

# iRobot®

*Robots That Make A Difference*

## Jefferies Global Consumer Conference

**June 19, 2012**



# 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 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](http://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's Flagship Products

## Automated Home Maintenance



- Over 7.5 Million Home Robots sold
- Currently sold in over 45 countries around the world and expanding

## Remote Presence

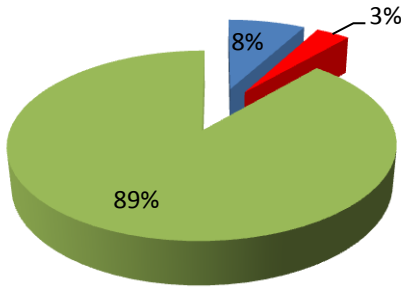


- Over 4,500 Unmanned Ground Vehicles Sold
- Customer base: Army, Navy, USMC and USAF

**Lead position in two nascent markets**

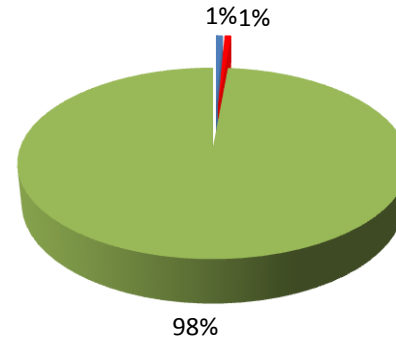
# Huge Addressable Markets\*

US and Canada - \$1.75 billion



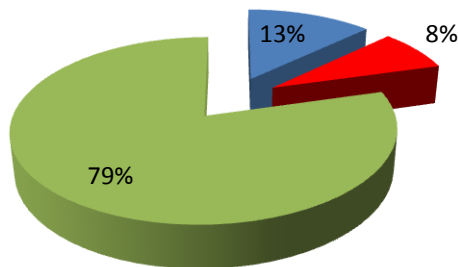
- iRobot
- Other Robotic Vacuums
- Vacuums

Latin America - \$200 million



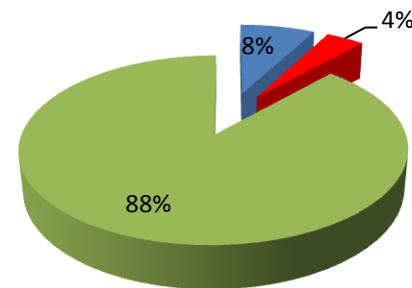
- iRobot
- Other Robotic Vacuums
- Vacuums

EMEA - \$2.1 billion



- iRobot
- Other Robotic Vacuums
- Vacuums

Asia Pac - \$1.7 billion



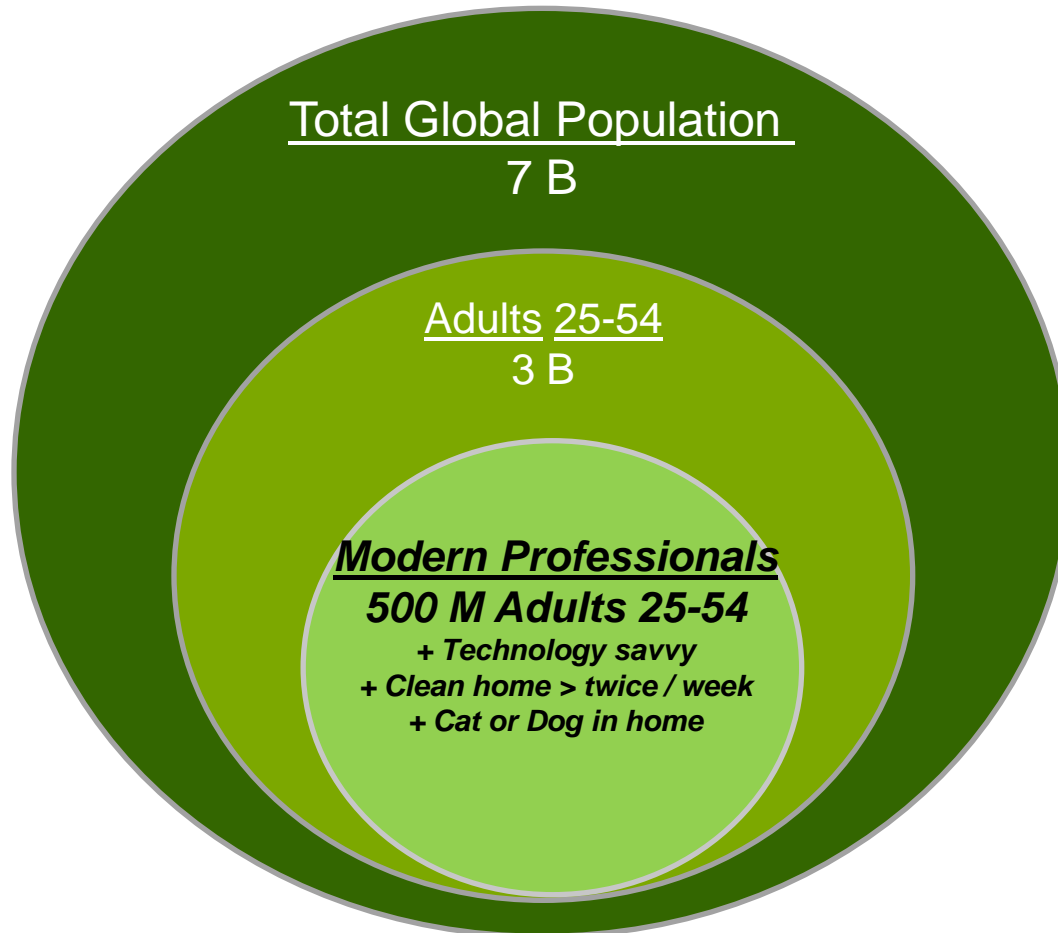
- iRobot
- Other Robotic Vacuums
- Vacuums

**\$6 billion annual market opportunity**



\*Source: iRobot estimates, vacuum cleaners >\$200 USD, retail prices

# Target Audience Market Opportunity



**Well-defined target customer**

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# New Products

## Scooba 230 & Roomba 700

- Introduced in 2011 – iRobot web only until Q3
- Extremely positive market reaction
- Expanded distribution throughout 2012



Driving 2012 home robot growth

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# DoD Trends and Implications for iRobot

## Trends

- DoD budget pressure
- US troops out of Iraq and reduced in Afghanistan
- BCTM termination



## Implications for iRobot

- President's 2013 Budget supports demand for iRobot products
- Increased focus on force efficiency
  - Use of unmanned systems
  - Equipping regular army
- iRobot now direct to government
- New role as systems integrator

**Challenging environment near term; continuing demand longer term**

# Next Generation of Military Ground Robots

## Product\*

## Size/features

## Current Operations

### *FirstLook*



- 5 lbs
- Adaptable wireless networking
- 4 cameras with night vision
- Throwable, 15 ft drop
- Speed: 3.5mph

- US DoD evaluation complete
- Requirement for 4,000 systems
- Strong interest from Infantry, SpecOps, EOD and International

### *Warrior*



- 350 lbs
- Carries up to 200 lb
- Lift Capacity: 220 lbs
- Speed: 8 mph
- Robust mobility

- Fukushima
- Nuclear Facility Maintenance
- EOD, Police, International

2012 - FirstLook and Warrior launched as products

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# Ava™ - incorporating existing iRobot technologies

Map-based  
navigation

Autonomous  
Behavior

Application  
ready

Aware® 2 Robot  
Intelligence Software



InTouch Health  
Hospital Remote Consultation

Retail

Home Health

Security

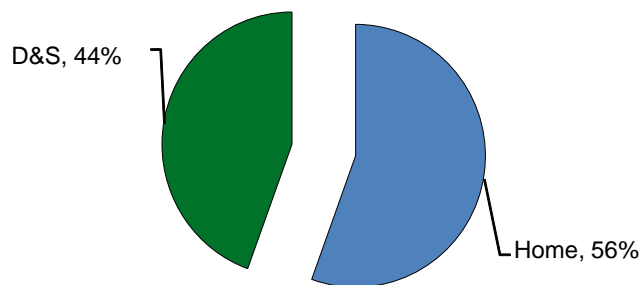
Leveraging 3<sup>rd</sup> party technology and industry expertise

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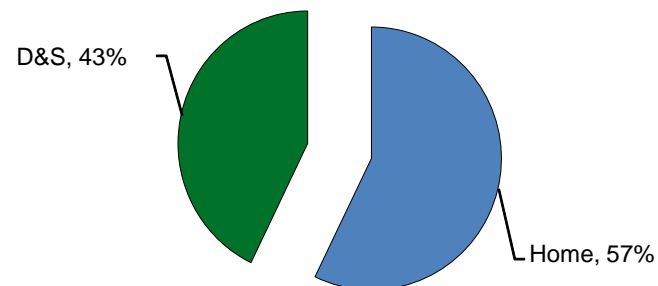
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# Business Unit Revenue Split

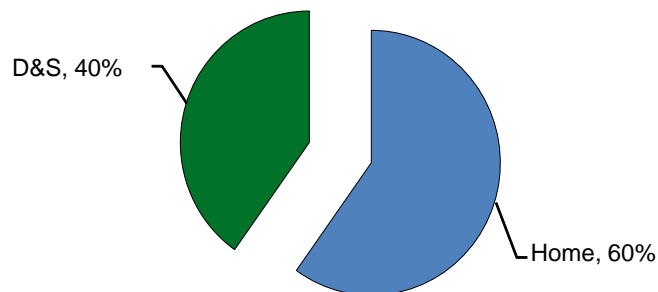
2009



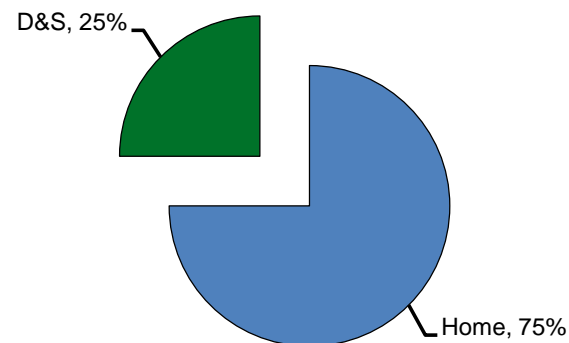
2010



2011



2012 Est.\*



Home revenue estimated to be 75% of total company in 2012\*

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\*Guidance April 24, 2012

# Q1 Results In Line With Expectations

	<u>2012 Q1</u>	<u>Q1 Guidance</u>
Revenue (\$M)	98	90-100
EPS (\$)	0.02	(0.08)-0.00
Adjusted EBITDA (\$M)	6	2-5

**Strong performance in Home; delayed funding impacted D&S**

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# FY2012 Guidance

	<u>2012 Range*</u>	<u>2011</u>
Revenue (\$M)	465 - 485	465
EPS (\$/Share)	0.75 – 0.95	1.44**
EBITDA (\$M)	56 - 63	73

**Cautious expectations in uncertain environment**

\*Guidance April 24, 2012

\*\* Includes \$0.12 one-time tax benefit and \$0.08 investment tax credit

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# New 3-Year Goals

Our long-term financial goals are achievable and meaningful

- Revenue – mid-to high-teens CAGR
- EBITDA – high-teens margin
- OCF – high single digit margin

**Sustainable gains in shareholder value is our over-arching goal**

# Both Business Units Will Contribute to EBITDA Margin Expansion

	<u>2011</u>		<u>Future</u>	
<b>Gross Margins</b>	41%	→	42% - 43%	+ 1 - 2 pts
<b>Operating Expenses</b>	30%	→	28% - 29%	- 1 - 2 pts

Targeting to grow EBITDA margin 2 – 3 pts

# Investment Thesis

- Strong financial performance 2009-2011
- Home will deliver strong 2012 – 75% of total revenue
- Defense & Security business faces challenging year
- Confidence in achieving our increased 3 year profitability goal
- Strong balance sheet – no debt