

iRobot®



Baird 2017 Consumer, Technology and Services Conference
Alison Dean, Chief Financial Officer

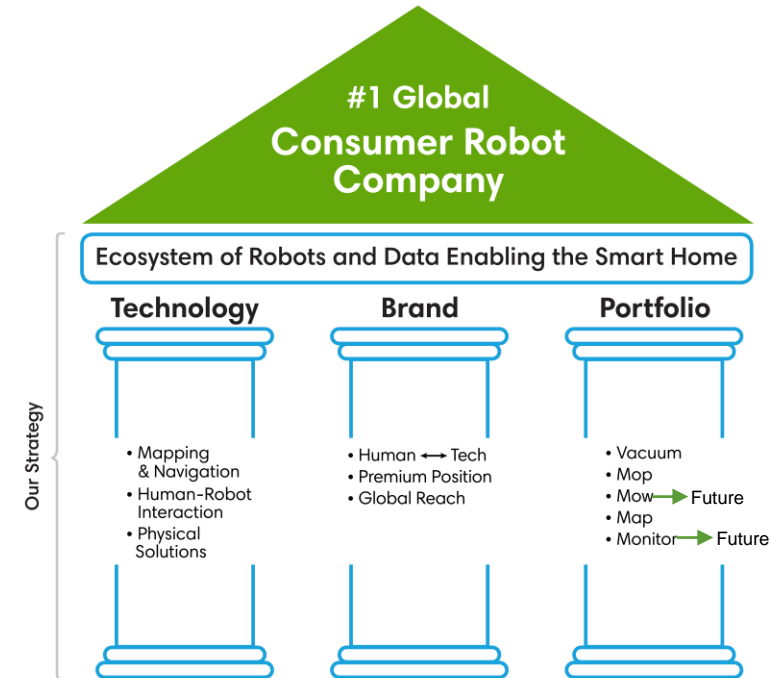
Forward Looking Statements

- 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.
- Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. iRobot Corporation undertakes no obligation to update or revise the information contained in this presentation, whether as a result of new information, future events or circumstances or otherwise.
- 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.



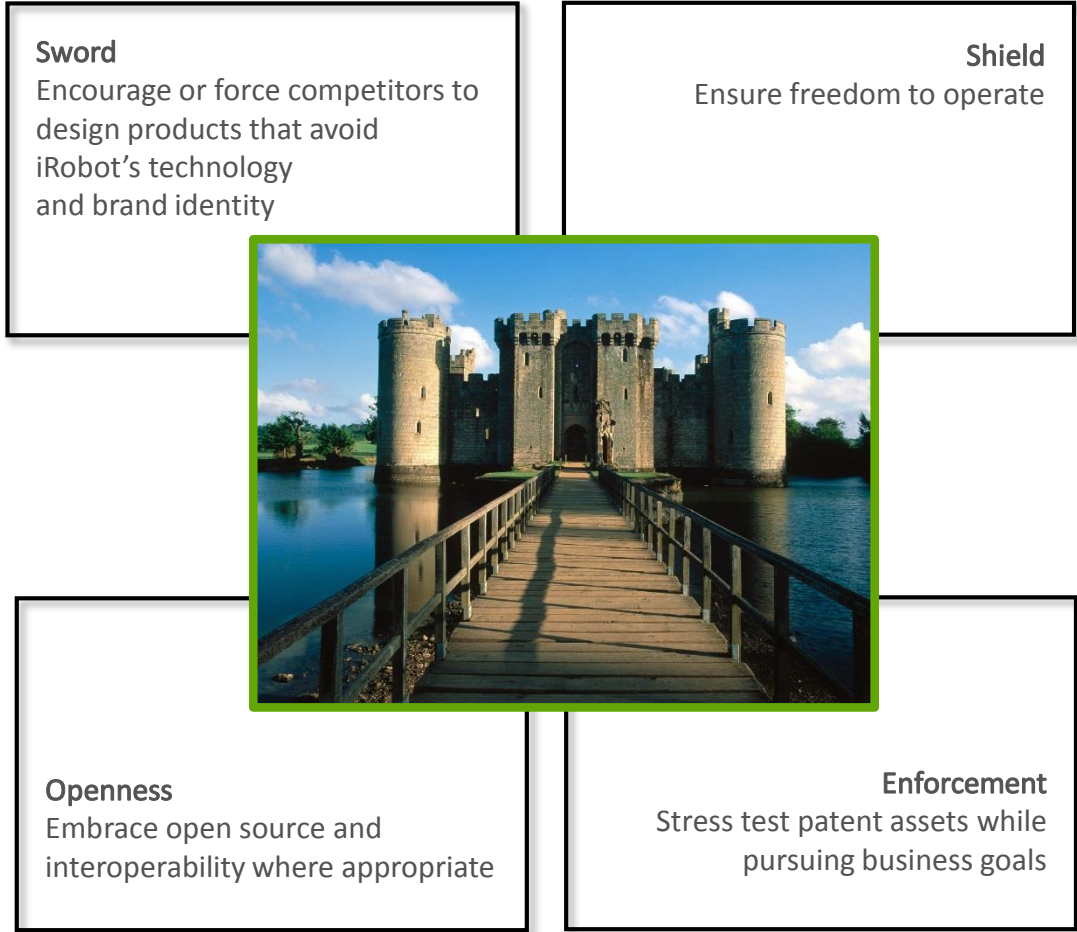
The Consumer Robot Company

- **Focused** on the Consumer as our Customer
- **Leading Today**
 - Products, Technology, Brand, Marketing
- **Lead Tomorrow** through continued investment in:
 - Product & Technology Innovation
 - Robotic Vacuum Cleaners (RVC)
 - Additional product categories
 - Market and brand awareness – deeper household penetration
 - Evolving connected product/digital strategy



More than 25 years of global robotic-technology market leadership

Continue to Widen the Competitive Moat



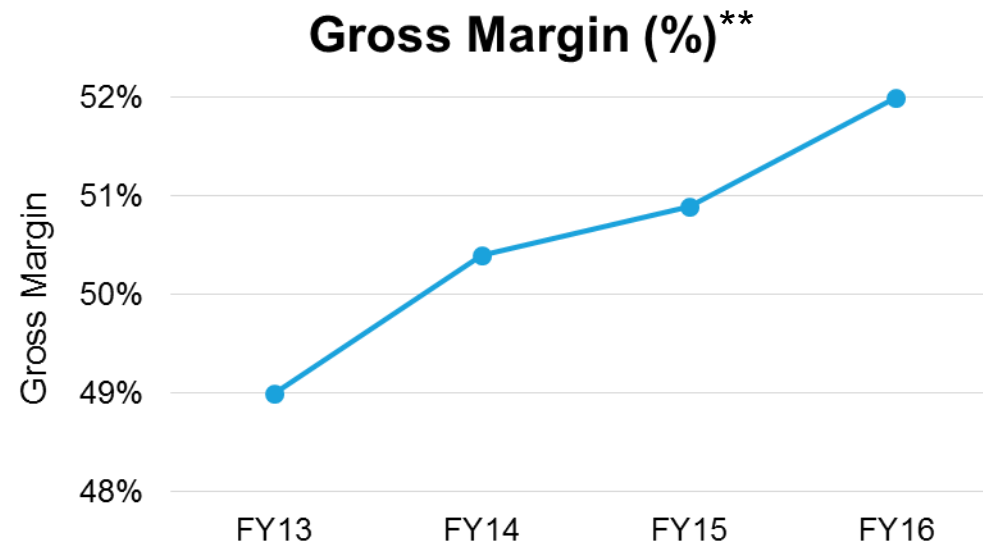
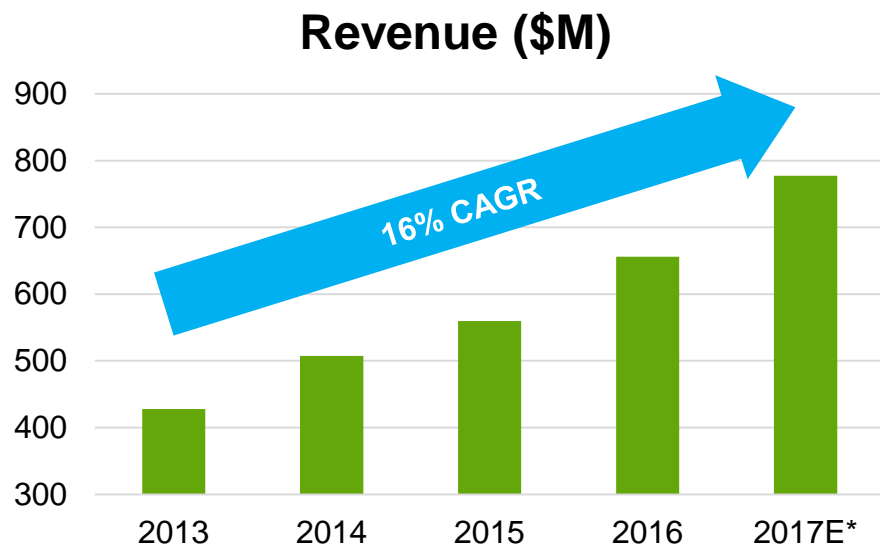
IEEE Top 20 Patent Powerhouses Electronics - 2016

Rank	Company	Headquarters
1	Apple Inc.	US
2	Flex Ltd.	Singapore
3	Canon Inc.	Japan
4	Sonos Inc.	US
5	iRobot Corp.	US
6	LG Electronics Inc.	South Korea
7	Sony Corp.	Japan
8	Koninklijke Philips NV	Netherlands
9	Hand Held Products Inc. (Honeywell Int'l.)	US
10	GoPro Inc.	US
11	Panasonic Corp.	Japan
12	LuxVue Technology Corp.	US
13	Samsung SDI Co.	South Korea
14	Dolby Laboratories Inc.	US
15	Xerox Corp	US
16	TCL Corp.	China
17	Hitachi Ltd.	Japan
18	Kyocera Corp.	Japan
19	Fujifilm Holdings Corp.	Japan
20	Knowles Corp.	US

ITC investigating iRobot infringement claim - We will vigorously defend our IP



Consumer Growth and Margin Expansion



Driven by:

- Sustained RVC category leadership
- Establishment of Wet Floor Care category
- Continued focus on product quality, operational efficiencies and scale

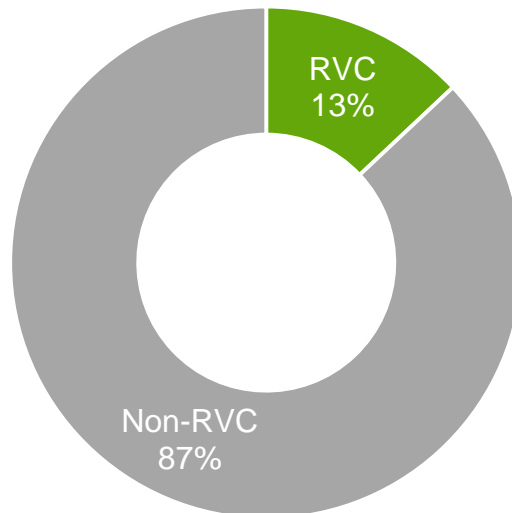
* Expectations provided 4/25/17; inclusive of Japanese distributor acquired at beginning of Q2 2017

** Consumer segment gross margin

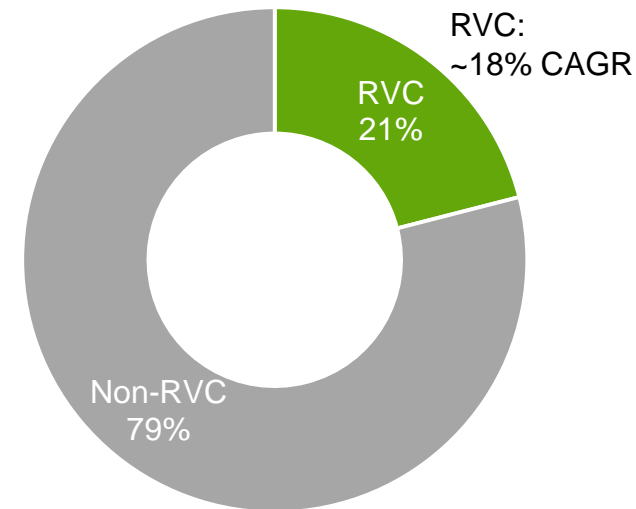
RVC Segment Continues to Grow Now ~20% of Total Vacuums

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

2012: ~\$5B Market



**2016: ~\$7B Market
~5% CAGR**

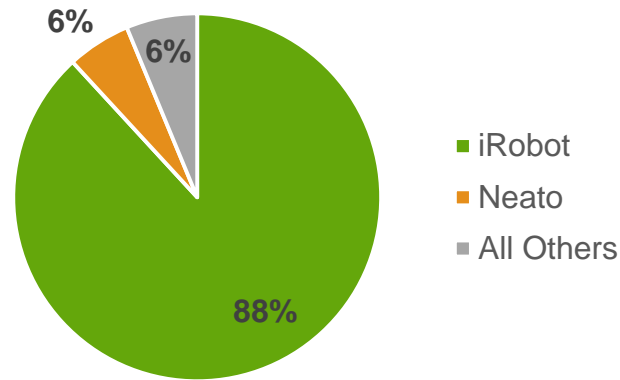


RVC:
~18% CAGR

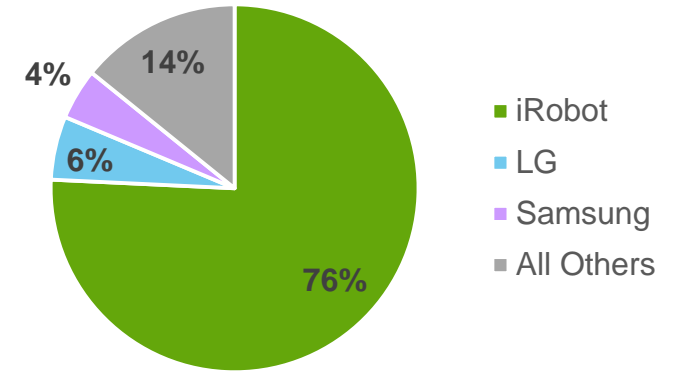
**RVC segment (>\$200) growth expected to significantly outpace
overall vacuum cleaner market growth (>\$200)**

2016 Robotic Vacuum Segment: Global Retail \$ Share

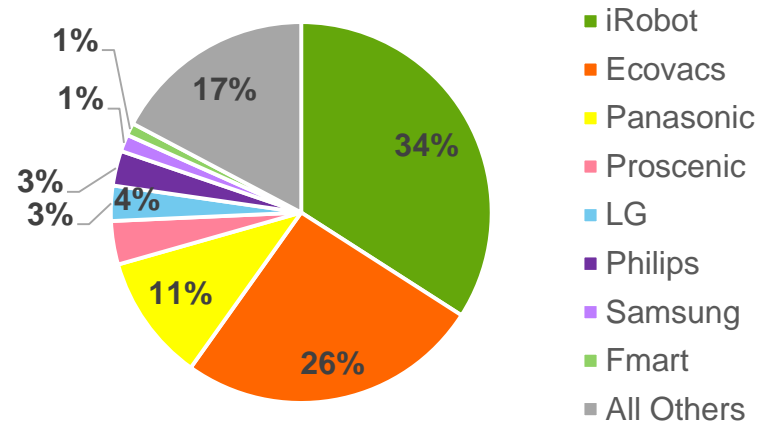
North America - \$441M



EMEA - \$415M



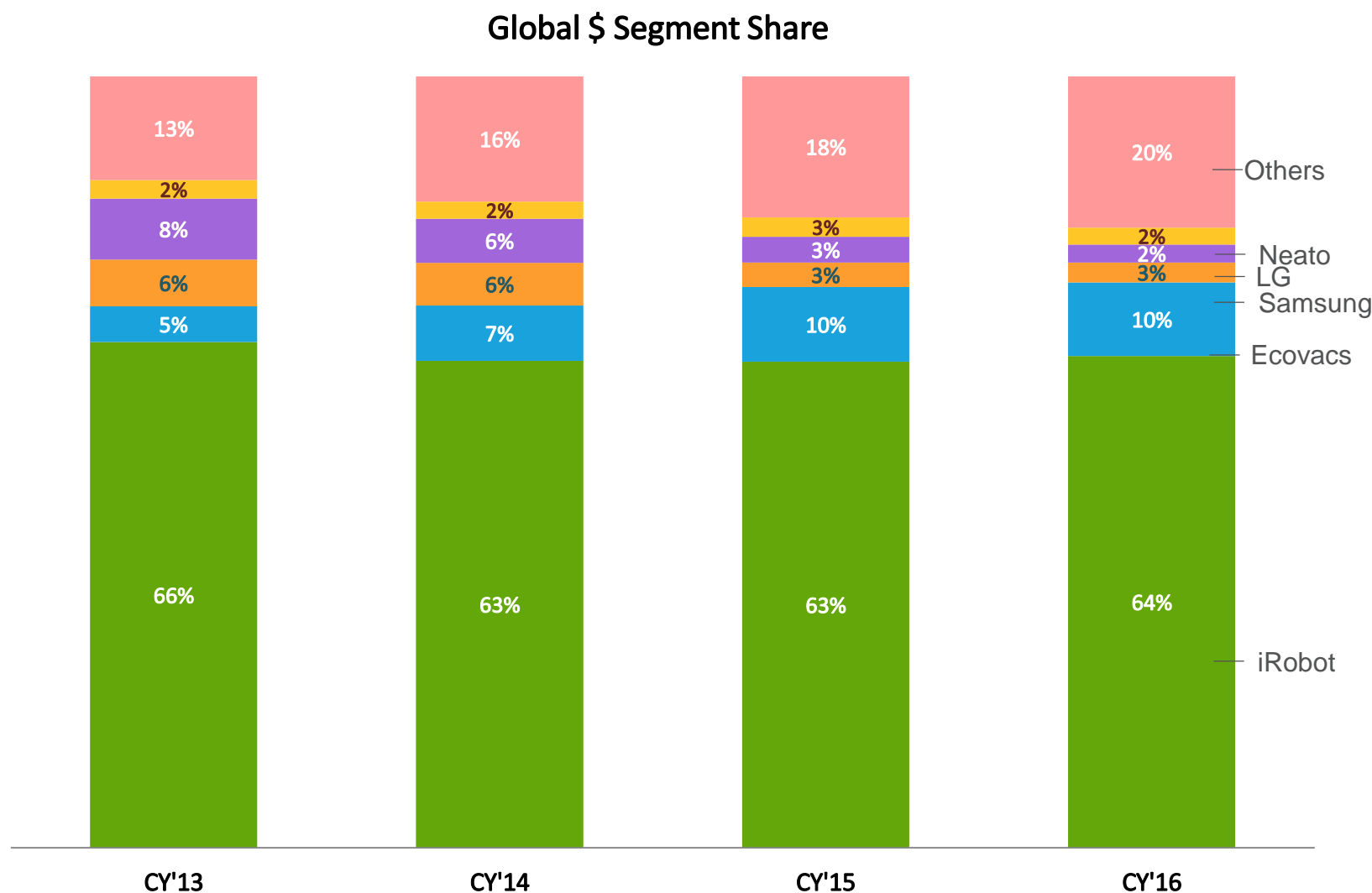
APAC - \$538M



iRobot is the dominate player in each market



iRobot Roomba Share in the Robot Segment Constant

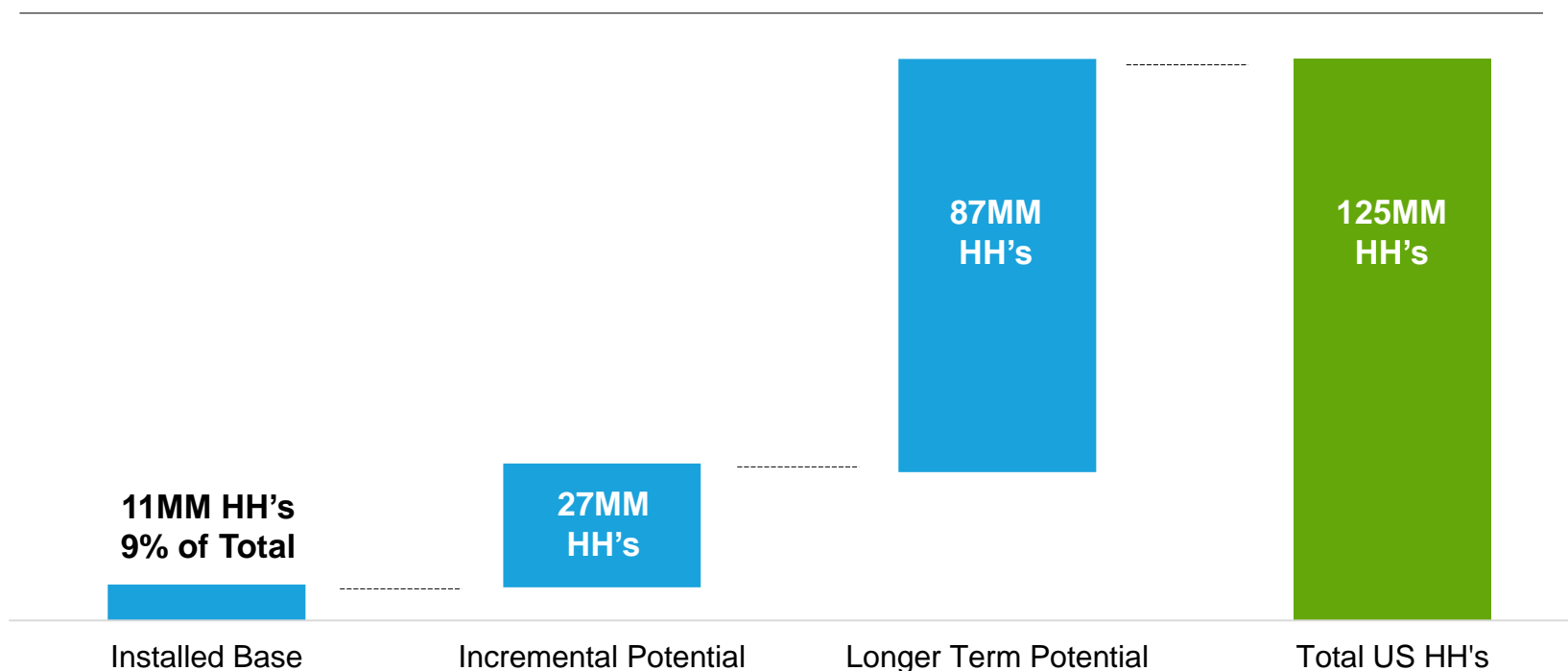


iRobot continues to hold share at 60+% despite new competition



Significant Opportunity for Expanded Robot Vacuum Adoption in US

Immediate Addressable Market ~2-3X Current Installed Base



Building Roomba awareness & familiarity; the keys to unlocking another 27MM U.S. HH's



Roomba Leading Through Continuous Innovation



2017
R690
\$375



2017
R890
TBD

Future
Roomba
Models

Advanced Mapping



Advanced Cleaning
Performance



Ecosystem of Robots



2015
R980
\$899



2016
R960
\$699

iAdapt® 2.0 Navigation



Intelligent Cleaning
Carpet Boost



Cloud Connectivity



2013
R880
\$699



2014
R870
\$599

AeroForce® Cleaning System
Virtually no Maintenance



**Introduce Innovation in premium product;
Flow innovation across lower price point products over time**

Revenue Diversification - Braava Family of Mopping Robots

For large (Braava) and small (Braava jet) hard floor surfaces

- Leveraging Roomba customer base
- Attracting new customers to Robotic Floor Care category with <\$200 price point
- Mopping aligned with consumer behavior in Asian markets
- Trend towards more hard floors vs carpets
- Consumable opportunity once Braava jet installed base is established

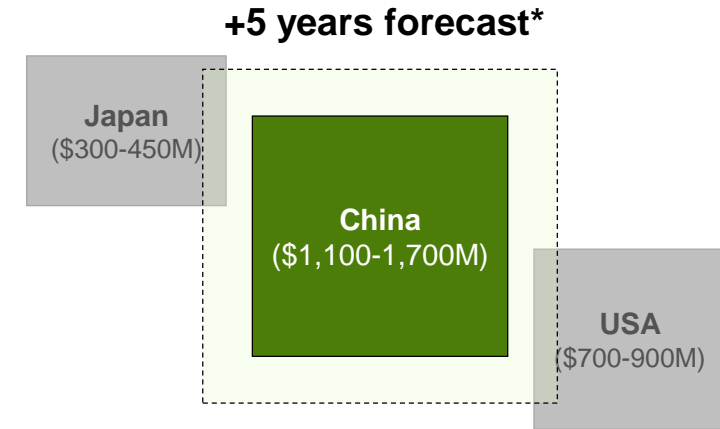


Braava®
Mopping Robot 



APAC - An Area of Focus and Opportunity for iRobot

- iRobot investing to establish leadership position in the Chinese market – today #2
- Shanghai office opened and team set for better control of ecommerce marketing and distribution
- Braava jet launched in Q3 2016, very well received
- Forward integration of Japanese distributor in Q2 2017



Taking more direct control of the brand in APAC

Connected Products – Digital Strategy

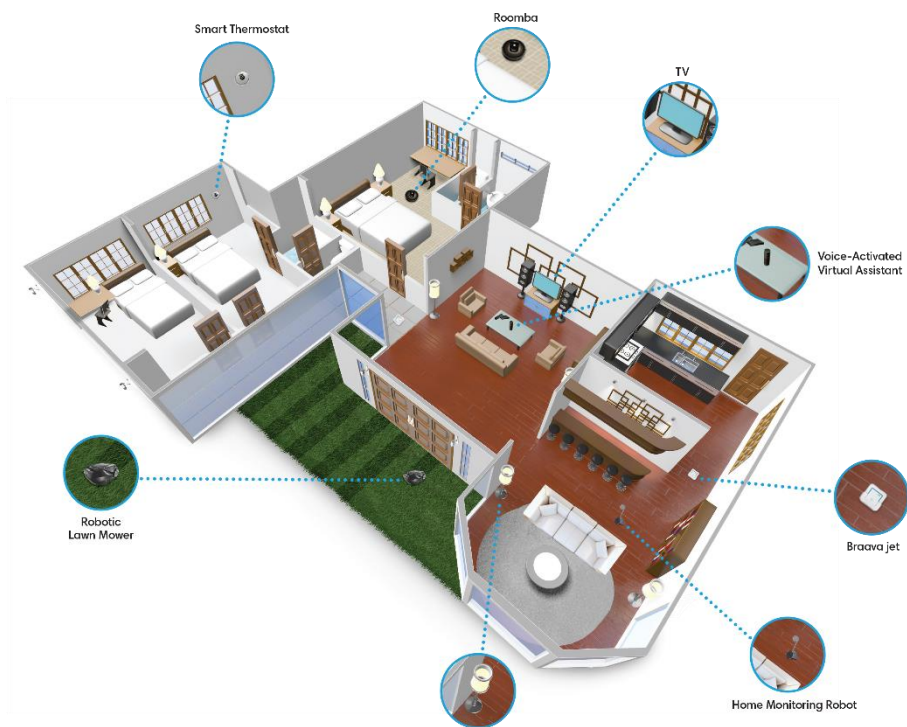
“Roomba then Braava”



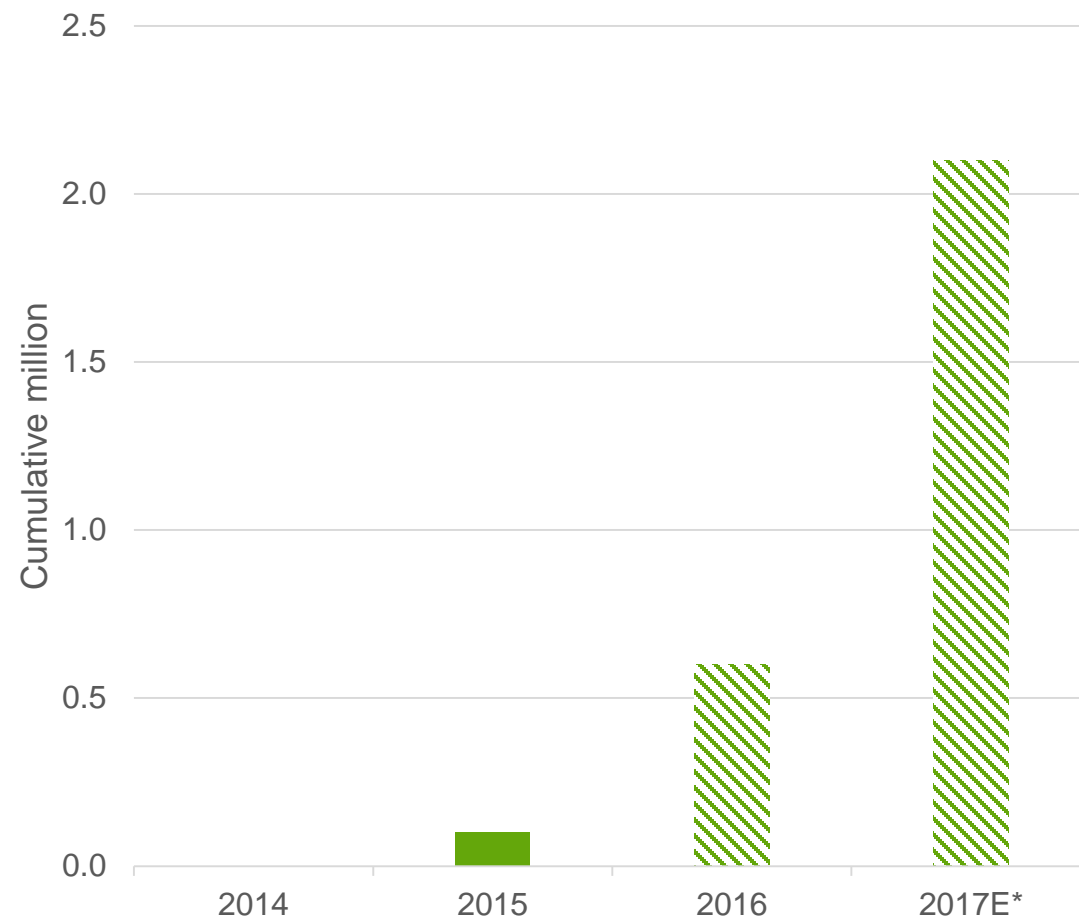
Robots working together deliver unique benefits

Smart Home

iRobot is an Emerging Player in IoT/Smart Home Market



Sales of iRobot Connected Robots



Spatial information enables the Smart Home

Capital Allocation Strategy

R&D			
Core		Emerging	Future
Organic	Lower Risk Ex. Roomba Significant Revenue and Profit Contribution Target R&D Investment: 65% – 70%	Medium Risk Ex. Braava Market Validation 20% – 25%	Higher Risk Ex. Smart Home Exploration 5% – 10%
	<div> <div>←</div> <div>Acquisitions</div> <div>→</div> </div> <div> <div>←</div> <div>iRobot Ventures</div> <div>→</div> </div>		
Inorganic			

Ongoing review to address company's changing needs



Profitability Improvement Opportunities

Gross Margin Improvement

Operating Expense Leverage

Business Maturity

Example: Taking more direct control in China and Japan

Scale

Examples: More than 2.5 million robots in 2016
Driving Wet Floor Care to scale

Efficiency

Examples: Automation in factories
Centralized repairs
Marketing Mix Analytics

Opportunities for both Gross Margin and Opex improvement



Exceeded Increased 2016 Expectations; Strong 2017 Expectations

\$M (except EPS)	FY'16A*	FY'17E**	FY'17E***
Revenue	661	780 - 790	770 - 785
<i>YoY Growth (including D&S)</i>	<i>7%</i>	<i>18 - 20%</i>	<i>16 - 19%</i>
<i>YoY Consumer Only Growth</i>	<i>17%</i>	<i>19 - 20%</i>	<i>17 - 19%</i>
Operating Income	58	60 - 70	57 - 70
EPS	\$1.48	\$1.45 - \$1.70	\$1.35 - \$1.65

**2016 results include revenue of \$5 million, a negative \$6 million of operating income and a negative \$0.10 of EPS from D&S/Other.*

***Expectations provided 4/25/17; inclusive of Japanese distributor acquisition closed at beginning of Q2 2017*

****Expectations provided 2/8/17; inclusive of Japanese distributor acquisition*

**Accelerated 2016 revenue growth of 17% vs 2015 growth of 10%;
Strategic investments throughout 2016 to fuel continued accelerating growth in 2017-2018**



Summary

- 2017: First full year as a consumer-only company; off to a very strong start
 - Accelerating growth overseas
 - Continuing strong U.S. momentum
- Maintaining and extending leadership in growing RVC market
- Expanding technology throughout product line
- Building wet floor care into second revenue stream
- Connecting iRobot products within the smart home

