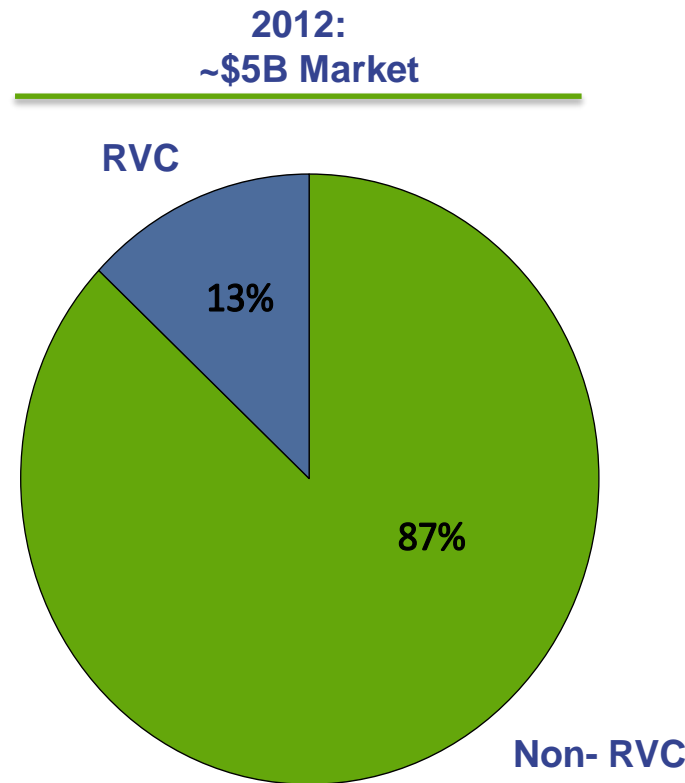
Enforcement

Stress test patent assets while pursuing business goals

IEEE Top 20 Patent Powerhouses Electronics - 2015

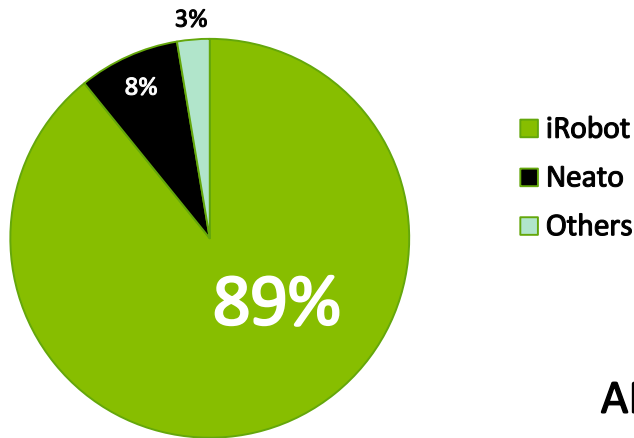
Rank	Company	Headquarters
1	Apple Inc.	US
2	Canon Inc.	Japan
3	Sony Corp.	Japan
4	LG Electronics Inc.	South Korea
5	Xerox	US
6	iRobot Corp.	US
7	Koninklijke Philips NV	Netherlands
8	TLC Corp.	China
9	Hitachi Ltd.	Japan
10	Lightning Science Group Corp	US
11	Fujifilm Holdings Corp.	Japan
12	Panasonic Corp.	Japan
13	Sharp Corp.	Japan
14	Eastman Kodak Corp.	US
15	Samsung SDI Co.	South Korea
16	Hon Hai Precision Industry Co.	Taiwan
17	TE Connectivity Ltd.	US
18	Dolby Laboratories Inc.	US
19	Nichia Corp.	Japan
20	Wistron Corp.	Taiwan

Global Vacuum Cleaner > \$200 (USD, Retail)

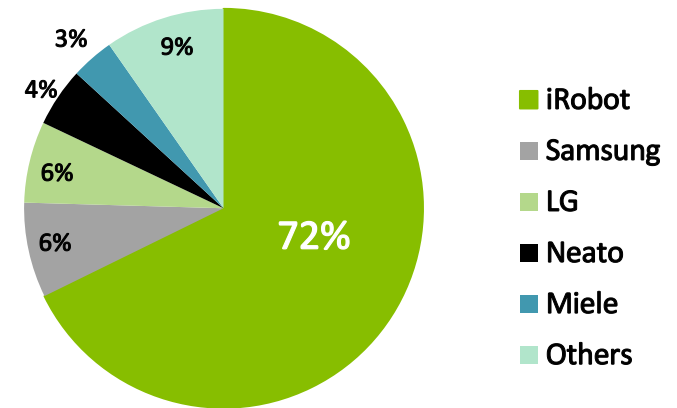


RVC segment (>\$200) share growth expected to significantly outpace overall vacuum cleaner segment growth (>\$200)

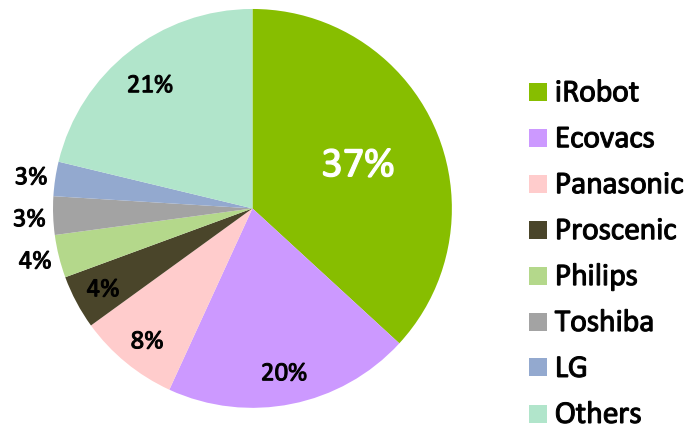
North America - \$375M



EMEA - \$350M

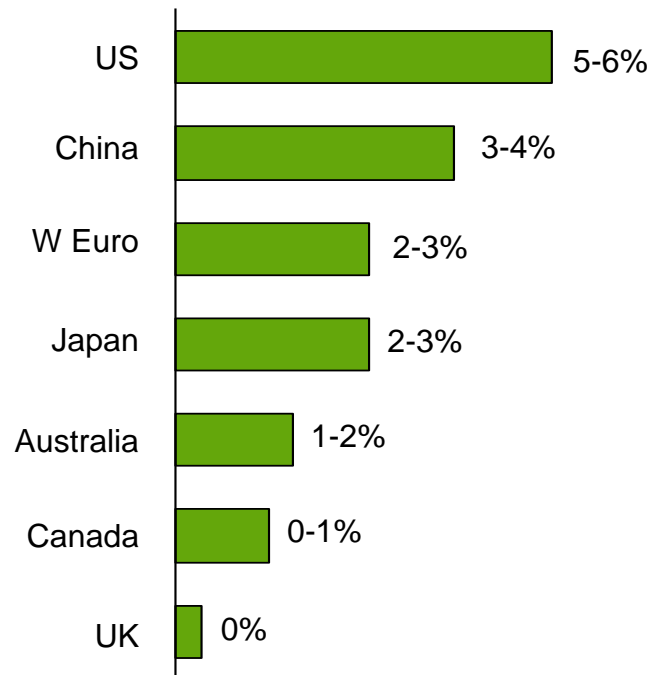


APAC - \$442M



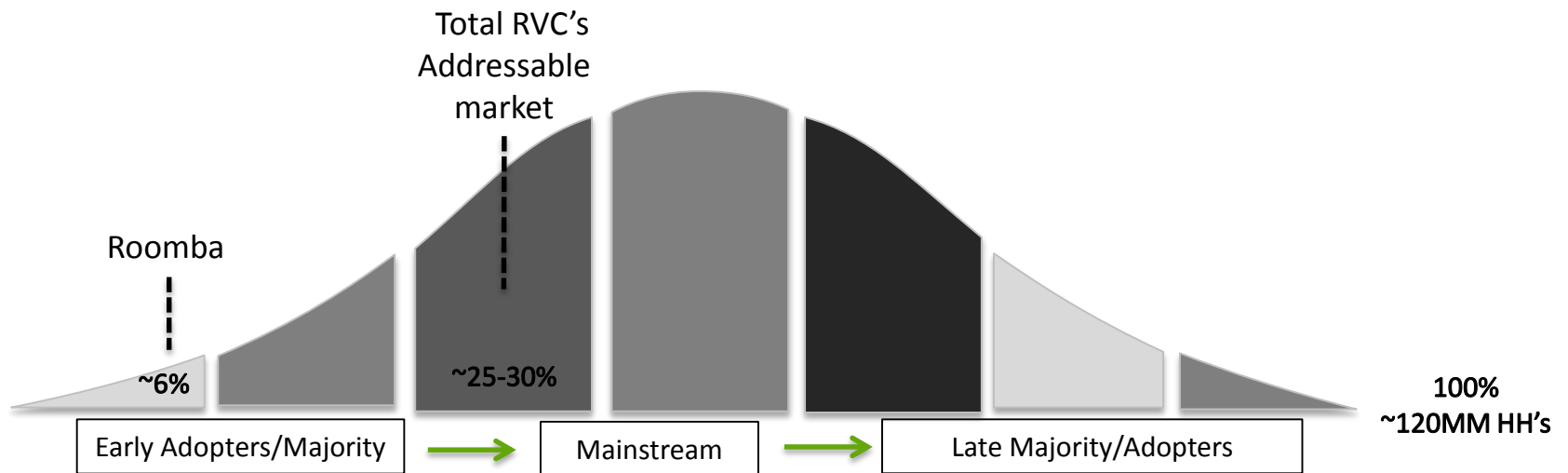
Global RVC segment share constant at 62% 2014-2015 (incl. China on-line); China's rapid growth represents exciting opportunity

Current RVC Ownership (% HH's)*



Focused on accelerating consumer adoption of Roomba

The near-term addressable consumer market in the U.S. is estimated at 4X the current installed base



U.S. Household Adoption

iRobot enjoys a +80% share of the RVC segment – a category with significant upside adoption potential

Influence of the Installed Base:

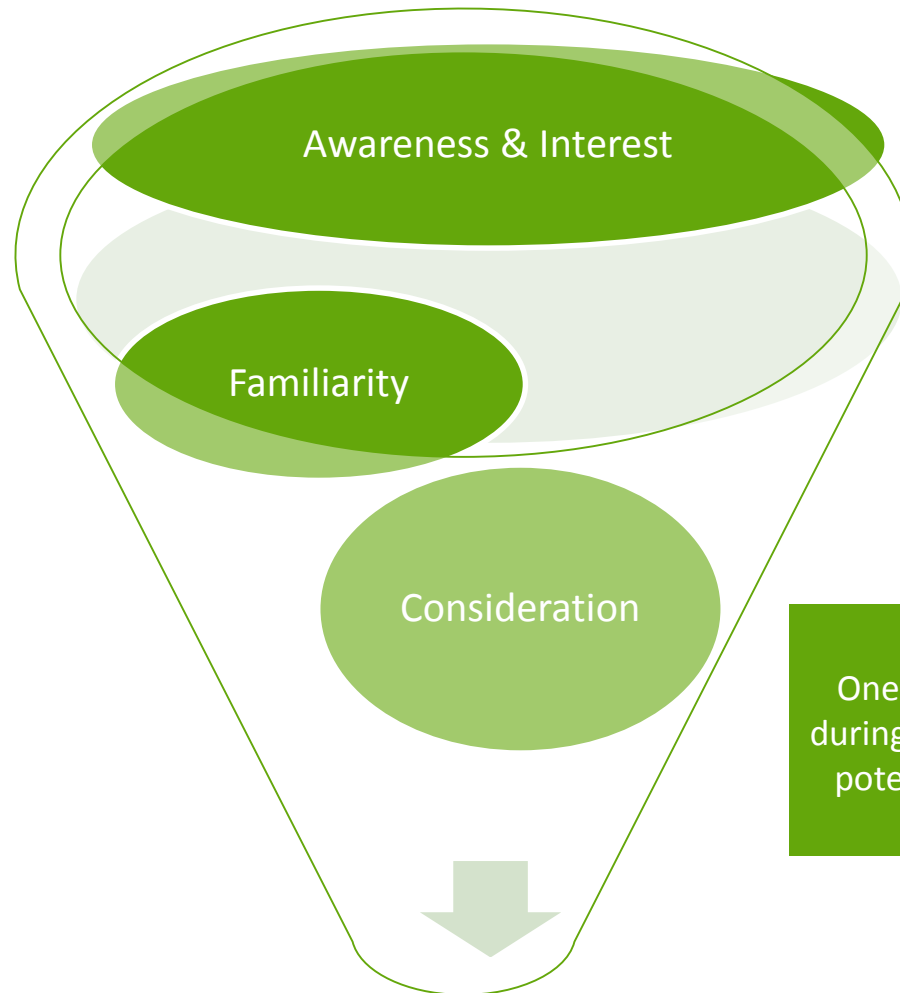
Friends & Family
Company Reputation
Social Media
Grass-roots Efforts

Research:

On-line Reviews

Demonstration:

In-home/In-store
Displays
Field Trainers



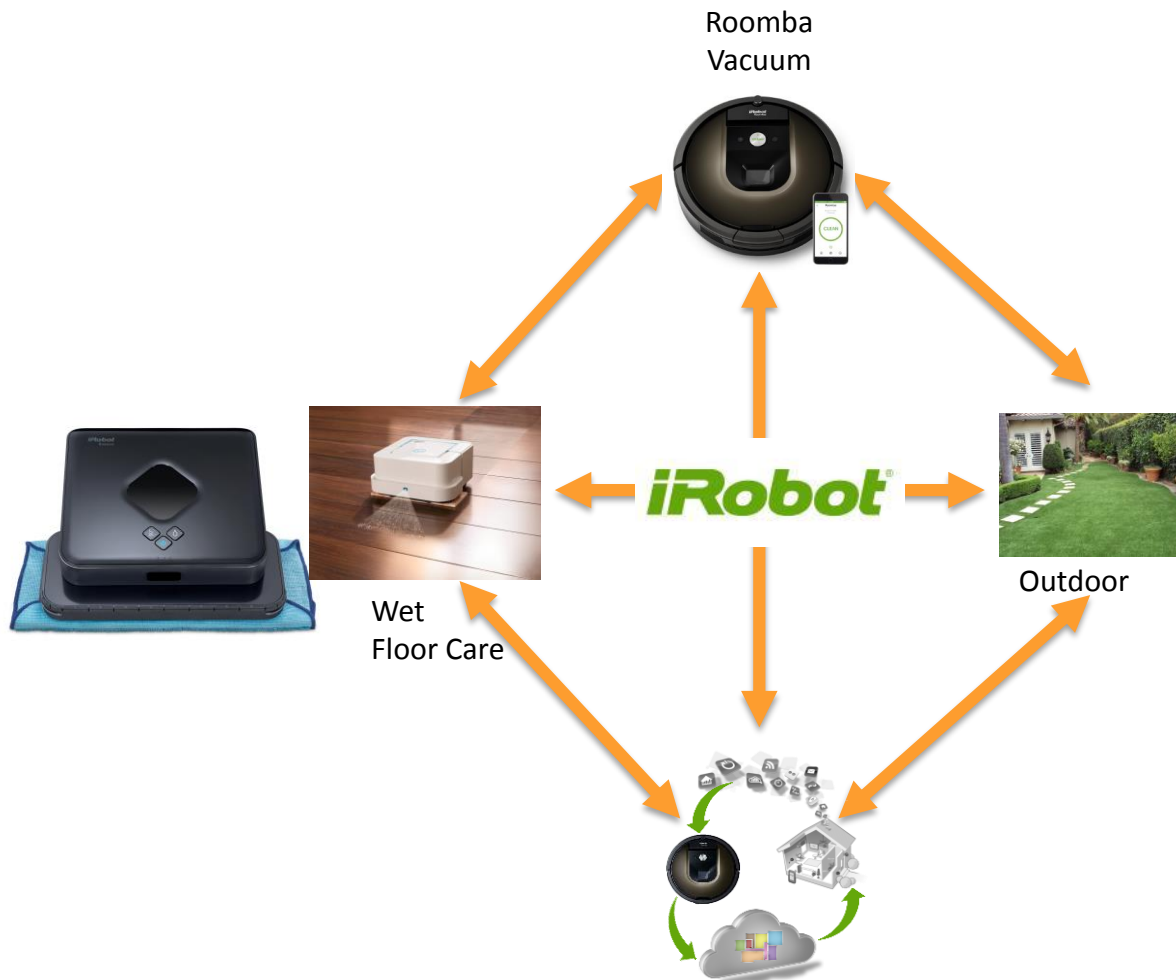
Purchase

Marketing Tools:

TV
Promotion
Digital
(iRobot & Others)

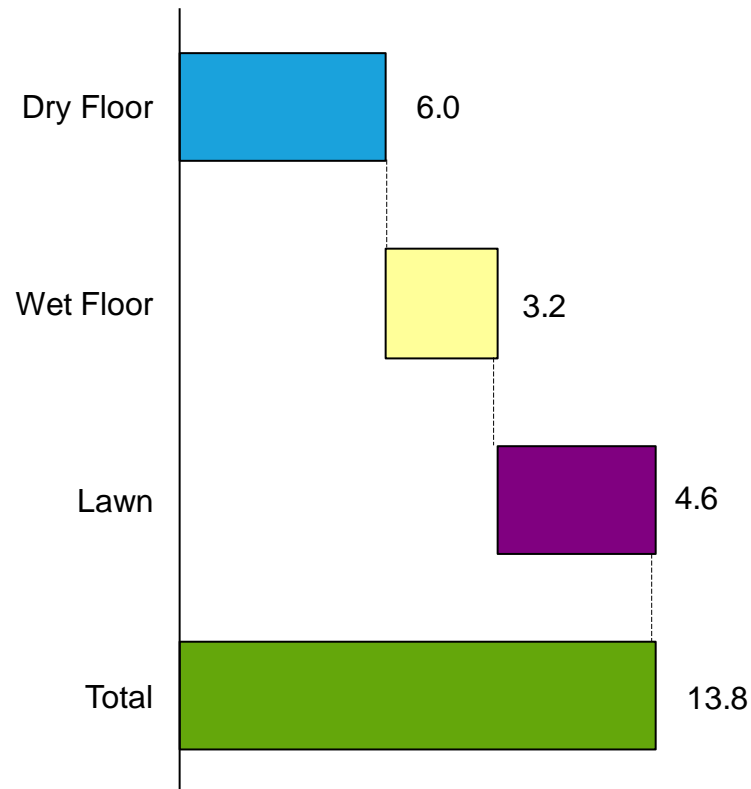
TV

One of the tools used primarily during key retail seasons when the potential sales impact warrants the media investment



Roomba drives development/adoption of adjacent products

- Global Category Size (\$B, 2015 Annual Retail)



Dry Floor: Global market size for vacuum cleaners >\$200 (NPD, GfK, Euromonitor, HBU estimates & analysis)

Wet Floor: Global hard/wet floor care market (mops, brooms, chemicals) (Intel, HBU estimates & analysis)

Lawn: Global push mower & robotic lawn mower market (Freedonia, NPD, Harris, IBIS, HBU estimates & analysis). Excludes services

- \$199.99 Price point
- Designed to clean hard-to-reach places, including under and around toilets, into corners, and below cabinets
- Three cleaning modes:
 - wet mop
 - damp sweep
 - dry sweep
- Longer-term consumables model through disposable pads
- Launched in US Q1 2016



APAC and EMEA launch in Q3 2016



iRobot Braava jet™
Floor Mopping Robot

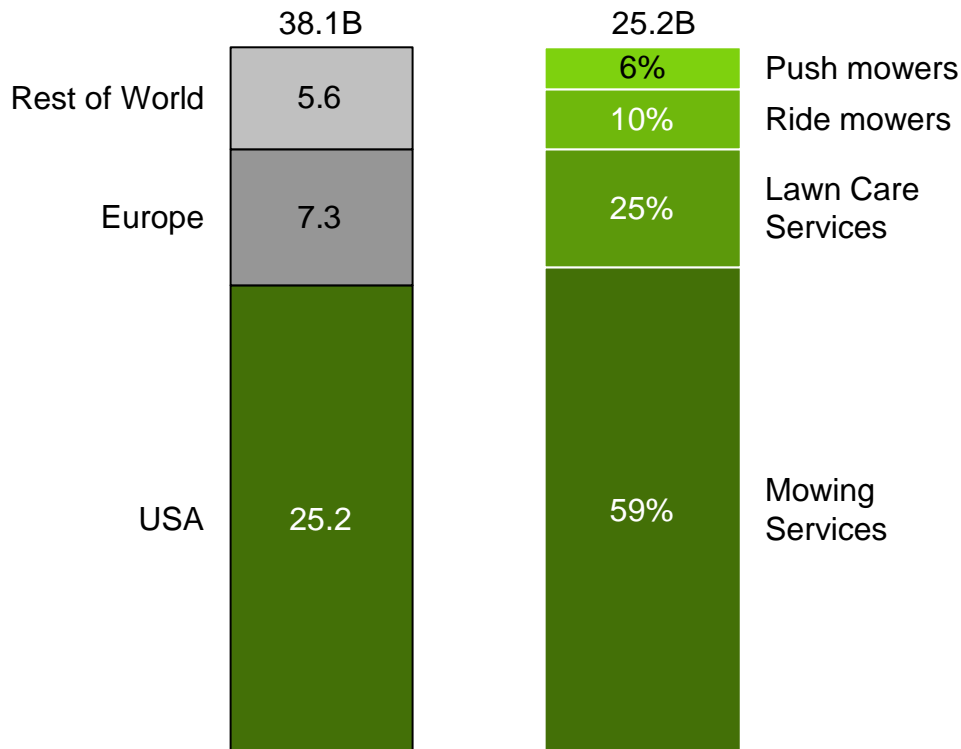


iRobot Braava™
Floor Mopping Robot

2016 and 3-year plan include investments to develop wet floor care to generate a secondary revenue stream

- Wet Floor Cleaning is a significant market
- Incremental need to Roomba customer base
- Worldwide trending towards hard floors vs carpets
- Mopping aligned with Asian consumer cleaning
- Need to further communicate vacuum vs. mop product
- Wet floor cleaning market defined as devices and consumables

Global Lawn Care Market 2015E (Annual Retail \$B)



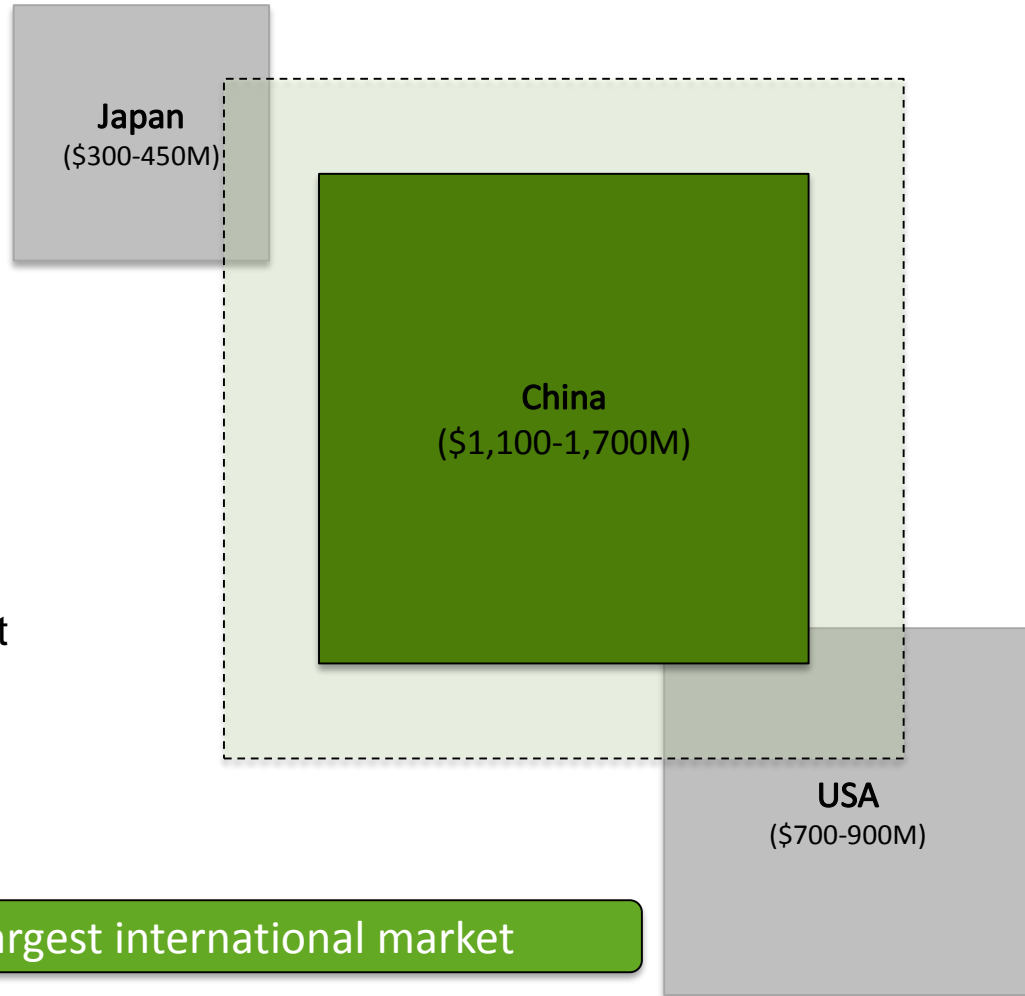
Strategic Alignment <ul style="list-style-type: none"> ✓ Does the opportunity support or advance our strategic vision? ✓ Is this business similar to our existing businesses? ✓ Can we leverage our current resources or technologies? 	Market Attractiveness <ul style="list-style-type: none"> ✓ Size of addressable market ✓ Estimated growth of market ✓ Barriers to entry are high for others ◆ Competition
Competitive Strength <ul style="list-style-type: none"> ◆ Expertise in relevant technologies - navigation, grass cutting, safety ◆ Brand strength in addressable market ◆ Familiarity with customer / channels ✓ Manufacturing / Operational efficiencies 	Investment/Return <ul style="list-style-type: none"> ◆ Pricing Strategy ◆ Gross Margin ◆ Investment needed - start-up and ongoing ◆ Expected return/timeframe

◆ Still exploring/evaluating

Current Robot Lawn Mower market in EMEA a \$300M market using current technology

+5 years forecast

- China market - largest global RVC market
- Focused on premium and premium-mass market
- China sales grew more than 70% in 2015
Opened Shanghai office for more direct ecommerce control
- Strengthening brand - key enabler for growth
- Wet floor care products provide significant opportunity - aligned with existing consumer behavior



Potential to be largest international market



Smart Connected Home: a \$200+ billion market by 2025*



Complexity and usability - limiting factor to overall adoption

1. Smart Home Robot builds maps of the home



iRobot®

2. Spatial Context Engine

processes maps & provides actionable spatial analytics



3. Next-Gen Smart Home Hub

Configures connected devices based on spatial context to deliver consumer feature preferences.

Consumer Preferences


- ☒ Light occupied spaces
 - Record video when door opens
 - Play audio in occupied rooms
- ☒ Accent lighting in adjacent spaces
- ☒ Close nearby AC vents if window open
- ☒ Constant illumination levels

Connected Devices




A Self-Configuring Smart Home using maps of the home to configure connected devices and seamlessly deliver on the consumer's smart home preferences





2013 – 2015: Delivered Profitable Growth



2016 Expectations

3-Year Financial Plan

	FY13	FY14	FY15
Revenue	\$487M	\$557M	\$617M
Gross Margin	45%	46%	47%
Opex % of Rev	39%	37%	37%
Adjusted EBITDA \$	\$62M	\$80M	\$92M
Adjusted EBITDA Margin	13%	14%	15%
EPS	\$0.94	\$1.25	\$1.47

13% CAGR
**Quality, Scale &
Process**
Opex Discipline
**Continuous Profit
Improvement**

**Delivered improved profitability through 2015;
Strategic investments planned for 2016**

NOTE: Results include Defense and Security business.

- Strengthen our marketing capabilities globally and accelerate worldwide consumer adoption of Roomba to maintain our market-leading position in robotic vacuum cleaners
- Better position ourselves in China to capture an even larger share of the rapidly growing market for robotic floor care
- Develop our wet floor care business to generate a material, secondary revenue stream
- Scale the infrastructure to support future connected products
- Explore, develop and grow adjacent non-floor care Home Robot products that can generate meaningful diversified revenue streams
- Make continued operational improvements that can reduce product and operating costs



\$M (except EPS)	FY'16*	Q3'16*
Revenue	640 - 645	155 - 160
<i>YoY Growth (including D&S)</i>	<i>4 - 5%</i>	<i>8 - 11%</i>
<i>YoY Consumer Only Growth</i>	<i>13 - 14%</i>	<i>14 - 17%</i>
Net Income	36 - 40	11 - 13
EPS	\$1.26 - \$1.40	\$0.40 - \$0.45
EBITDA	85 - 90	25 - 28

***Note:** FY expectations include the impact of a one quarter D&S stub period and one-time D&S divestiture costs of \$0.10 loss combined.*

Accelerated YoY revenue growth in Consumer; focus on strategic investments in 2016 to fuel continued growth in 2017-2018

	FY16	FY17	FY18
Consumer Revenue Growth (Excludes D&S)	13-15%	Accelerating Growth Rate: Mid Teens	Accelerating Growth Rate: High Teens
Opex % of Rev	38-39%	Leverage vs. PY	Leverage vs. PY
Adjusted EBITDA Margin	13-14%	14-15%	14-15%

Driving accelerated revenue growth; improving profitability

2013 – Rebuild cash position post ER acquisition/announced first share repurchase program \$25M

2014 – Expanded Share Repurchase Program to \$50M

2015 – Renewed \$50M Share Repurchase Program

- Repurchased \$37M during fiscal year

2016 – Increased Share Repurchase Program to more than \$100M

- Repurchased \$12M from January 4, 2016 to March 29, 2016.
- Executed Accelerated Stock Repurchase (ASR) Program partially funded from proceeds of D&S divestiture for \$85M in April 2016

Ongoing review to address company's
changing needs

- Accelerating revenue growth over next 3 years
- Strategic investments essential to future growth and maintaining market leadership
- Addressable markets are large and growing
- iRobot's foundational technologies enable sustainable competitive advantage
- Strong balance sheet allows for acquisitions and stock repurchase



iRobot uniquely positioned to be a critical player in the connected home