

iRobot®



Investor Presentation – June 2018

Alison Dean, CFO

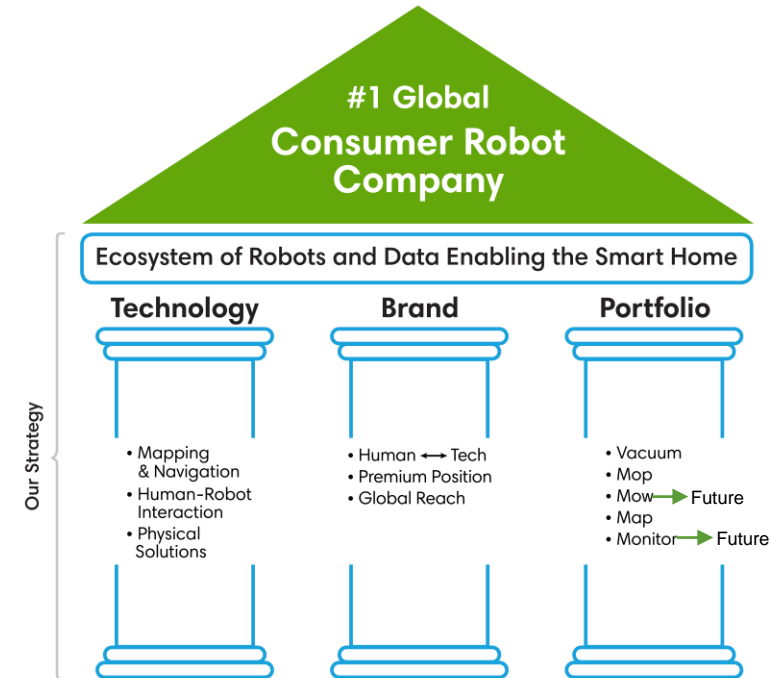
Forward Looking Statements

- 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.
- 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
 - Global market and brand awareness – deeper household penetration
 - Evolving connected product/digital strategy

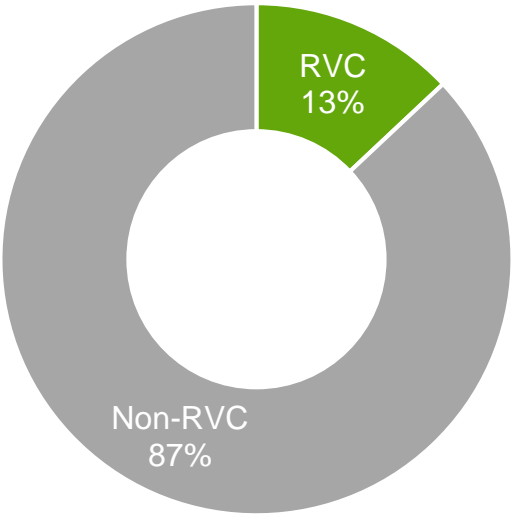


More than 25 years of global robotic-technology market leadership

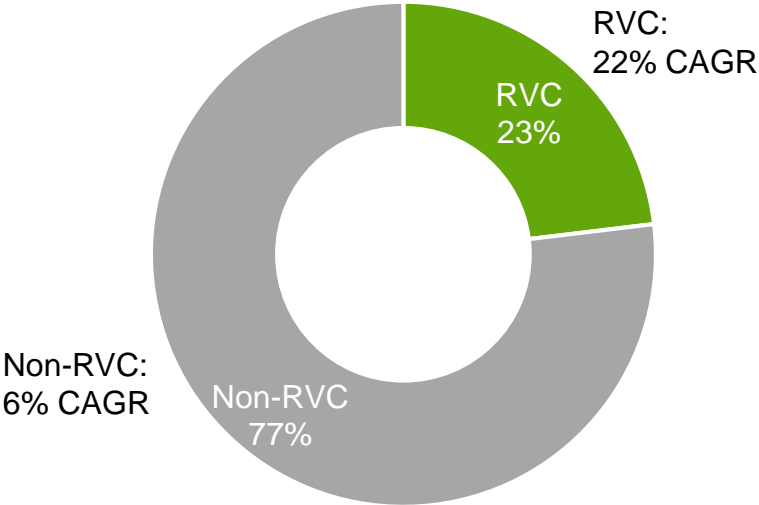
RVC Segment Continues to Grow: Now 23% of Total Vacuums

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

2012: ~\$5B Market



2017: \$7.5B Market
8.6% CAGR



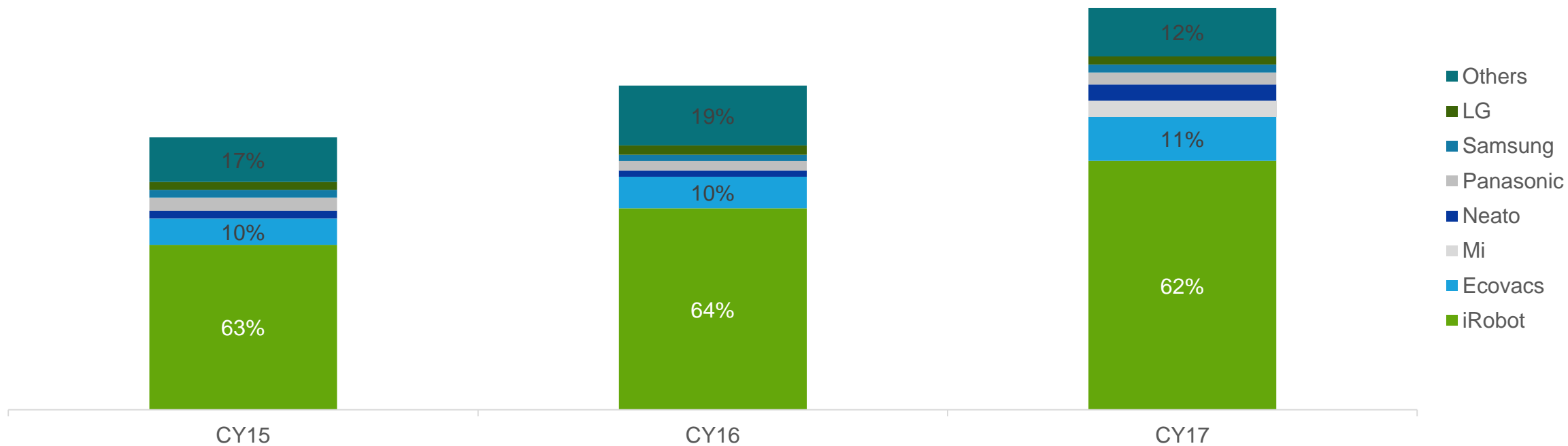
RVC segment (>\$200) share growth expected to significantly outpace overall vacuum cleaner segment growth (>\$200)

*Source: 2017Global market size for Vacuum Cleaners >\$200 (NPD, GfK, and iRobot internal estimates).



iRobot Roomba Share in the RVC Segment

Global \$ Segment Share



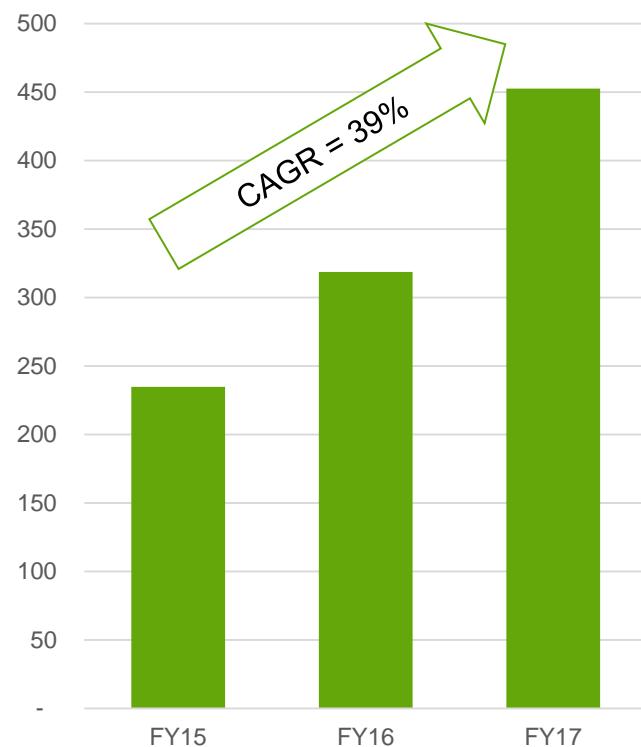
iRobot continues to hold 60+% share despite new competition

Source: NPD, GfK, iRobot internal estimates, RVC+ >\$200 retail prices; incl. China Online
Note: Year-on-Year Exchange Rates are applied in this update

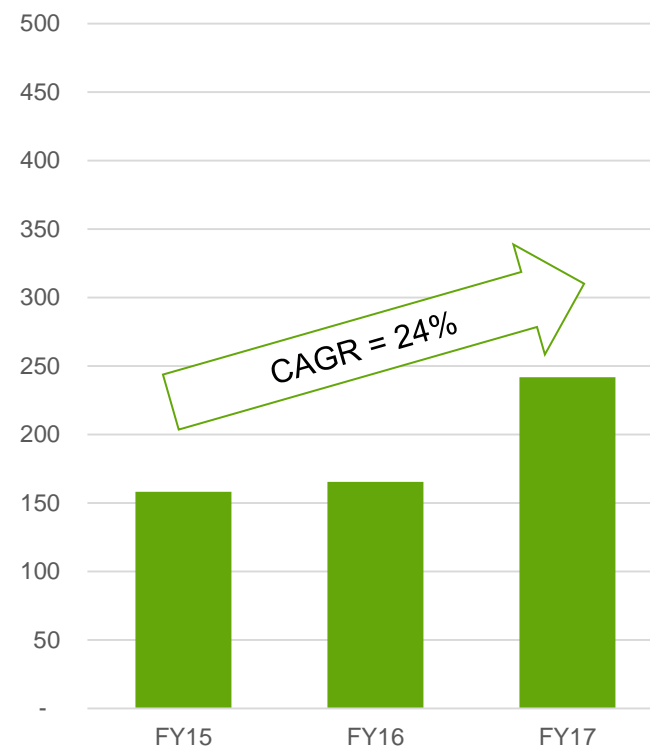


Global Growth

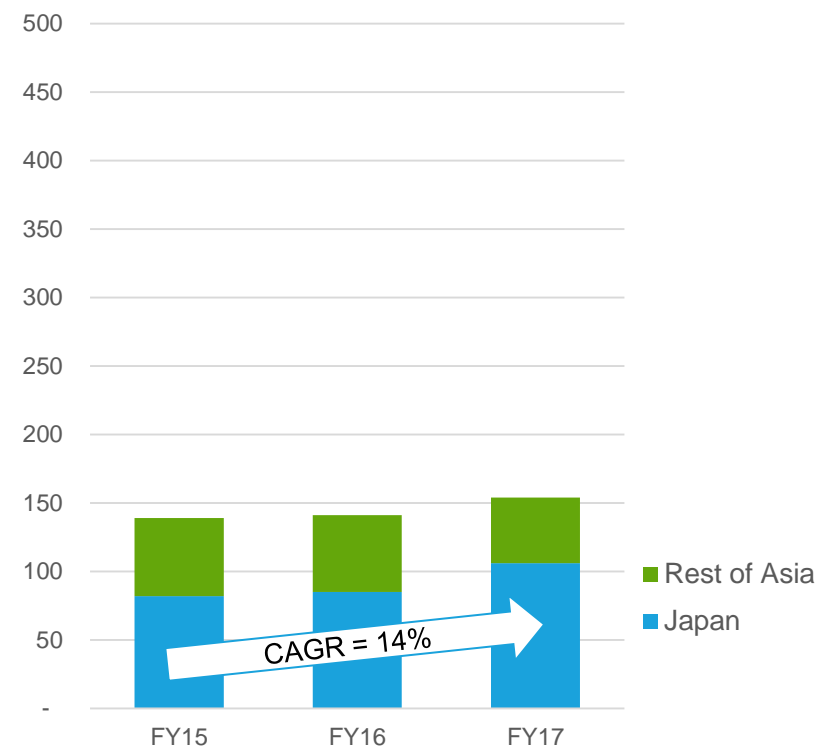
U.S. Revenue



EMEA Revenue

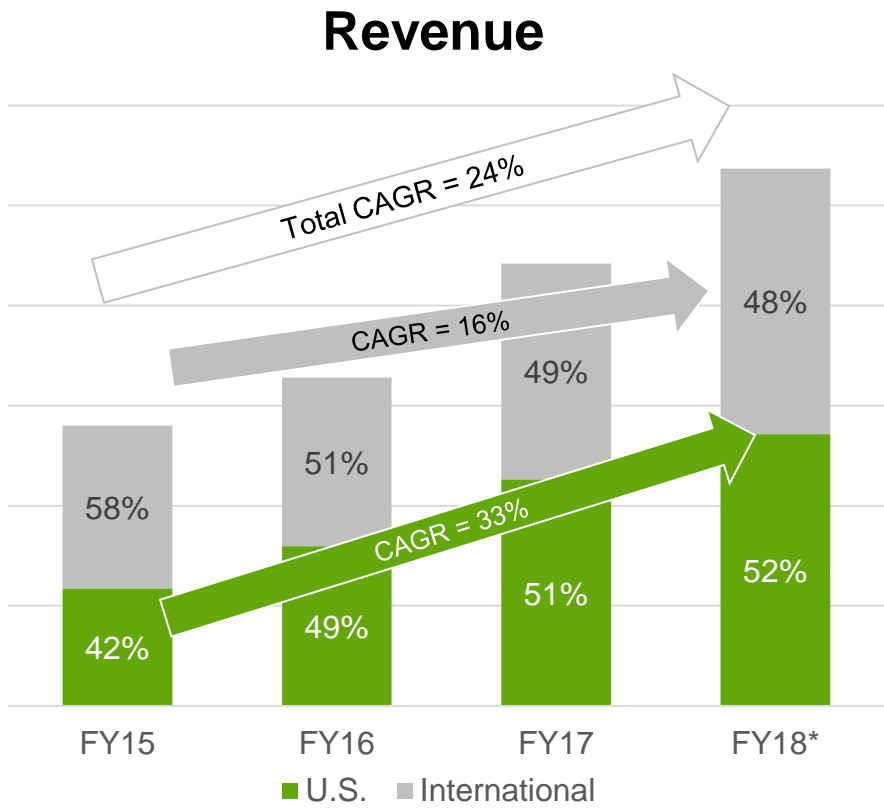


APAC Revenue

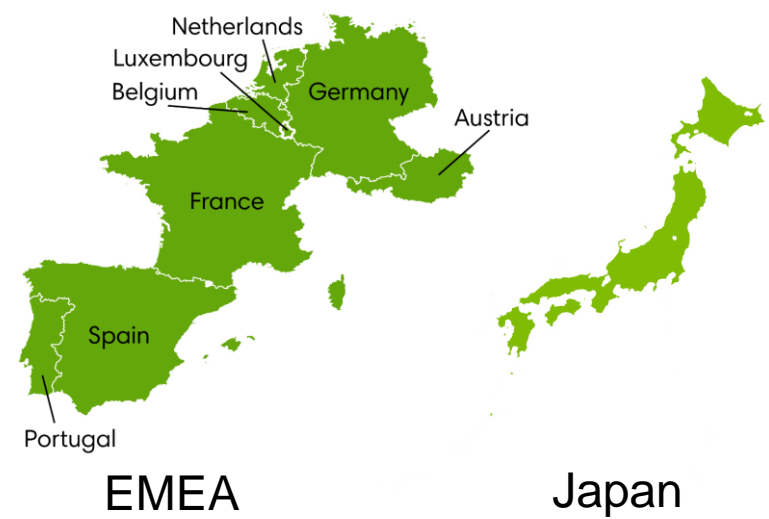


Sales and Marketing investment in U.S. | Apply proven model globally

Forward Integration - building global brand



International Forward Integrations



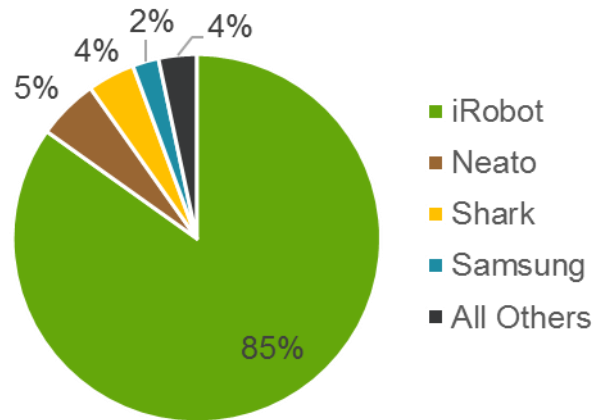
Taking more direct control of the brand in international markets

*Midpoint of expectations provided 4/24/18

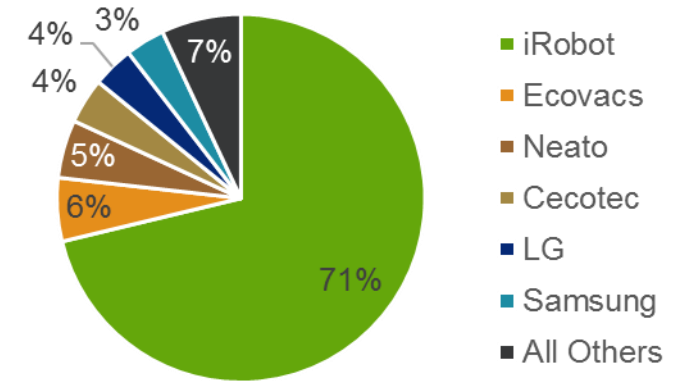


2017 Robotic Vacuum Segment: Global Retail \$ Share

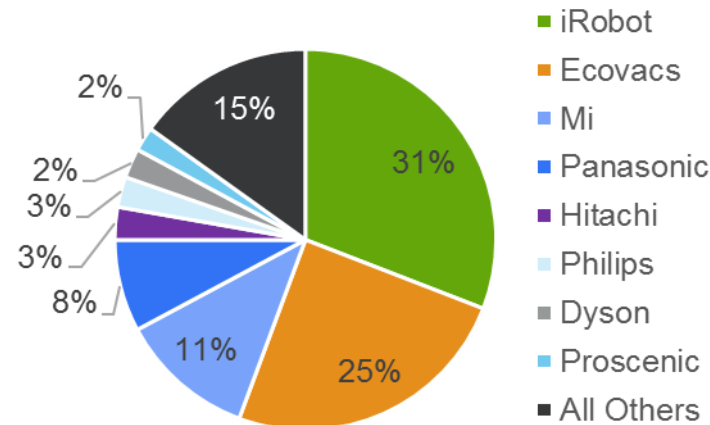
North America - \$629M



EMEA - \$507M



APAC - \$642M

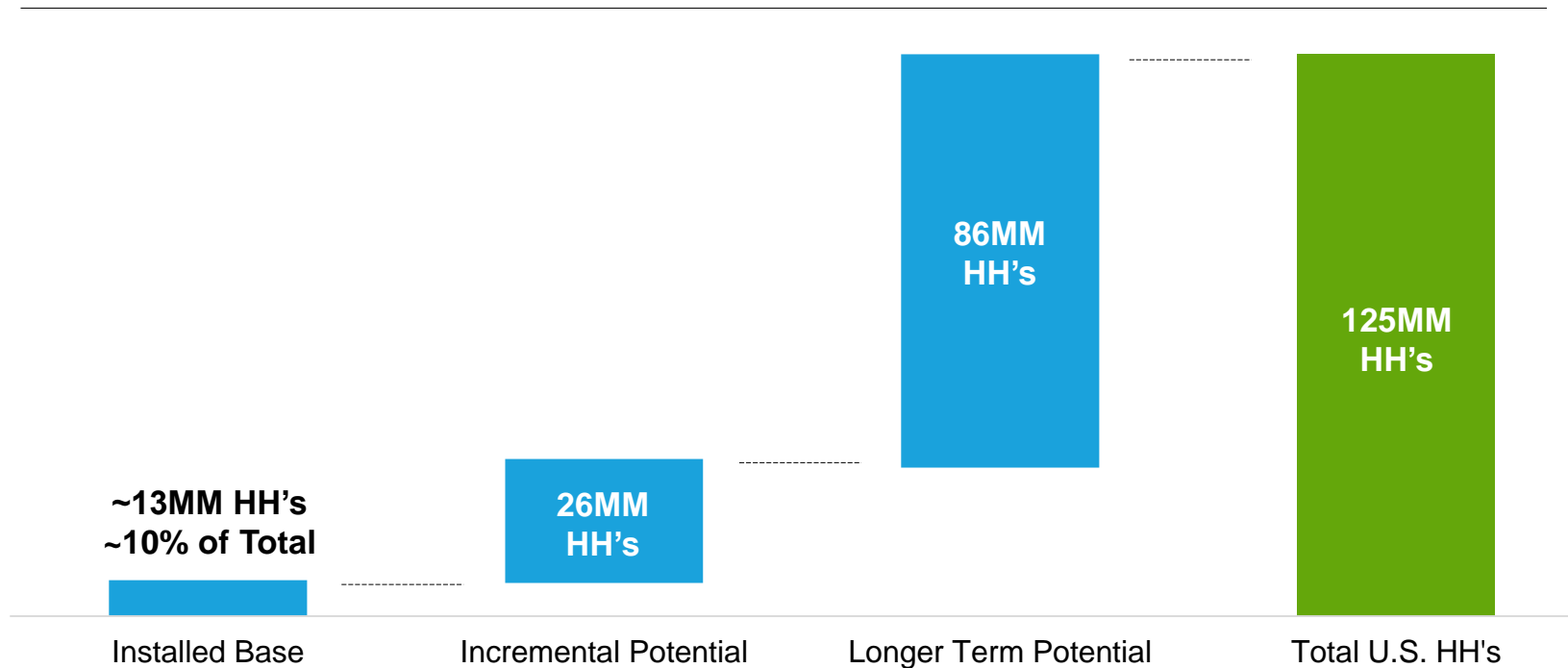


iRobot continues to be the largest player in each market



Opportunity: Low Household Penetration

Immediate addressable market ~2X current installed base



Significant Opportunity for Expanded Robot Vacuum Adoption in U.S.



Roomba Leading Through Continuous Innovation...

Future Roomba Models

Advanced Mapping



Advanced Cleaning Performance



Ecosystem of Robots



R980
\$899



R960
\$699

iAdapt® 2.0 Navigation



Intelligent Cleaning Carpet Boost

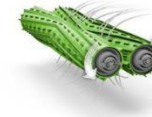


Cloud Connectivity



R890
\$499

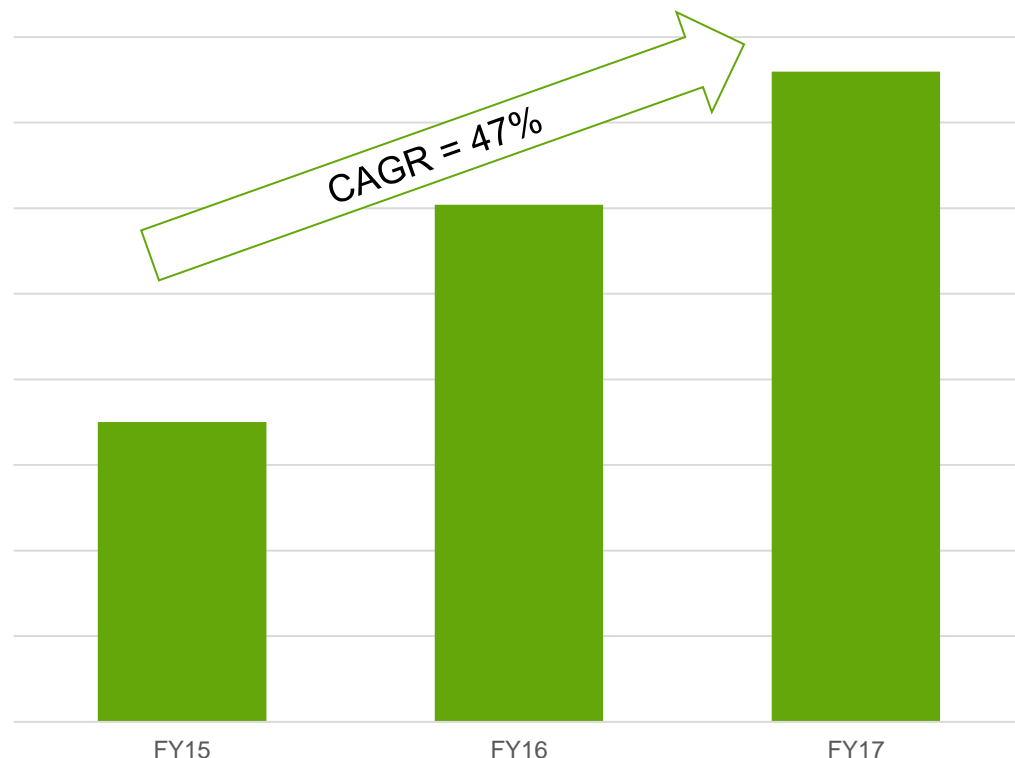
AeroForce® Cleaning System Virtually no Maintenance



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

Braava Family - Developing a Second Revenue Stream

Global Braava Family Revenue Growth

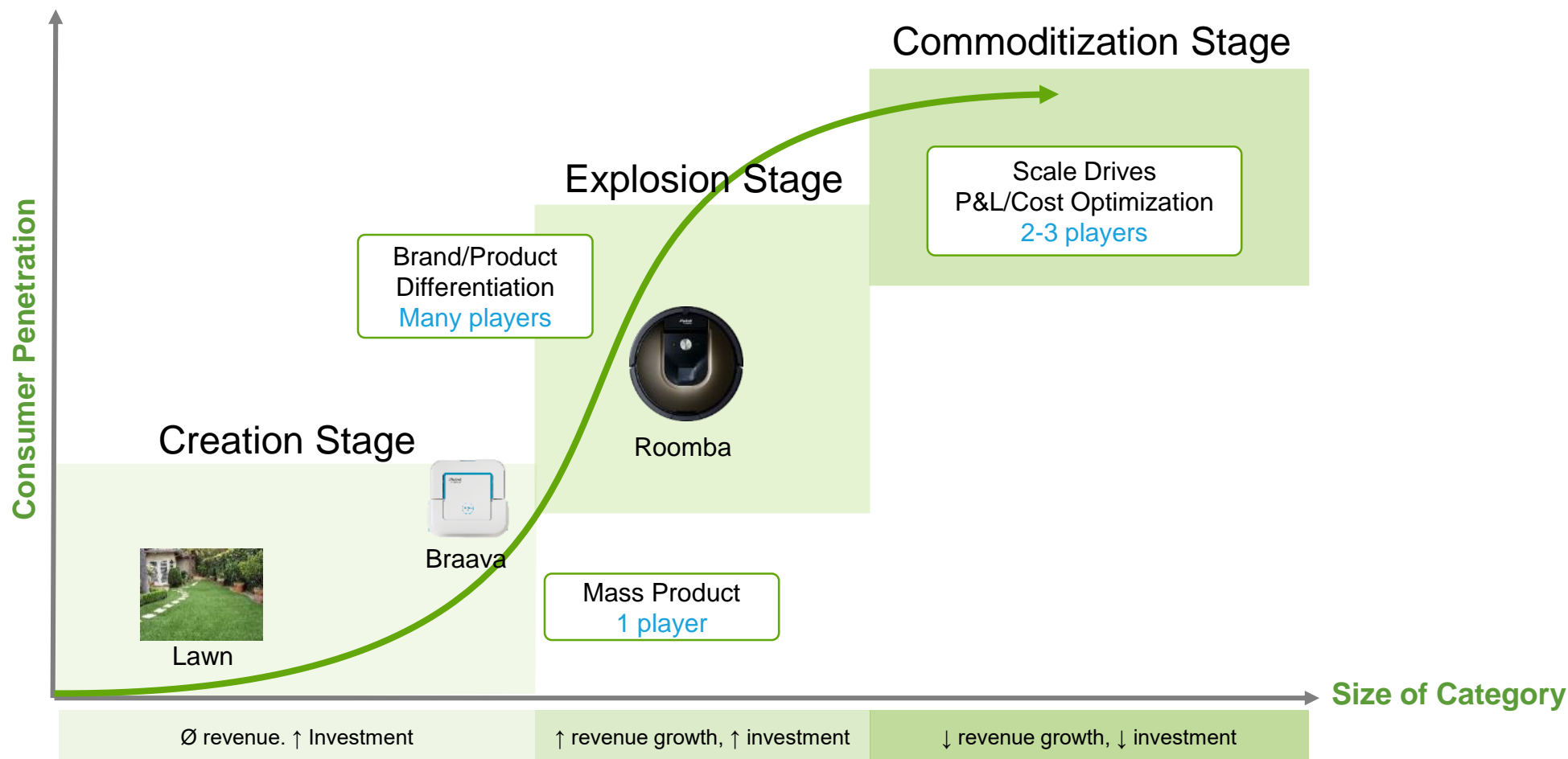


U.S.

- Only region where investment in TV advertising has been made
- FY 2017 revenue grew **65%**
- Q1 2018 revenue grew **35%**

Additional advertising investment to create awareness and articulate value proposition will drive global category growth

Explosion Stage



RVC market is in the “explosion stage” of the s-curve; other categories are maturing

Connected Products – Digital Strategy

“Roomba then Braava”

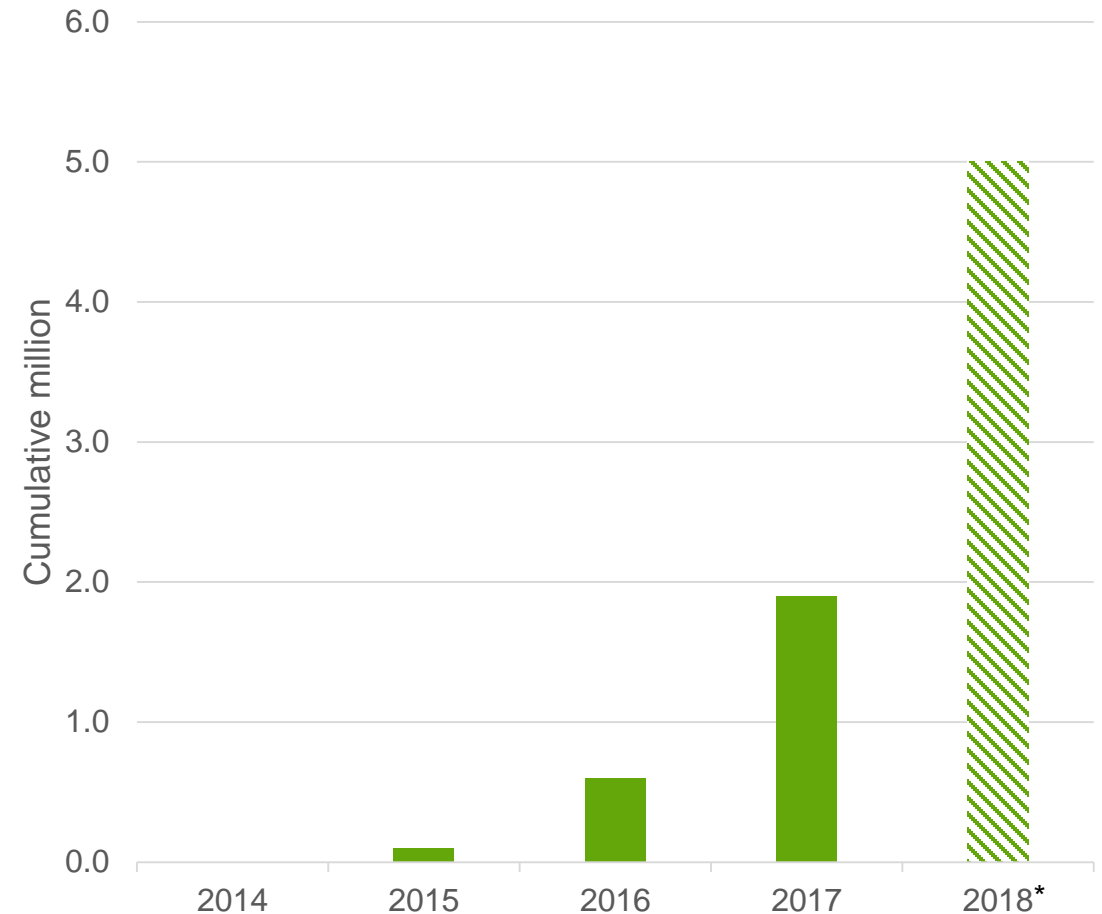


Robots working together deliver unique benefits

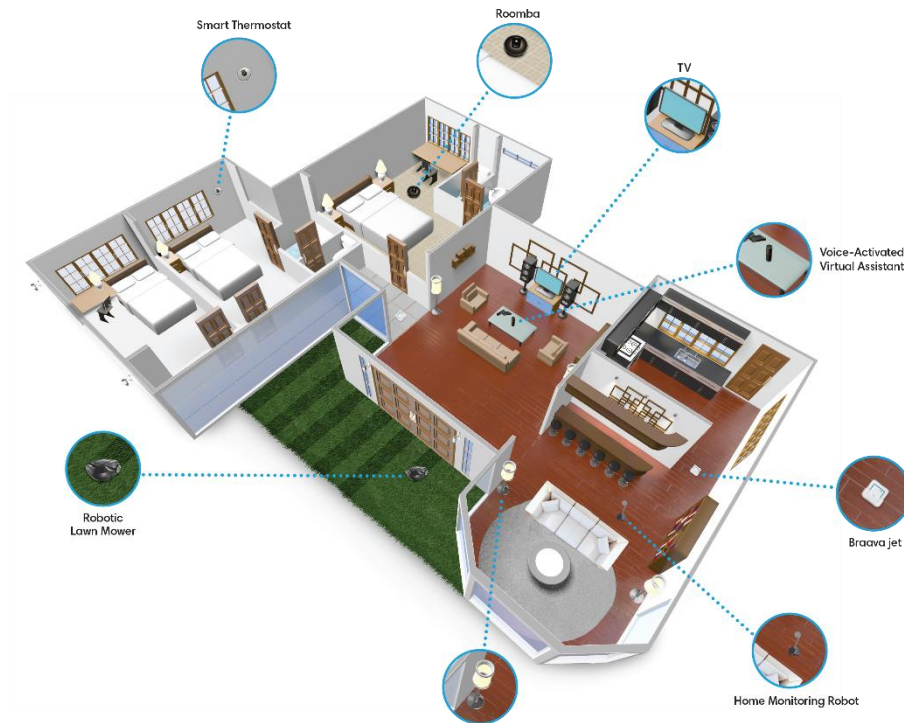
Smart Home

iRobot is an Emerging Player
in IoT/Smart Home Market

Sales of iRobot Connected Robots



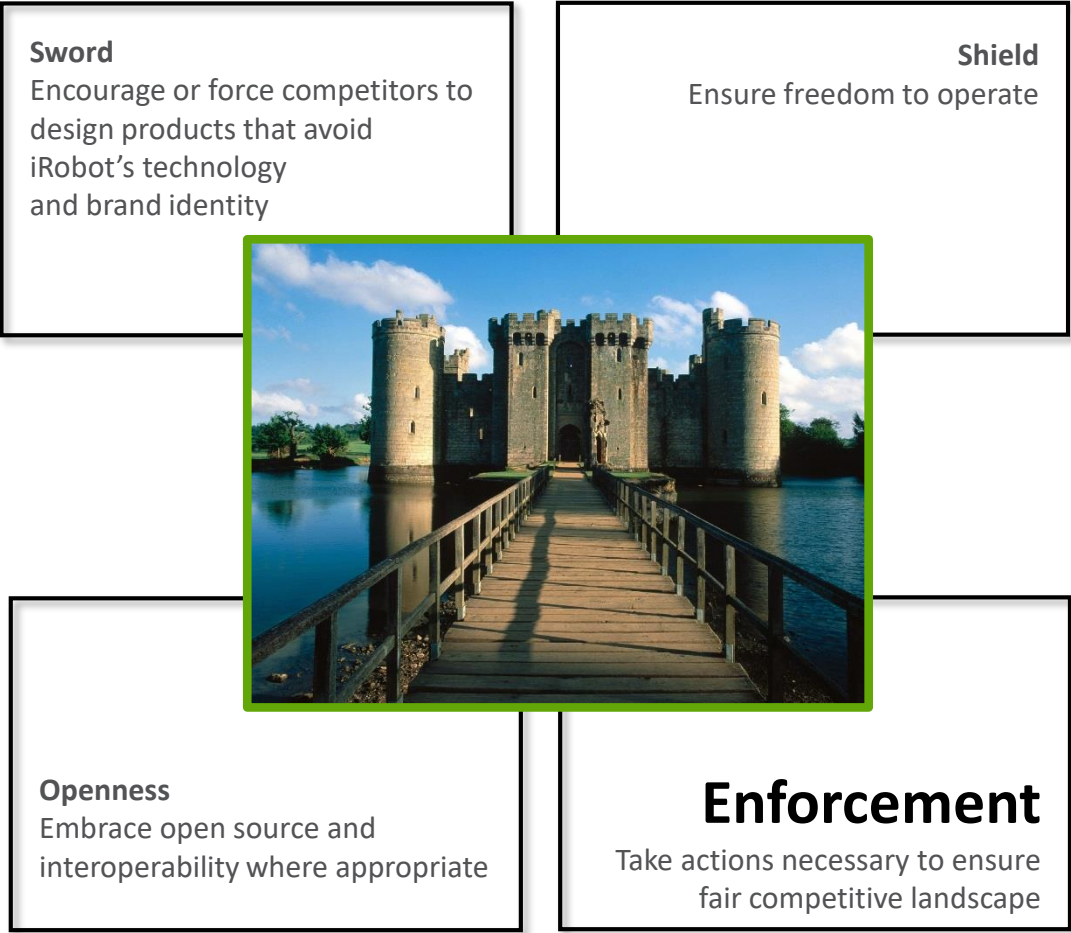
*iRobot Internal Forecast



Spatial information enables the Smart Home

Note: iRobot is committed to the absolute privacy of our customer-related data, including data collected by our connected products. No data is sold to third-parties. No data will be shared with third-parties without the informed consent of our customers.

Continue to Widen the Competitive Moat



IEEE Top 20 Patent Powerhouses Electronics - 2017

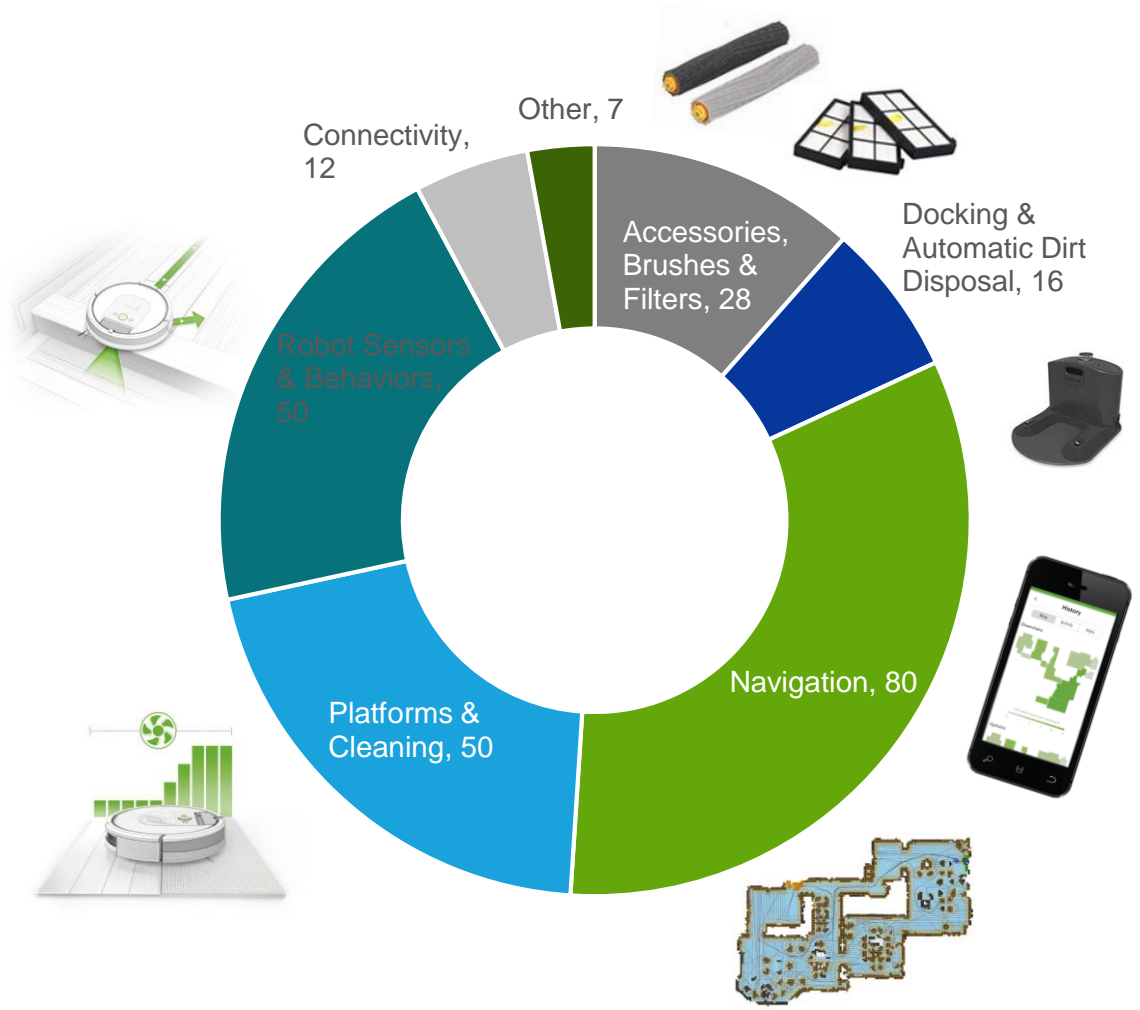
Rank	Company	Headquarters
1	Apple Inc.	US
2	Sonos Inc.	US
3	LG Electronics Inc.	South Korea
4	GoPro Inc.	US
5	iRobot Corp.	US
6	Dolby Laboratories Inc.	US
7	Sony Corp.	Japan
8	Canon	Japan
9	Koninklijke Philips NV	Netherlands
10	Hand Held Products Inc. (Honeywell Int'l.)	US
11	Goertek Inc.	China
12	Kimree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

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






















Roomba Portfolio

243 U.S. Patents



436 International Patents

Tier			
1			123
2			125
			
3			117
			
			
			
			
4			71
			



Capital Allocation Strategy

R&D			
Core		Emerging	Future
Organic	Lower Risk	Medium Risk	Higher Risk
	Significant Revenue and Profit Contribution	Market Validation	Exploration
	Target R&D Investment: 65% - 70%	20% - 25%	5% - 10%
Inorganic	← Acquisitions →		
	← iRobot Ventures →		

Regular review to address industry and market evolution and company requirements



2018 Expectations: Key Messages

\$M	FY17 Actual	FY18 Expectations *
Revenue	884	1,050 - 1,080
YoY Growth	34%	19% - 22%
Gross Margin	49%	50% - 51%
R&D	13%	13%
S&M	18%	19% - 20%
G&A	10%	9%
OI	8%	8% - 9%
EPS	\$1.77	\$2.15 – \$2.40

Strong global growth continues

Gross Margin expansion from acquisitions delivered

Maintain investment in innovation and product development

Full year cost of acquired businesses and continued investment to create awareness & adoption and support new product launches

Leverage G&A globally

Plan assumes reinvesting incremental margin to drive critical 2018 launches and future growth initiatives



Financial Targets

\$M, excluding EPS	FY17 Actual	FY18 Expectations Provided *	FY19 / FY20 LTFM Targets
Revenue	884	1,050 - 1,080	~ 20%
YoY Growth	34%	19% - 22%	
Gross Margin %	49%	50%- 51%	50%
Operating Income %	8%	8% - 9%	Growing to 10%
EPS	1.77	2.15 - 2.40	NA

Strong revenue growth expected through 2020 with increasing operating margins



Summary

- 2018 – Off to the strong start we expected
- Maintaining unambiguous global product and brand leadership in RVC category
- Forward integration is enabling more consistent global control of brand and execution of marketing programs
- Continuing investment in innovation to extend technology and product leadership
- Introducing several new products in second half of the year

