



2015 Analyst Day

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.

Agenda

- 10:00 – 10:30 Continental Breakfast

- 10:30 - 10:35 Welcome

- 10:35 – 10:45 Colin Angle, Chairman & CEO – Strategic Initiatives

- 10:45 – 11:00 Christian Cerda, SVP & GM, Home Business Update and Growth Drivers

- 11:00 – 11:15 Dwight Brown, VP Marketing, Driving Disruptive Technology Adoption

- 11:15 - 11:25 Alison Dean, CFO – Financial Performance and Initiatives

- 11:25 – 11:35 Q&A (Colin, Alison, Christian, Dwight)

- 11:35 – 11:50 Break

- 11:50 – 12:20 Colin Angle, CEO / Chris Jones, PhD – Connected and Mapping Home Robots

- 12:20 - 12:30 Q&A

- 12:30 – 2:00 Lunch and Product Demos



Colin Angle, Chairman and CEO Strategic Initiatives

Creating Long-Term Shareholder Value



We are **shifting** our business to **focus** on the **connected home**, including **products** and **enabling infrastructure**.

Positioning of D&S and Remote Presence

1) Defense & Security

- a) Position to win large Programs of Record (2016/2017)
- b) Enhance interoperability of robots through uPoint controller
- c) Support installed base
- d) Maintain financial neutrality



2) Remote Presence

- a) Further leverage our partnership with Cisco
- b) Refine and cost optimize mapping and connectivity technologies
- c) Support lower cost Home products with these technologies

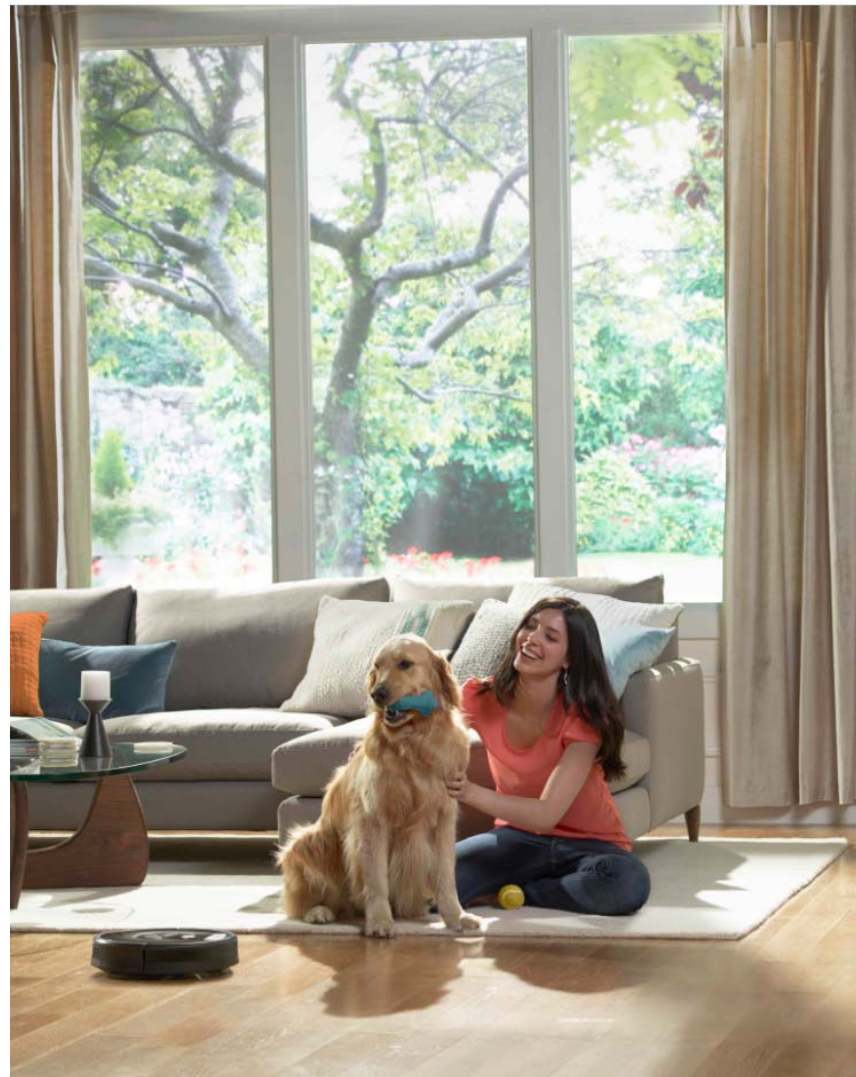


Home will Drive Shareholder Value

- 1) Near-term
 - a) Roomba
 - b) Wet Floor Care

- 2) Intermediate-term
 - a) Core floor care
 - b) Lawn?
 - c) Other

- 3) Long-term
 - a) Critical player in the connected home





Christian Cerda, EVP/GM Home Business Update and Growth Drivers

Growth Drivers



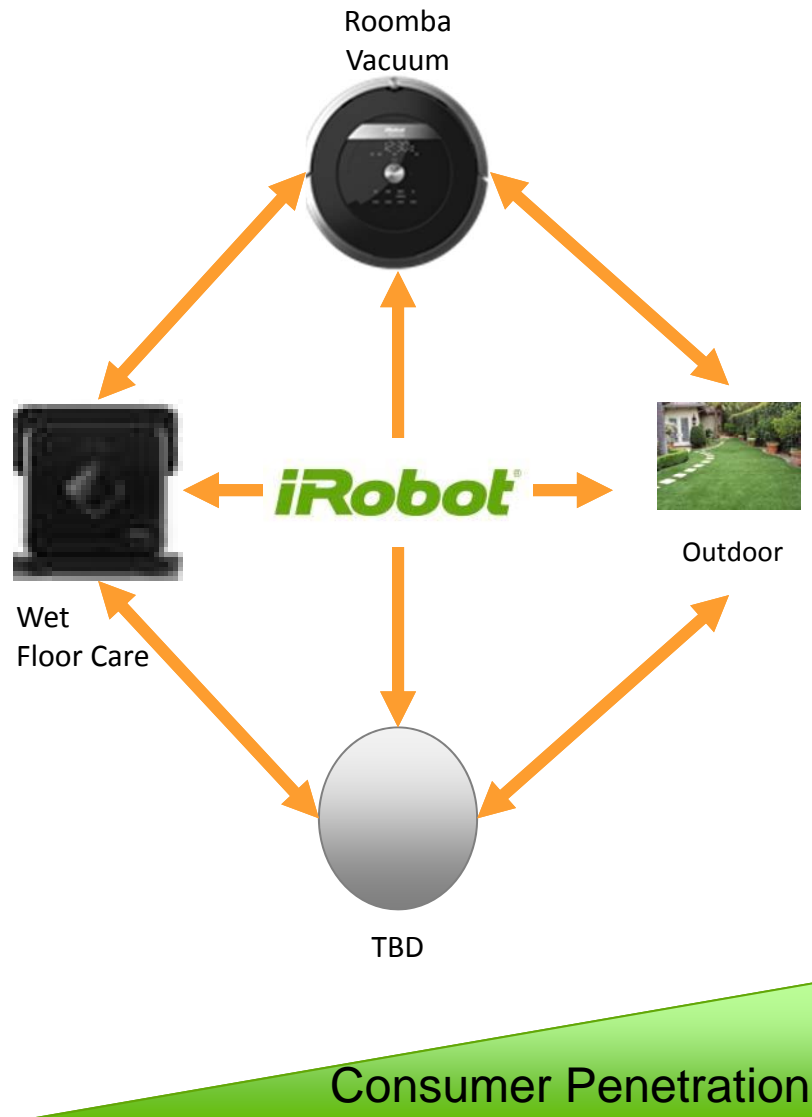
Accelerate consumer adoption and strengthen leadership of our Roomba vacuuming robot

Develop and grow significant incremental adjacent categories in Home Robots

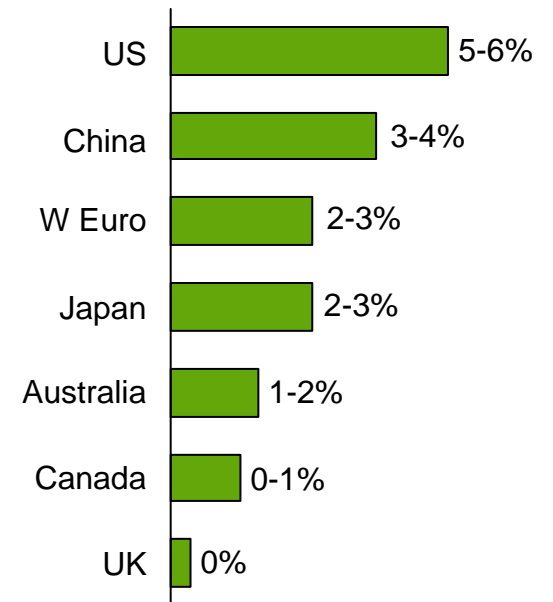
Strengthen our marketing capabilities globally to scale growth

Continue to invest in our strong product innovation and technology pipeline

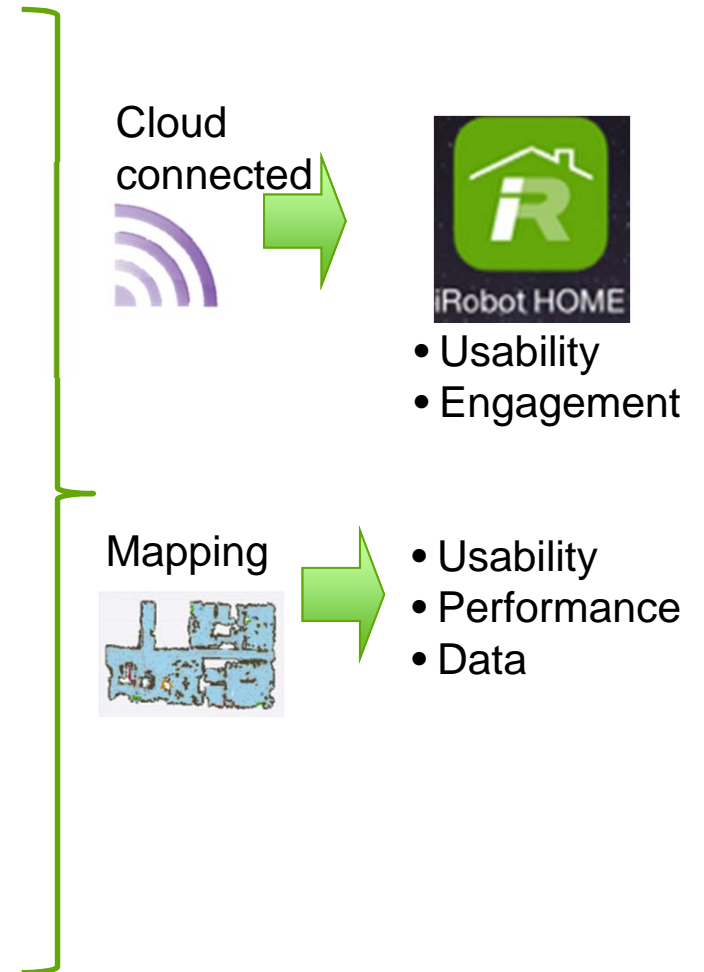
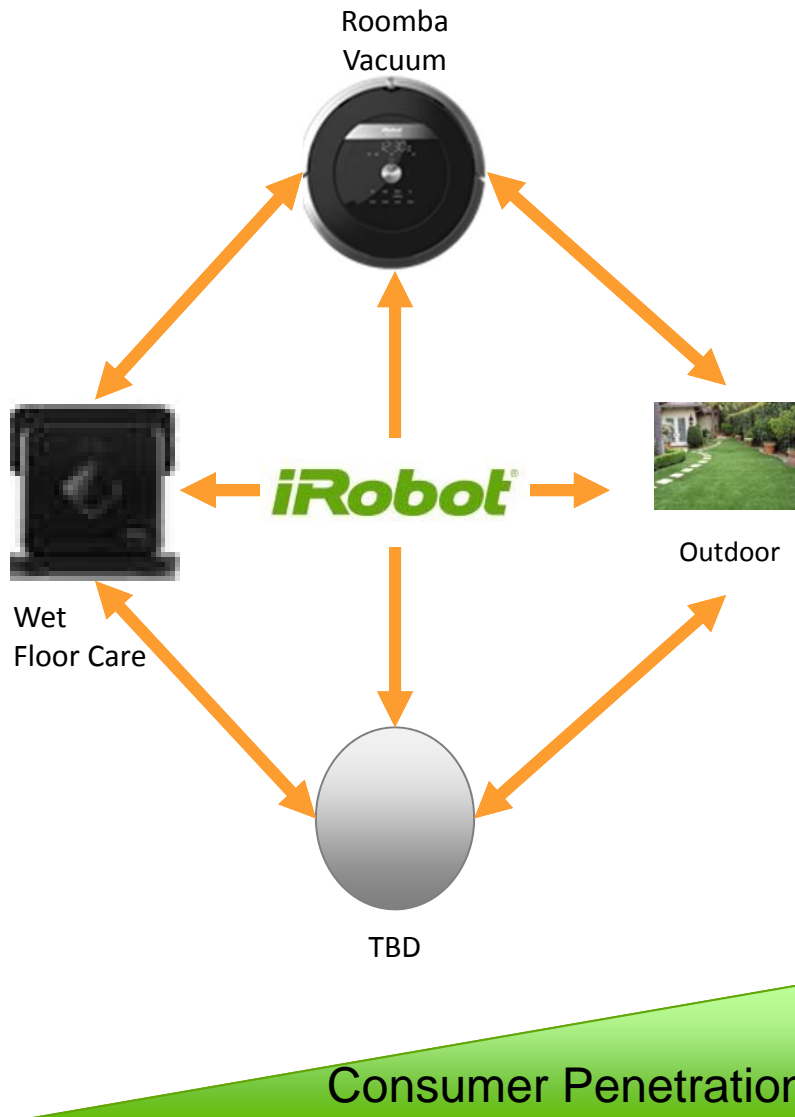
Portfolio Strategy: Accelerating Consumer Penetration



Current Robot Vacuum Ownership (% HH's)

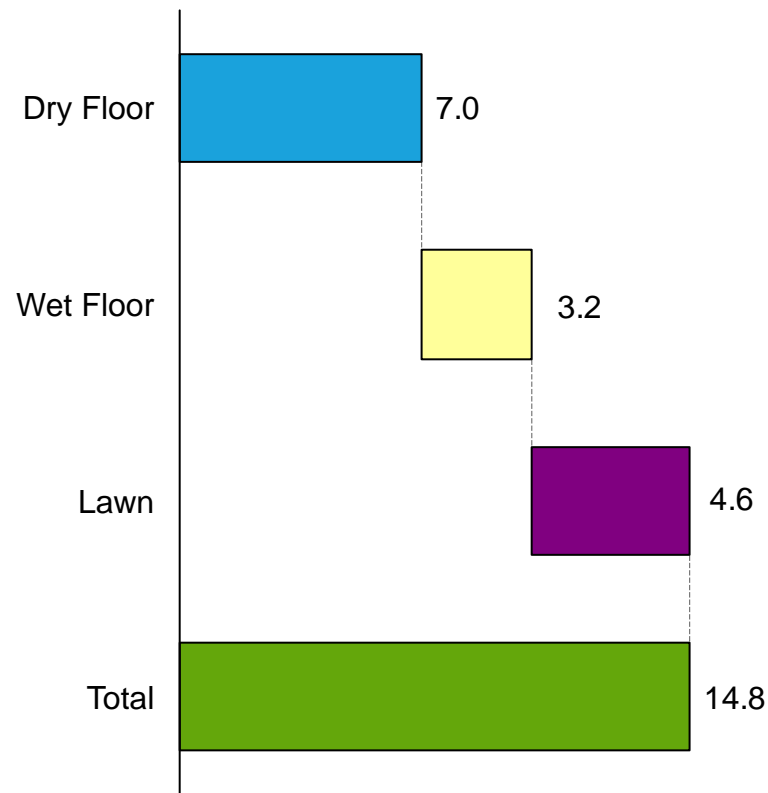


Portfolio Strategy: Strengthening eco-system with Cloud



Current Home Robots a Multi-Billion Revenue Opportunity

Global Category Size (\$B, Annual Retail)

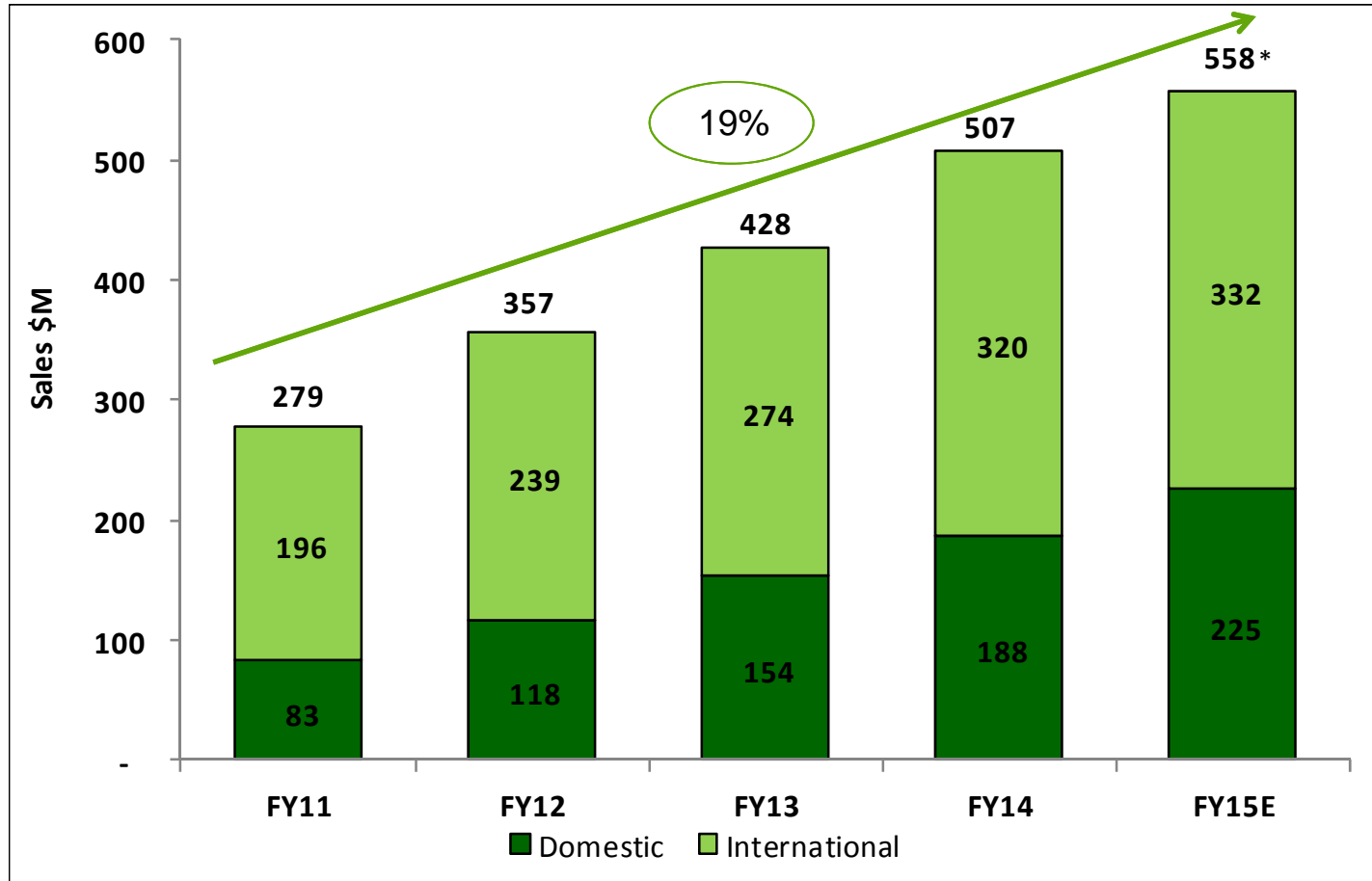


Dry Floor: Global market size for vacuum cleaners >\$200 (NPD, GfK, Euromonitor, HBU estimates & analysis)

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

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

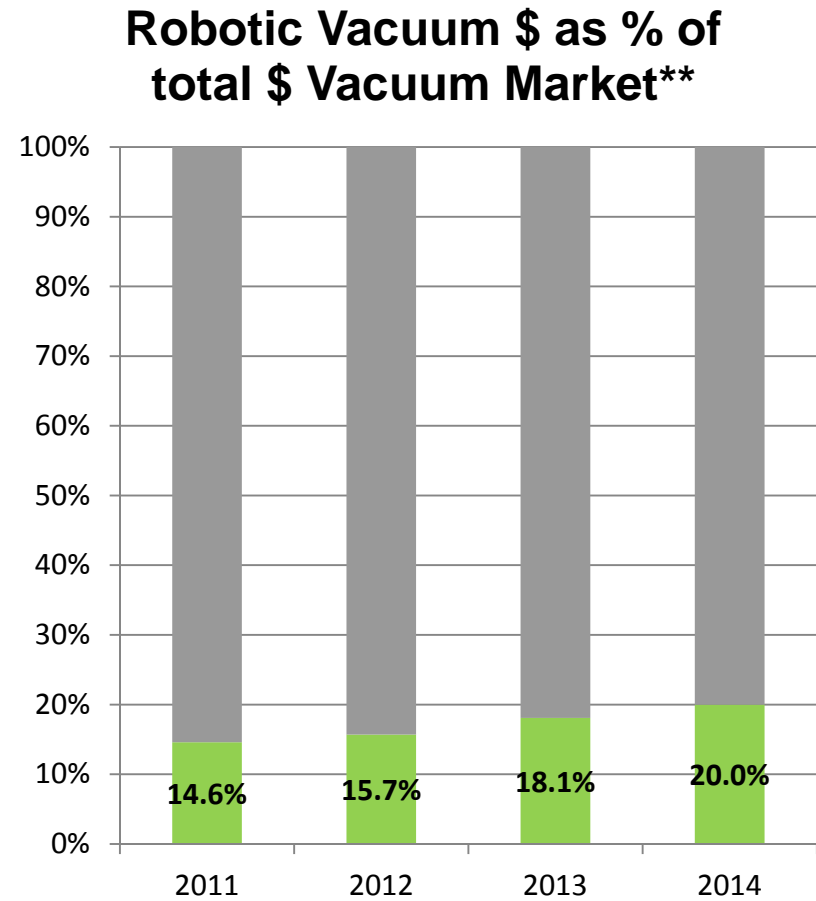
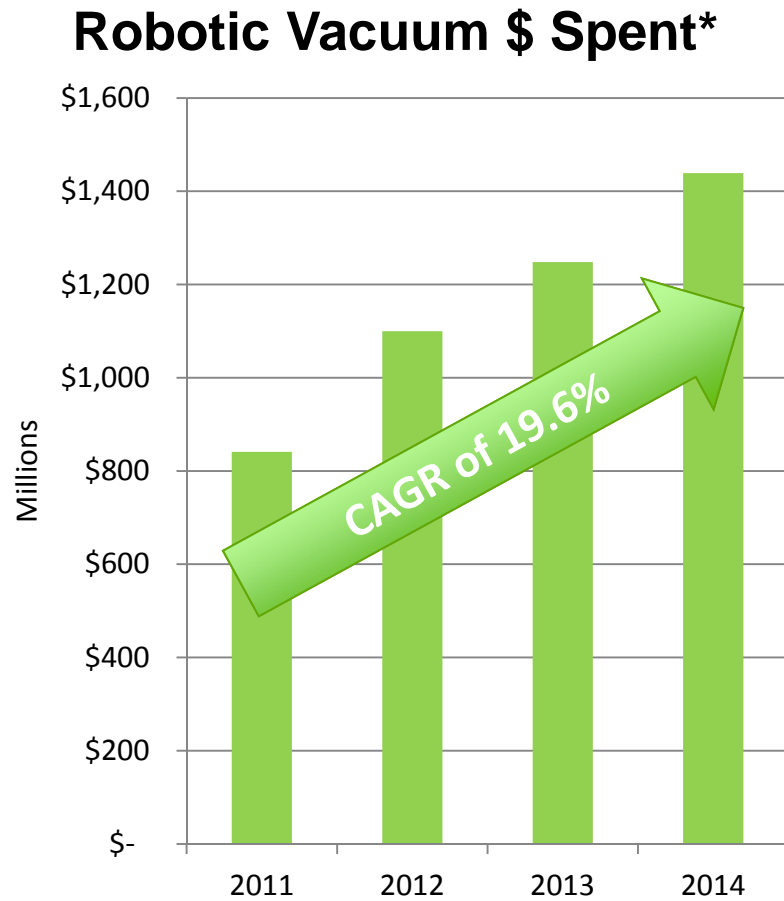
Home Business Revenue Growth and GM% Expansion



	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>
GM%	45%	48%	49%	51%

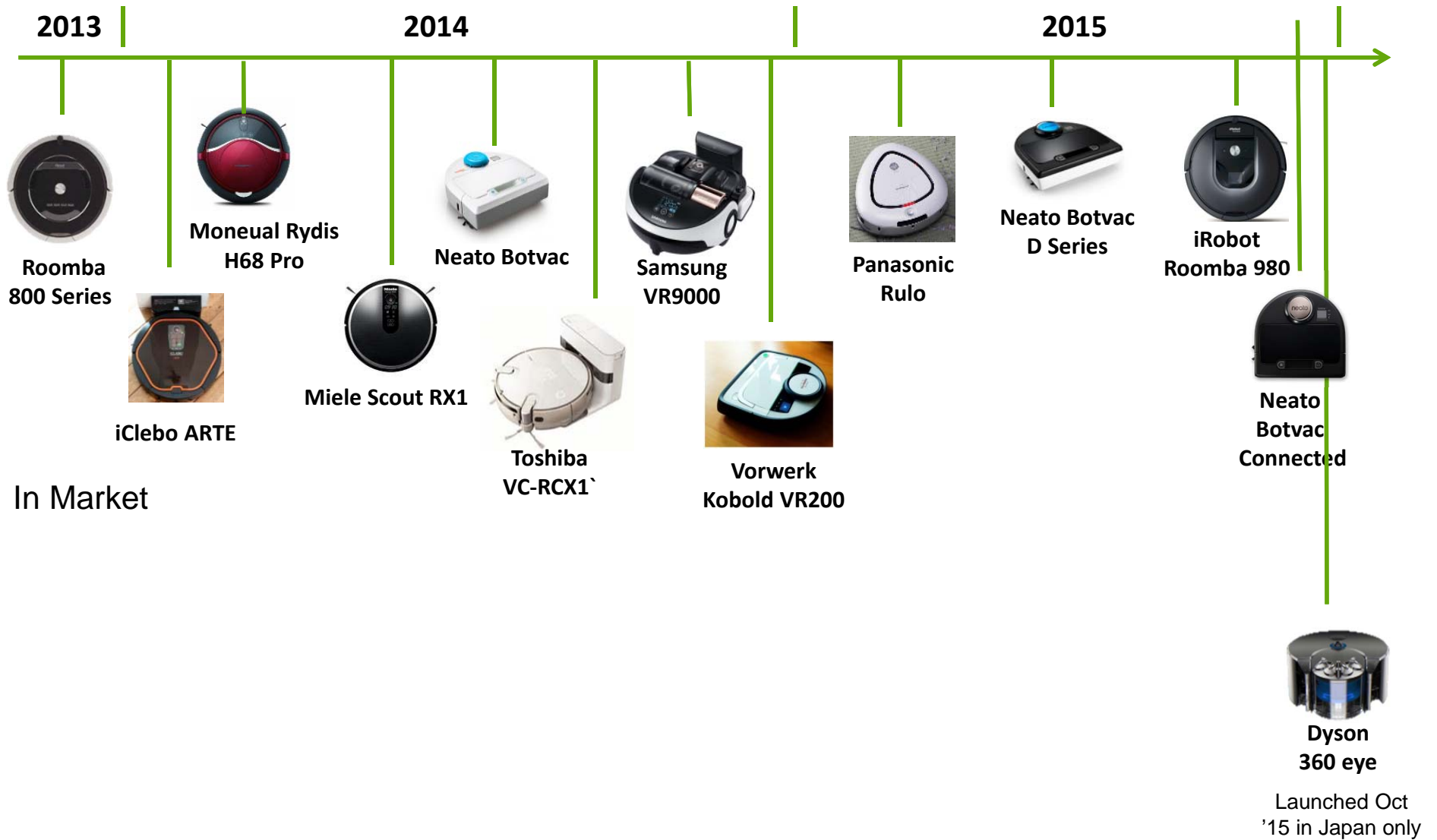
* Represents rounded midpoint of expectations provided on 10/21/15

Strong Growth Continues in RVC Market



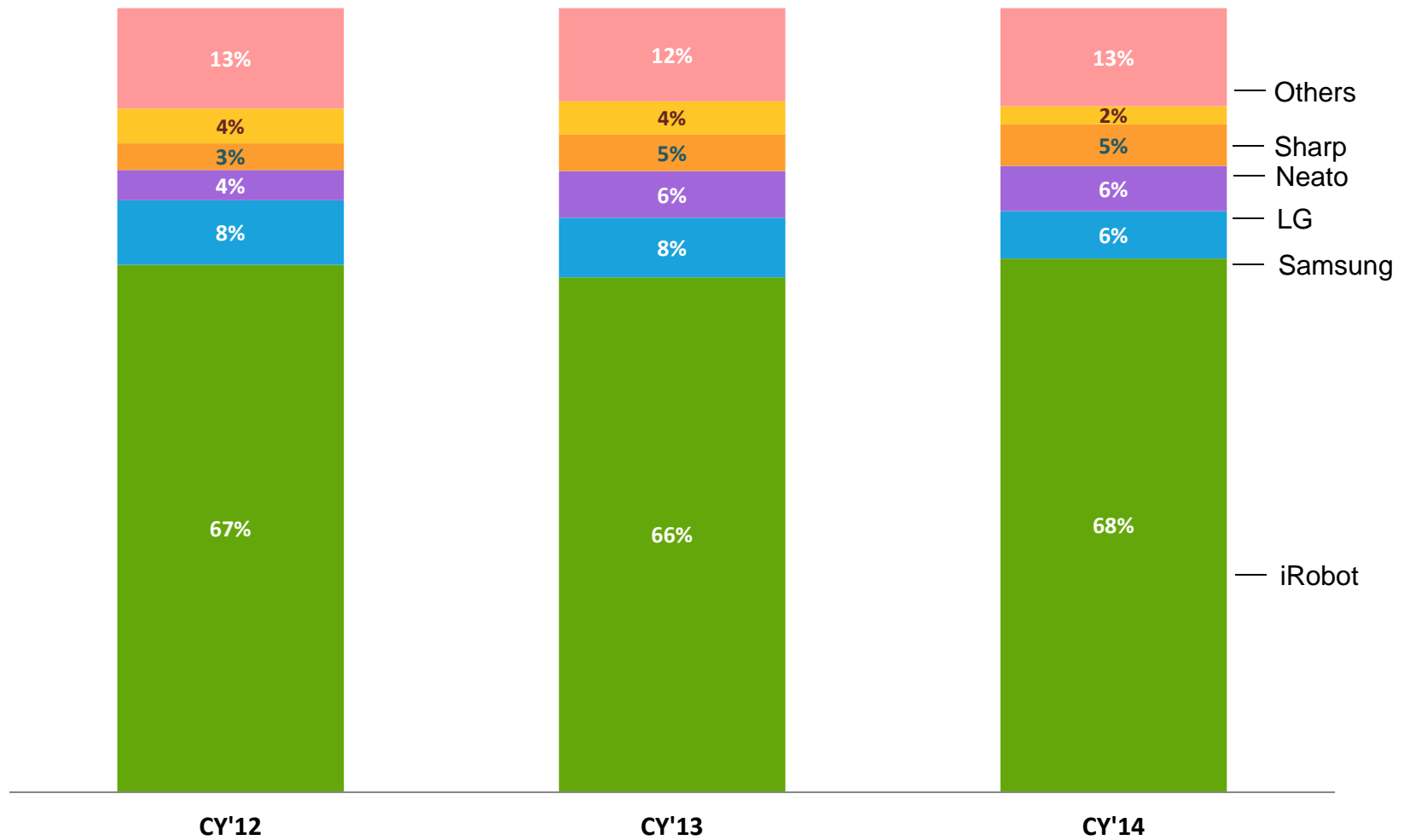
Source: *GfK, NPD, Euromonitor, iRobot data –2014
**Vacuum cleaners >\$200/robotic vacuum revenues

Many Brands have Launched into the Robot Vacuum Space



iRobot Roomba Share in the Robot Segment Constant

Global \$ Segment Share



Source: NPD, GfK, Euromonitor, iRobot internal data, Robotic Vacuum Cleaners >\$200 retail prices

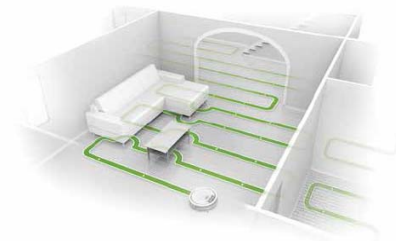
Note: Year-on-Year Exchange Rates are applied in this update

November 10, 2015



THE NEW
ROOMBA® 980
Vacuum Cleaning Robot

The Power to Change the Way You Clean.



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

iRobot Wet Floor Category: Scooba and Braava



Floor Mopping

Braava™



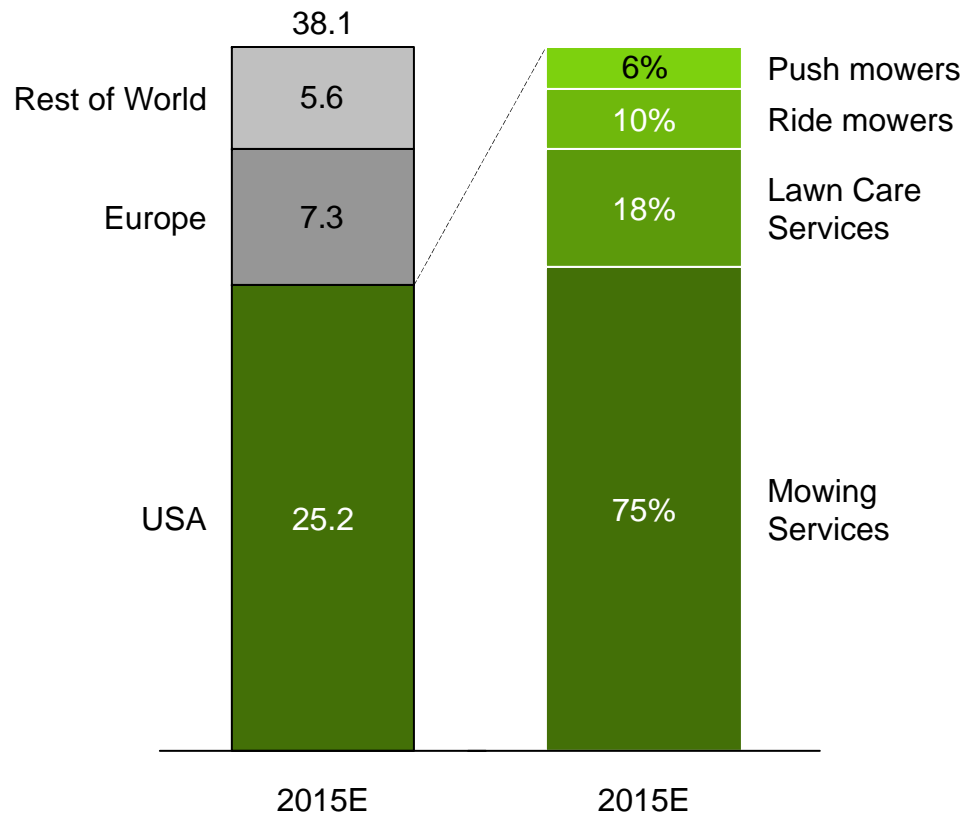
Floor Scrubbing

Scooba®

- Wet Floor Cleaning is a significant market and consumer need
- Incremental need to Roomba customer base
- Mopping aligned with Asian consumer behavior
- Trend towards more hard floors vs carpets
- Need to further communicate portfolio differences
- Wet floor cleaning market defined as devices and consumables

Global \$38B Lawn Care Market – US Market = \$25B

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



Robot Lawn Mower market in EMEA a US\$ 200M market, though with unsatisfactory installation due to lack of technology solution



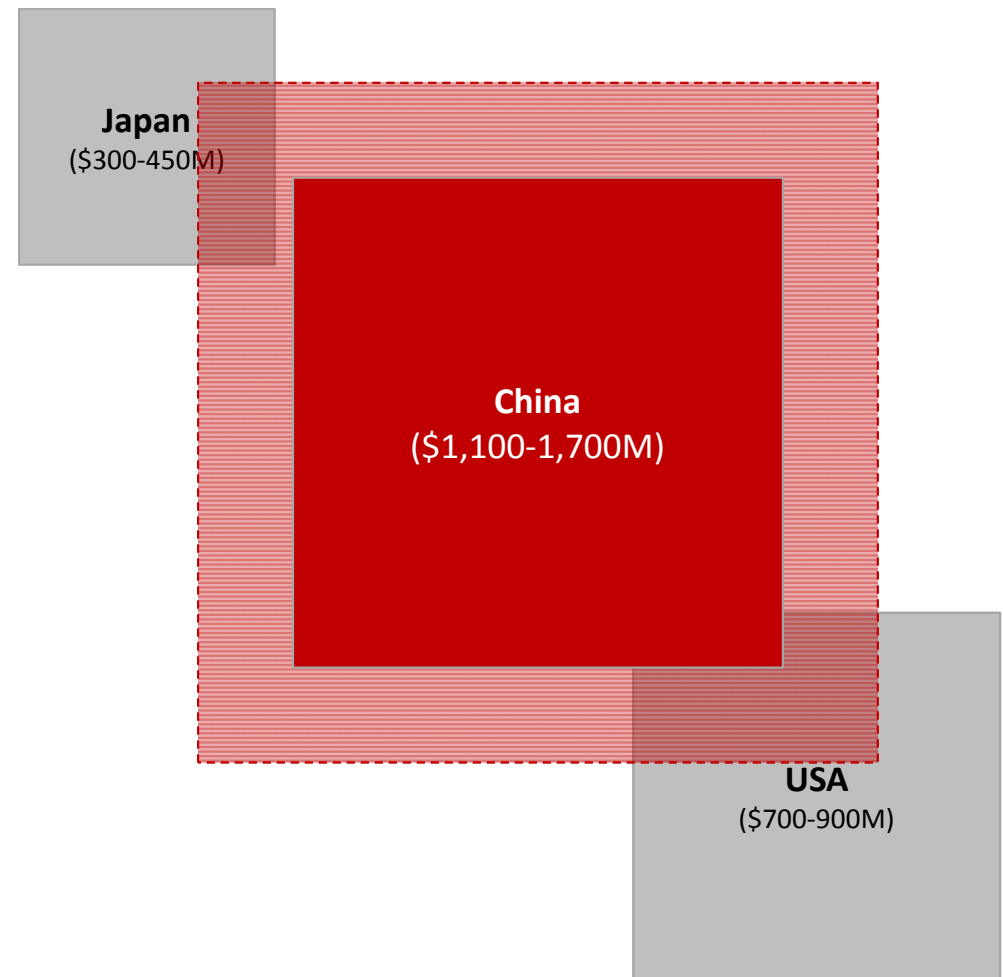
- **Breakthrough technology will open up robotic lawn market.**
- **iRobot well positioned through expertise in navigation.**

Source: Source: Freedonia “World Power Lawn & Garden Equipment” (August 2011); Harris Interactive / Planet “U.S. Poll of Consumer Perceptions about Yards, Landscapes, and Landscape Companies “; Europe market participant interviews, HBU / Corp Dev analysis

China Could be iRobot's Largest Non- U.S. Market

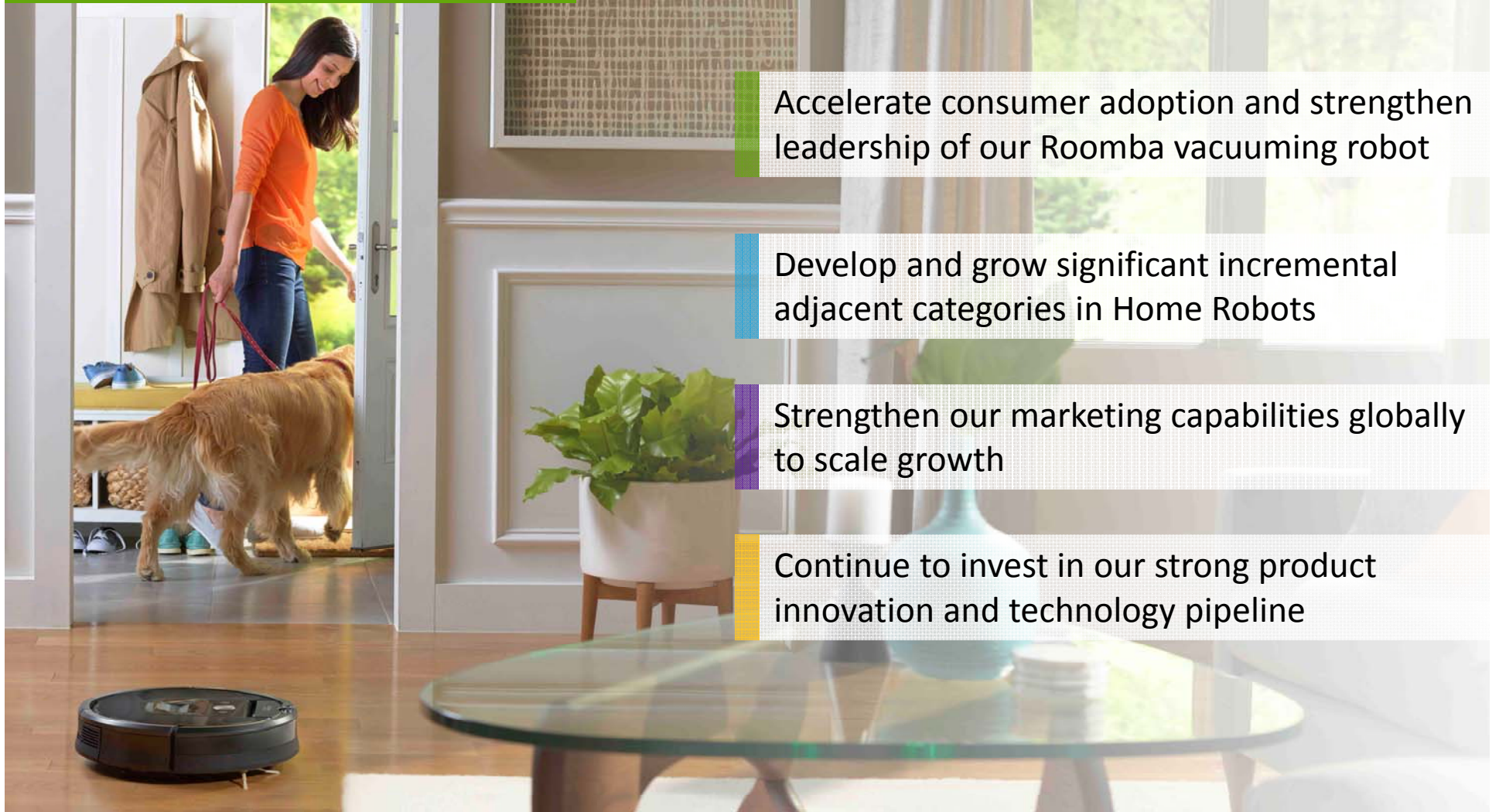
- Focused on premium and premium-mass market
- iRobot's sales are expected to grow more than 70% in 2015 and expected to continue to grow materially in 2016
- Aligning go to market strategy with maturing ecommerce market
- Strengthening brand premium brand communication key enabler for growth
- Wet floor care products significant opportunity as they are aligned with existing consumer behavior

+5 years forecast



Source: Parthenon analysis; Corp Dev / HBU analysis

Growth Drivers



Accelerate consumer adoption and strengthen leadership of our Roomba vacuuming robot

Develop and grow significant incremental adjacent categories in Home Robots

Strengthen our marketing capabilities globally to scale growth

Continue to invest in our strong product innovation and technology pipeline

Dwight Brown, VP Global Marketing Driving Disruptive Technology Adoption

Driving Roomba Adoption

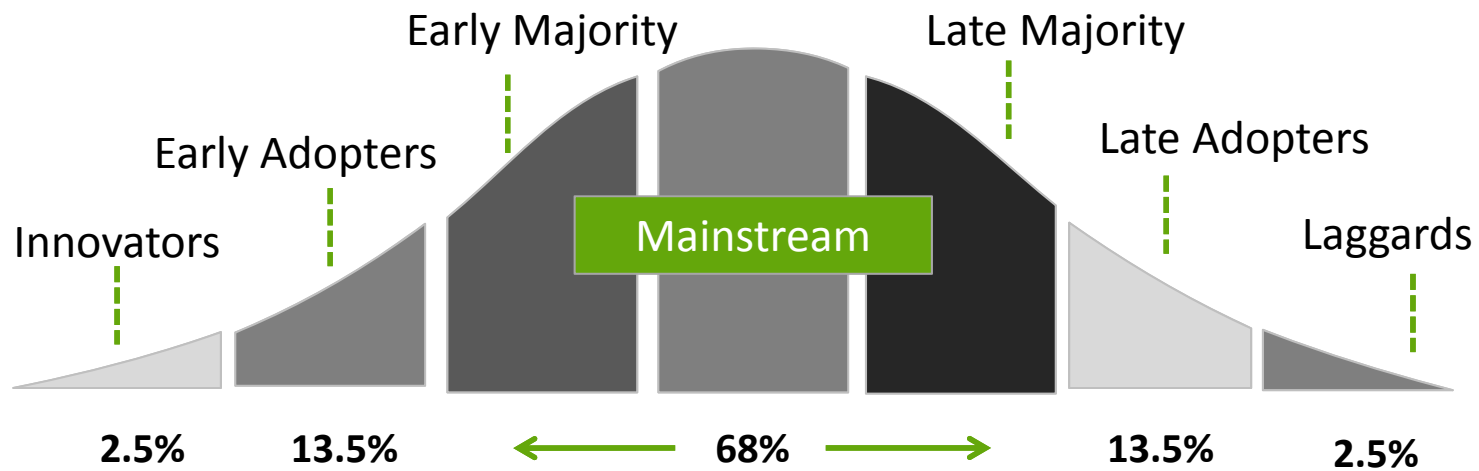


What does a
coffeemaker have to
do with a robotic
vacuum?



Everything

Disruptive Innovation



Disruptive Innovation Curve
U.S. Household Adoption (%)

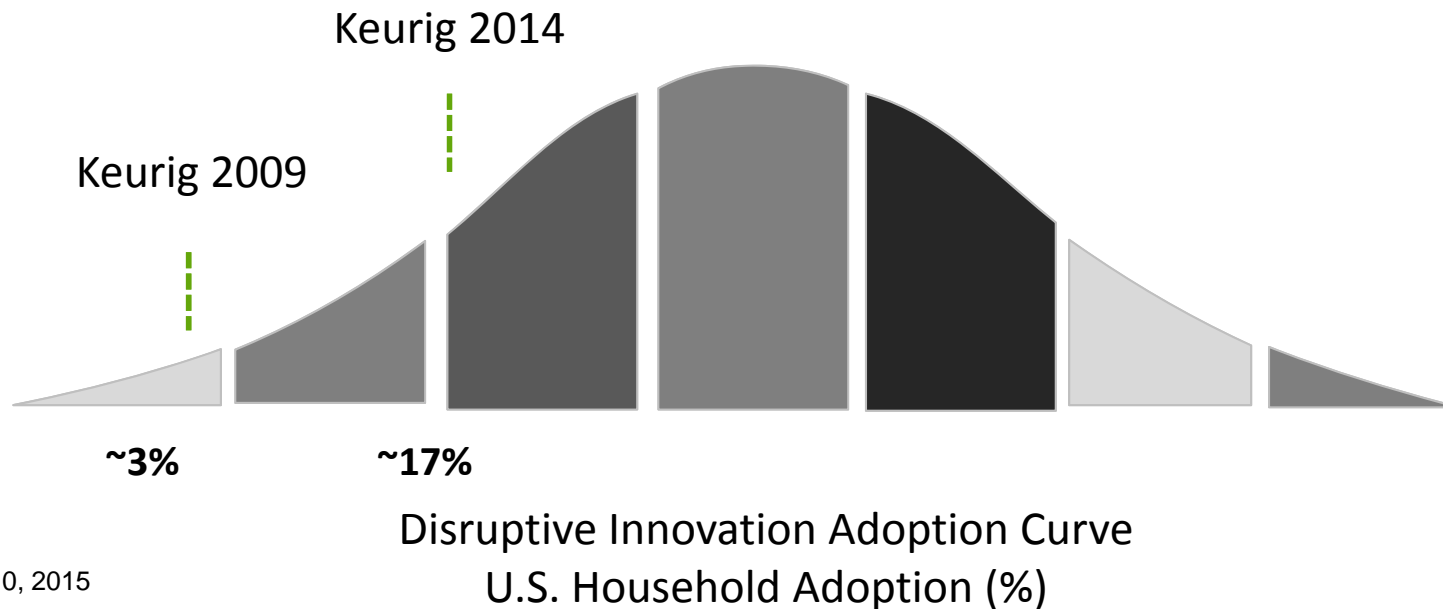
Disruptive Innovation: Keurig



Keurig:
Disruptive Innovation
A more convenient way to make a great cup of coffee

Consumer Satisfaction and Net Promoter Scores
Highly evangelical user base

#1 Brand of Coffeemaker in America
5X increase in HH Adoption



Disruptive Innovation : Roomba



Roomba:
Disruptive Technology
A more convenient way to clean

Consumer Satisfaction and Net Promoter Scores
Highly evangelical user base

Disruptive Innovation: Roomba



Roomba:
Disruptive Innovation
A more convenient way to make a great cup of coffee

Consumer Satisfaction and Net Promoter Scores
Highly evangelical user base

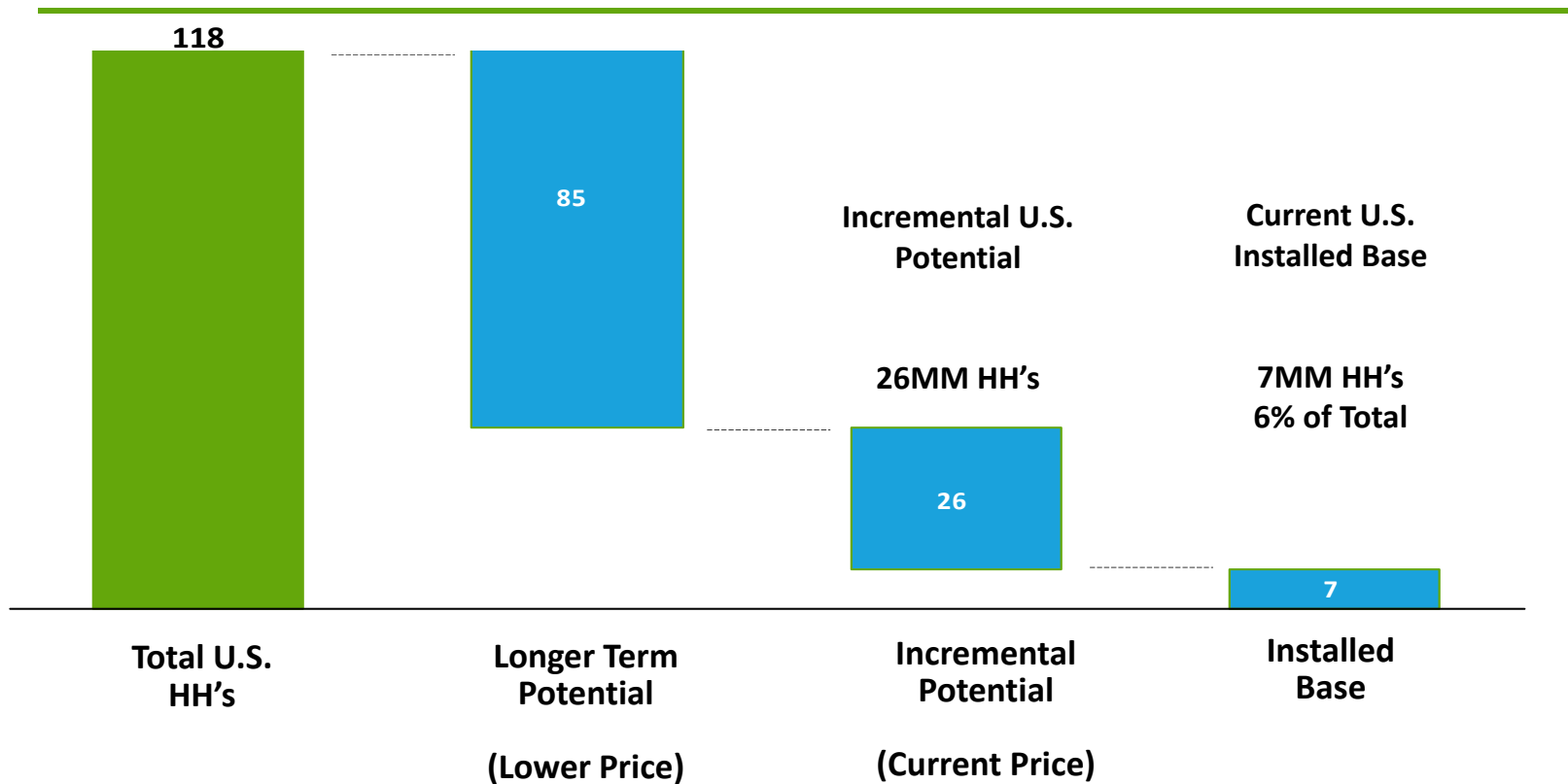
#1 Brand of RVC in America
~80% of Installed Base



Disruptive Innovation Adoption Curve
U.S. Household Adoption (%)

Significant Opportunity to continue to expand adoption of Robot Vacuums

Immediate Addressable Market ~4X Current Installed Base



Note: Purchased: includes ever purchased

Source: iRobot, iRobot Demand Landscape Survey 2014, TCG Analysis

The Roomba Paradox



Non-User Perception:

Robot vacuums probably do not clean well enough

Roomba User Reality:

Cleaning performance is the key driver of satisfaction
net promoter scores

The Roomba Paradox:

Overcoming consumer perception is the key to unlocking
accelerated growth

Turning Skeptics to Believers



Turning Skeptics to Believers

Influence of the Installed Base:

Friends & Family
Company Reputation
Social Media
Grass-roots Efforts

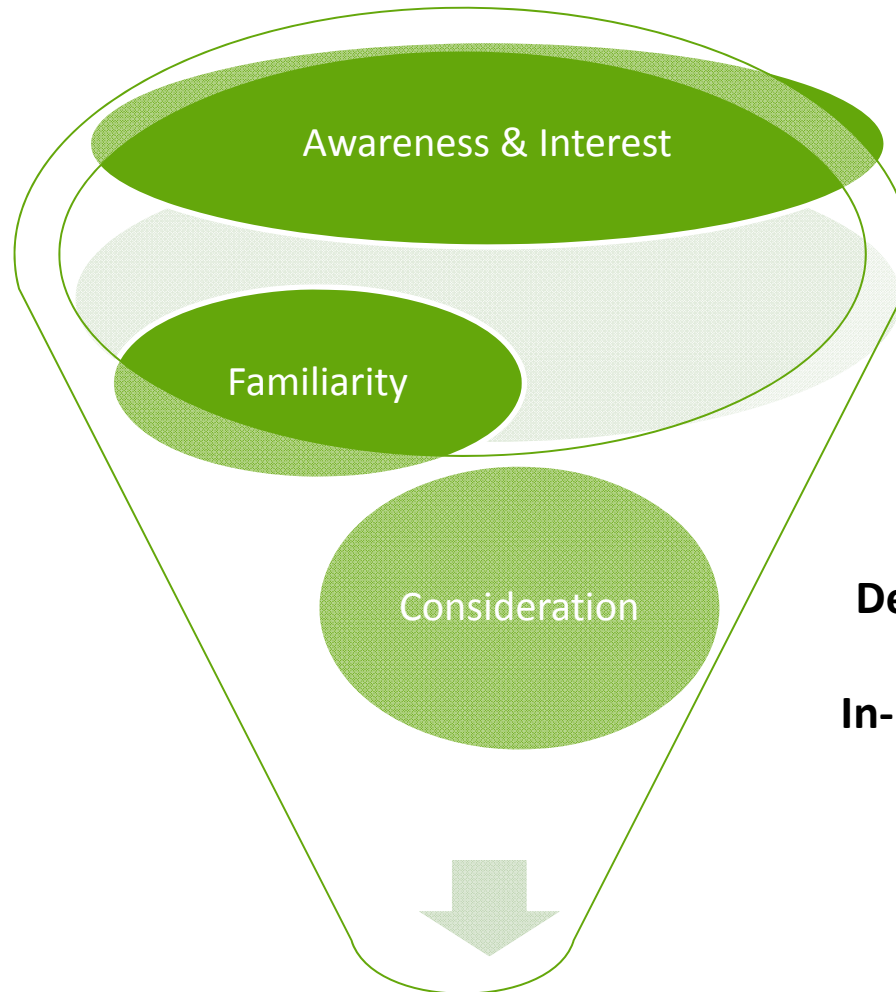
Research:

On-line Reviews

Marketing Tools:

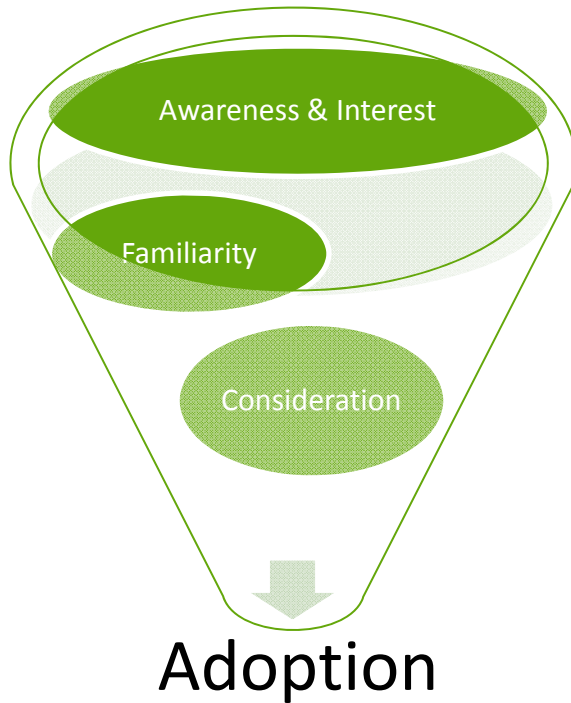
TV
Promotion
Digital

Demonstration:
In-home/In-store



Adoption

Turning Skeptics to Believers

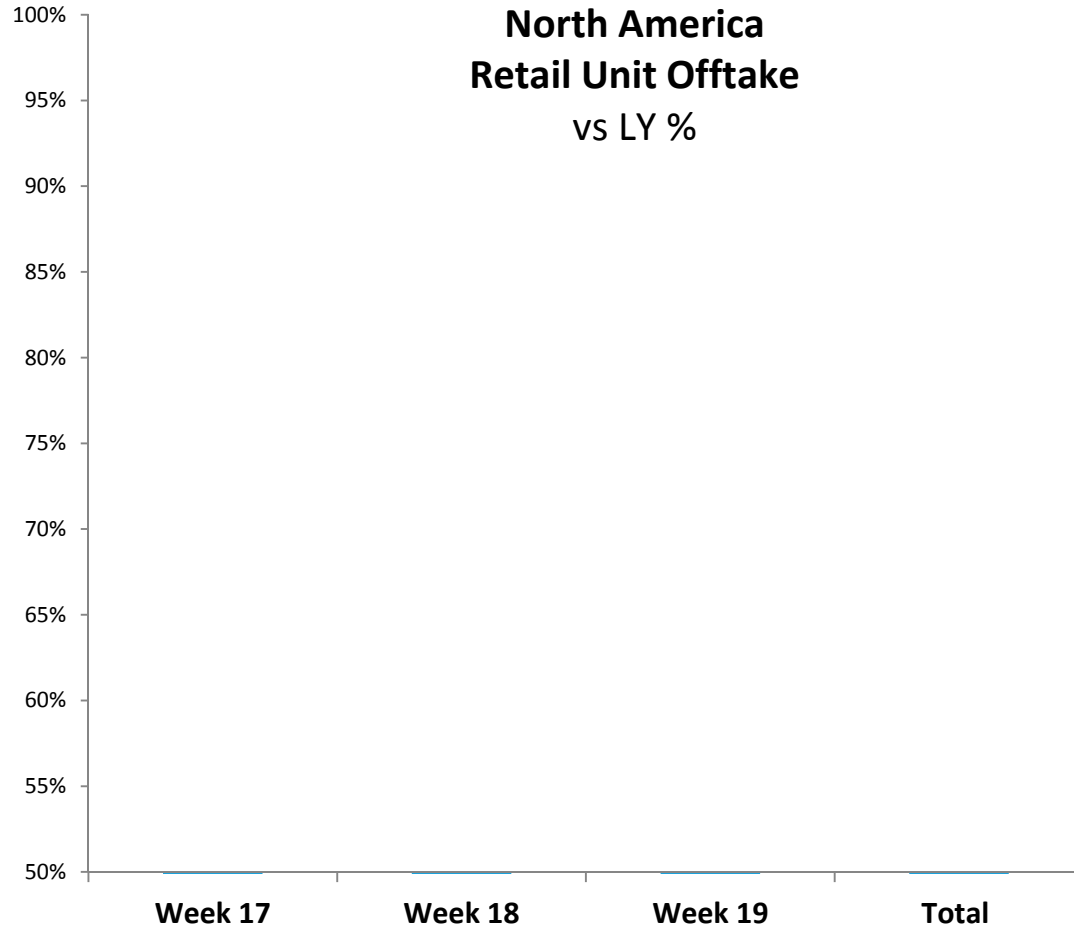


TV
One of the tools used primarily during key retail seasons when the potential sales impact warrants the media investment

Mothers Day 2015 – North America

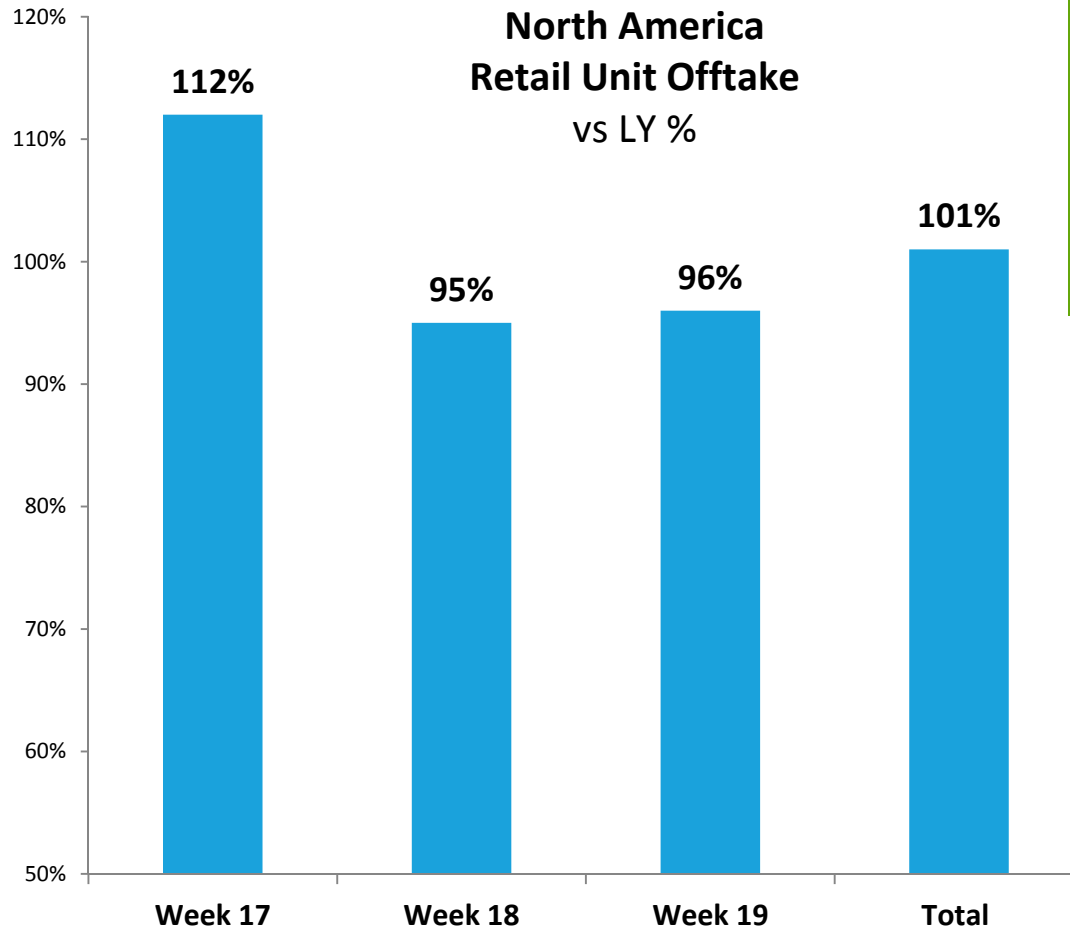


Mothers Day 2015 – North America



Three weeks leading up to Mothers Day 2015 (May 10)

Mothers Day 2015 – North America



Roomba Retail Offtake
+ 101% versus the same period in '14
Note: The trailing three week sales trend was flat versus 2014

Three weeks leading up to Mothers Day 2015 (May 10)

Fall 2015 – Global Roomba : Here to Help

scarlett
7

**CinemaStreet
iRobot
Roomba
"HereTo Help"
:30
IOTR009000H

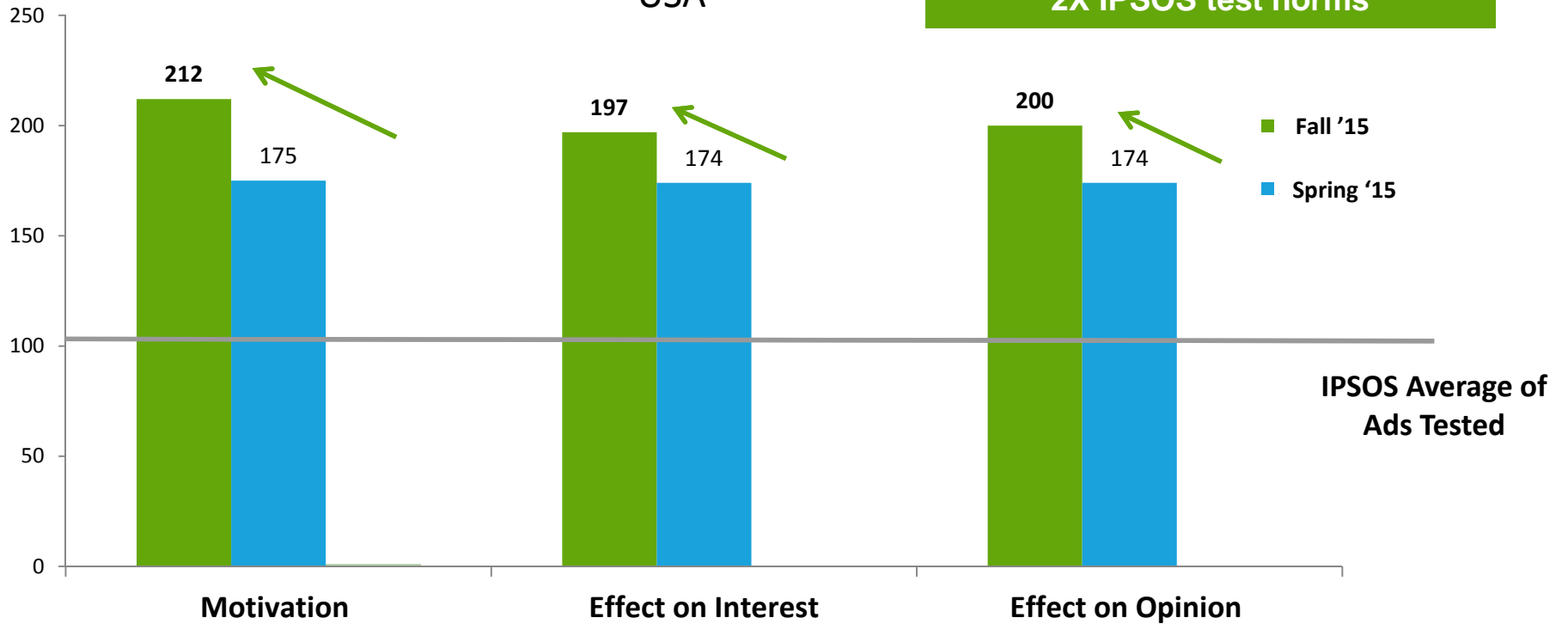
09.30.15**

575 LEXINGTON AVENUE, FLOOR 24, NEW YORK, NY 10022 212.371.5333

Improving Key Messaging to Drive Motivation

Fall '15
Vs Spring '15 & Fall '14
TV Advertising
USA

A significant improvement in key
measures versus previous
Roomba campaigns
2X IPSOS test norms



Source: IPSOS ASI Check

Summary: Roomba Robotic Vacuums



- A disruptive technology
- Still in Early Adopter stage
- Significant growth potential with proper messaging at an appropriate level using multiple marketing tools
- Global installed base lags the U.S. but possesses similar potential for growth using similar tactics as well as a redefined influence over the current distributor model



Alison Dean, EVP/CFO

Financial Performance and Initiatives

P&L Performance

Delivering Profitable Growth

	FY13	FY14	FY15*
Revenue	\$487M	\$557M	\$613M
Gross Margin	45%	46%	47%
Opex % of Rev	39%	37%	37%
Adjusted EBITDA Margin	13%	14%	15%
EPS	\$0.94	\$1.25	\$1.38

12% CAGR

Quality, Scale & Process

Opex Leverage

Continuous Profit Improvement

* Represents mid-point of expectations provided on 10/21/15.

Driving Improved Profitability

Operational Process Maturation

Current

Lower European Warranty Costs

- **2013** - Distributor discount for repairs
- **2014** – Moved to pay per repair
- **2015** - Continued repair process improvement and cost efficiencies

Optimize NA Marketing (2015/2016+)

- Targeting – regional areas
- Messaging – “better together”

Future

Centralize Electronic Component Sourcing (2016/2017)

- Tier 1 supplier
- High volume cost efficiencies

International Principal Company (2017/2018)

- Exploring potential to capitalize on international footprint
- Analyzing costs, structure and processes

Maintain Market Leadership and Drive P&L Enhancements

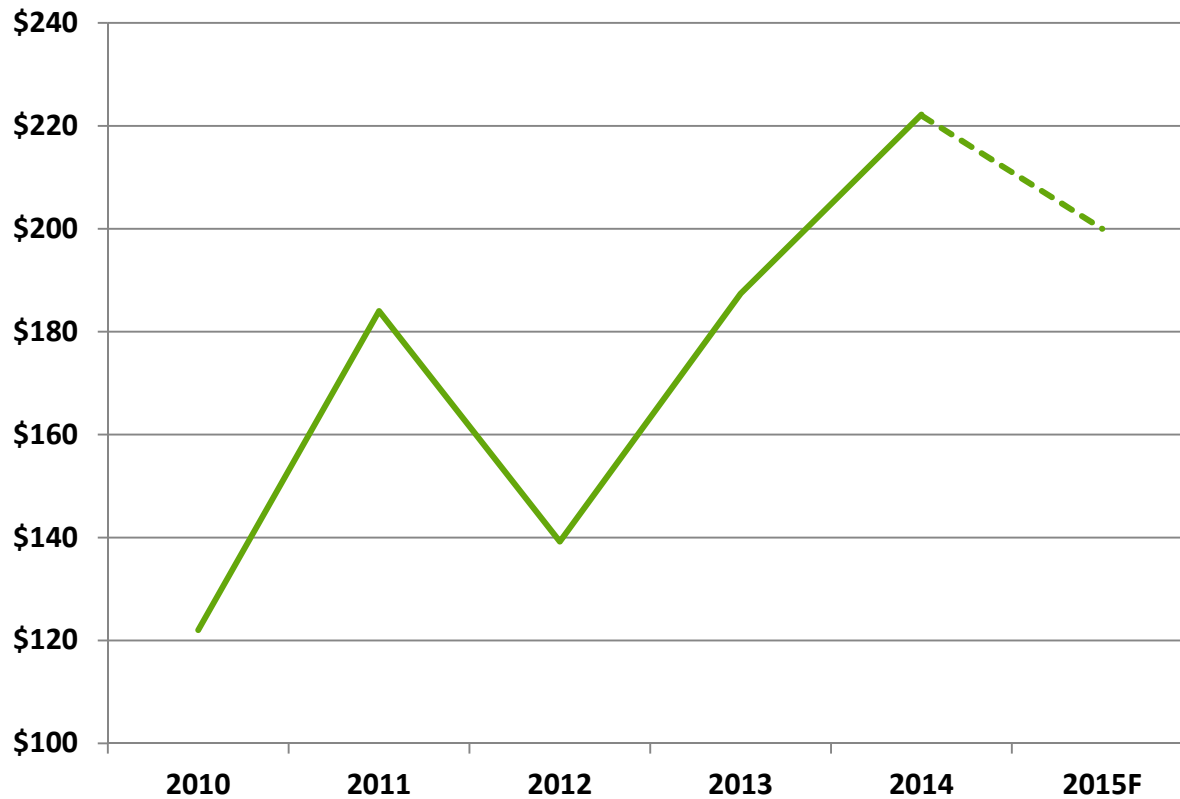
2016 Accelerated Revenue Growth

- 1) Increased Roomba Household Penetration via new marketing campaigns
- 2) 980 roll-out
- 3) China market development
- 4) Wet Floor Care adoption

3 Year Targets; 2016 guidance to be provided in February 2016

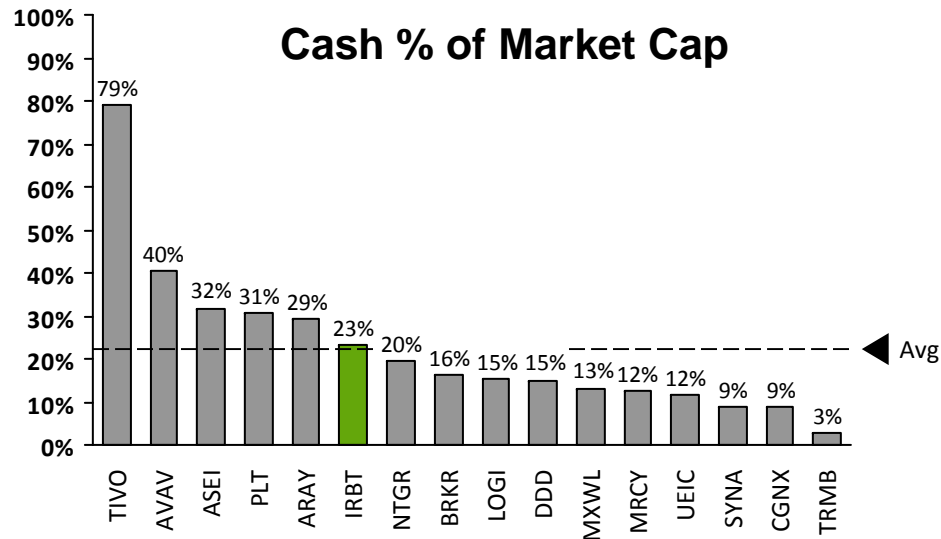
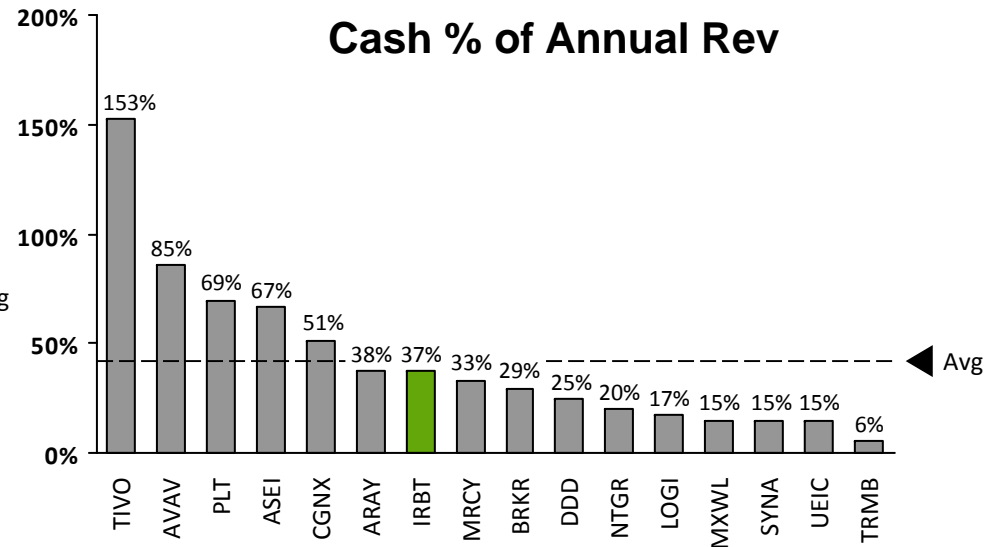
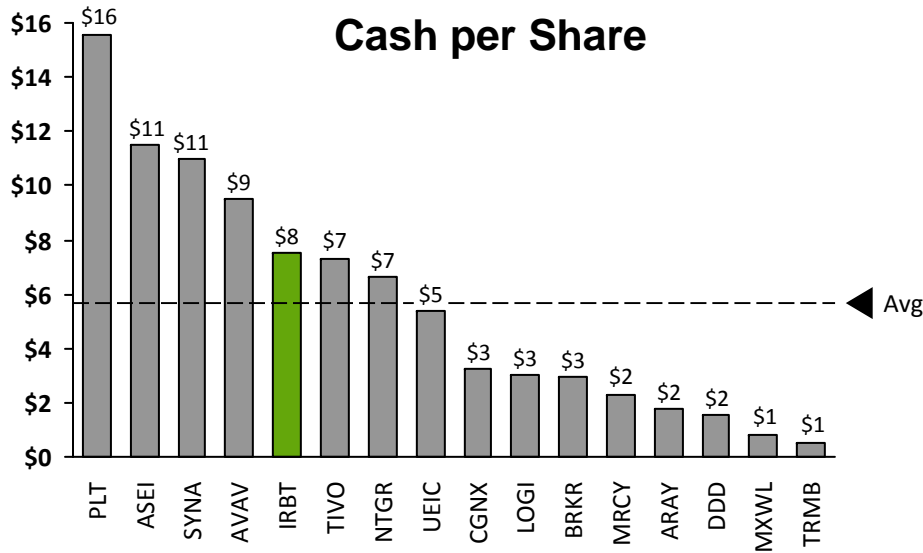
Capital Structure

Cash Trends - \$M



Success of current share repurchase program tempers further cash accumulation

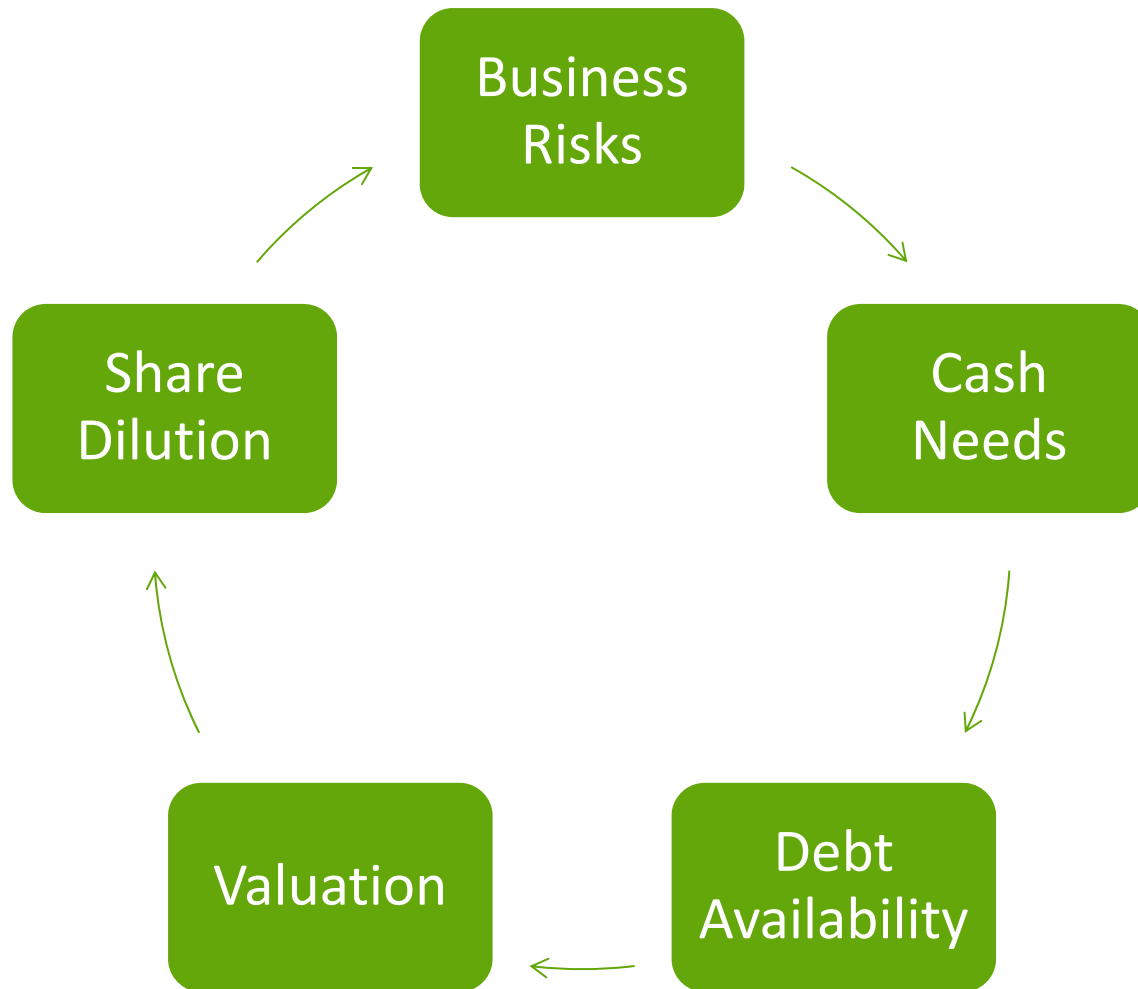
Cash Metrics Comparison



Cash levels in line with those of comparable companies

Note: Metrics are based on recent SEC reporting period available by company. "Cash" includes cash, cash equivalents and ST investments.

Capital Structure Considerations



Capital Allocation Strategy - Evolution

- 1) Rebuild cash position post ER acquisition (2013)
- 2) 2013 – introduced first share repurchase program (\$25M)
- 3) 2015 - expanded share repurchase program to \$50M
 - a) \$27M returned to date
 - b) In October, Board raised the price targets for the remainder of the plan
- 4) NEW - Beginning 2016
 - a) Board approved new anti-share dilution repurchase program
 - b) Expected to re-purchase up to 1 million shares annually

Ongoing review to address changing business needs

Investment Framework

Investment Opportunity Evaluation - Robotic Lawnmower

<p style="text-align: center;">Strategic Alignment</p> <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?  	<p style="text-align: center;">Market Attractiveness</p> <ul style="list-style-type: none"> ▪ Size of addressable market  ▪ Estimated growth of market  ▪ Barriers to entry are high for others  ▪ Competition 
<p style="text-align: center;">Competitive Strength</p> <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  	<p style="text-align: center;">Investment/Return</p> <ul style="list-style-type: none"> ▪ Pricing Strategy  ▪ Gross Margin  ▪ Investment needed - start-up and ongoing  ▪ Expected return/timeframe 

Although still in the exploratory phase, we believe the robotic lawnmower scores well against our investment framework

 Still exploring/evaluating

Summary

Investment Thesis

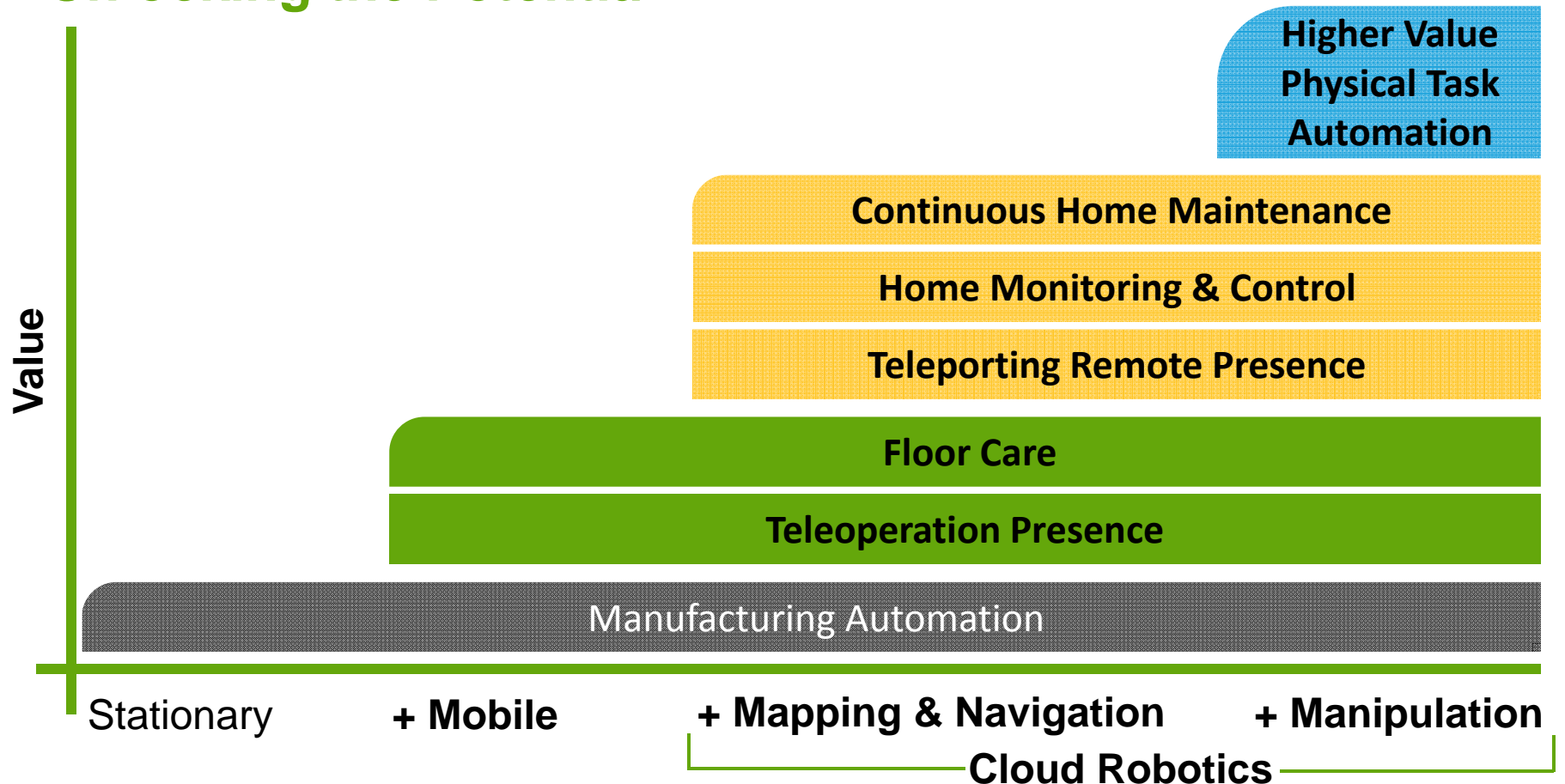
- 1) Global Home business driving profitable revenue growth
- 2) Business process maturation
- 3) Investment discipline
- 4) Capital structure evolution

Q&A



Colin Angle, Chairman and CEO
Chris Jones, Director Strategic Technology
Connected & Mapping Home Robots

Unlocking the Potential



Focused technology development to **enhance current products** and **enable future products** and business opportunities.

Strategic Technology Focus Areas

Mapping & Navigation



Cloud Robotics



Manipulation



Focused technology development to enable robots to

- Move smartly through everyday human environments
- Connect with diverse cloud resources and services
- Purposefully perform physical tasks in unstructured environments



Foundational Milestone

The Roomba 980 provides compelling user benefits and is a foundation for expanding the value of robots in the home.

Key to the 980's importance is that it is **connected** and it **systematically navigates and maps the home.**

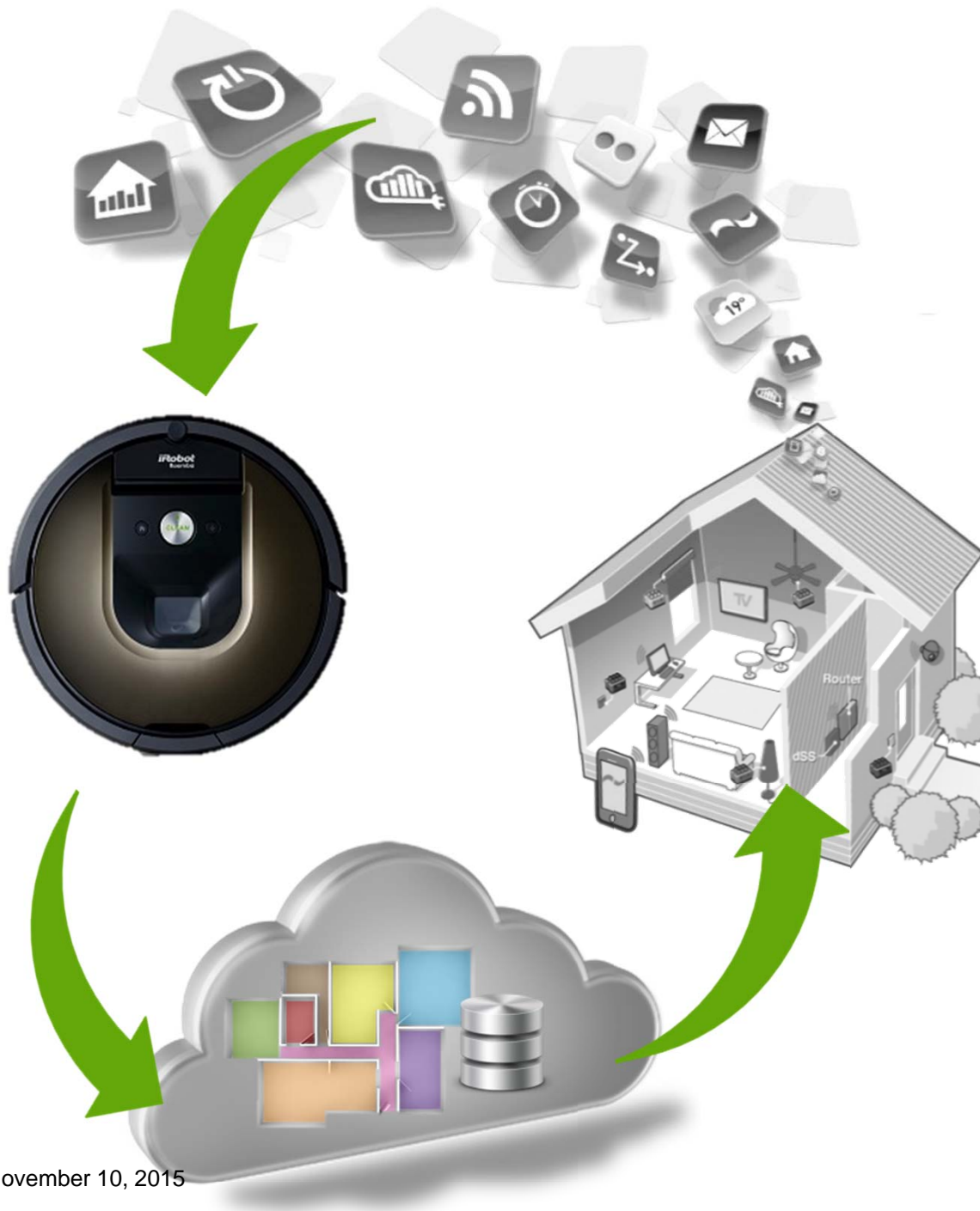
Over **14 MILLION** robots sold



≥20 Million sqft cleaned & mapped since Sept 16th Roomba 980 launch

Value of Maps & Connectivity to Roomba Today

- Systematic cleaning of entire level of home
- Map and adapt to real world clutter
- Enhanced user experience and confidence in performance
- Continuous improvement through OTA updates
- Insights through usage & runtime data



From Connectivity to Cloud Robotics

Connecting the robot and its unique data and capabilities into cloud services and the connected devices ecosystem.

The home robot will be a valuable member of the connected home and its myriad of devices.

Connected, Mapping Robots & The Smart Home



Background

The **Smart Connected Home** is forecast to be a \$200+ billion market by 2025*.

Providing for **increased comfort, security, & efficiency** leveraging 100s of connected devices & sensors installed in a smart home.



Problem

Smart home **complexity & usability** is a **limiting factor** to the realization of consumer value and overall adoption.

Configuring 100s of connected devices to deliver the desired smart home capability is beyond the average consumer.

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

self-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

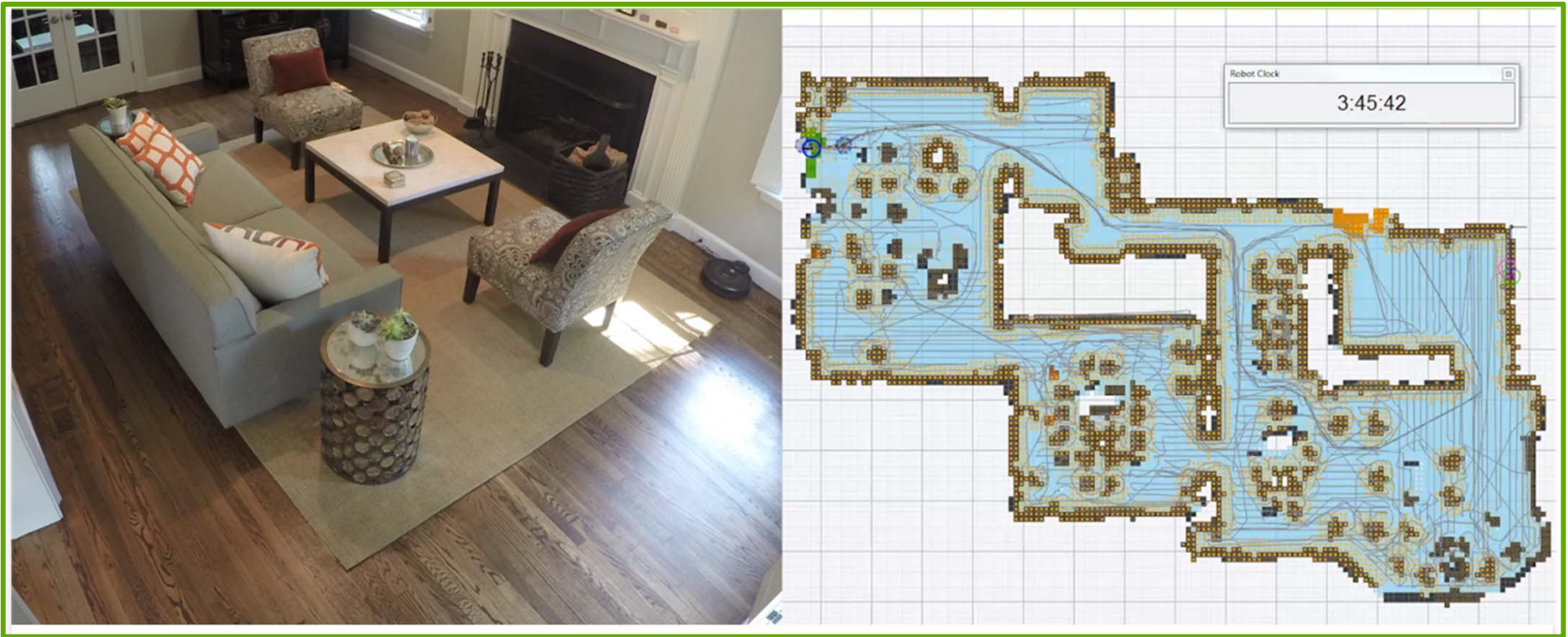


Solution

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

Technology Overview & Directions

Strength of Roomba 980 Mapping Technology



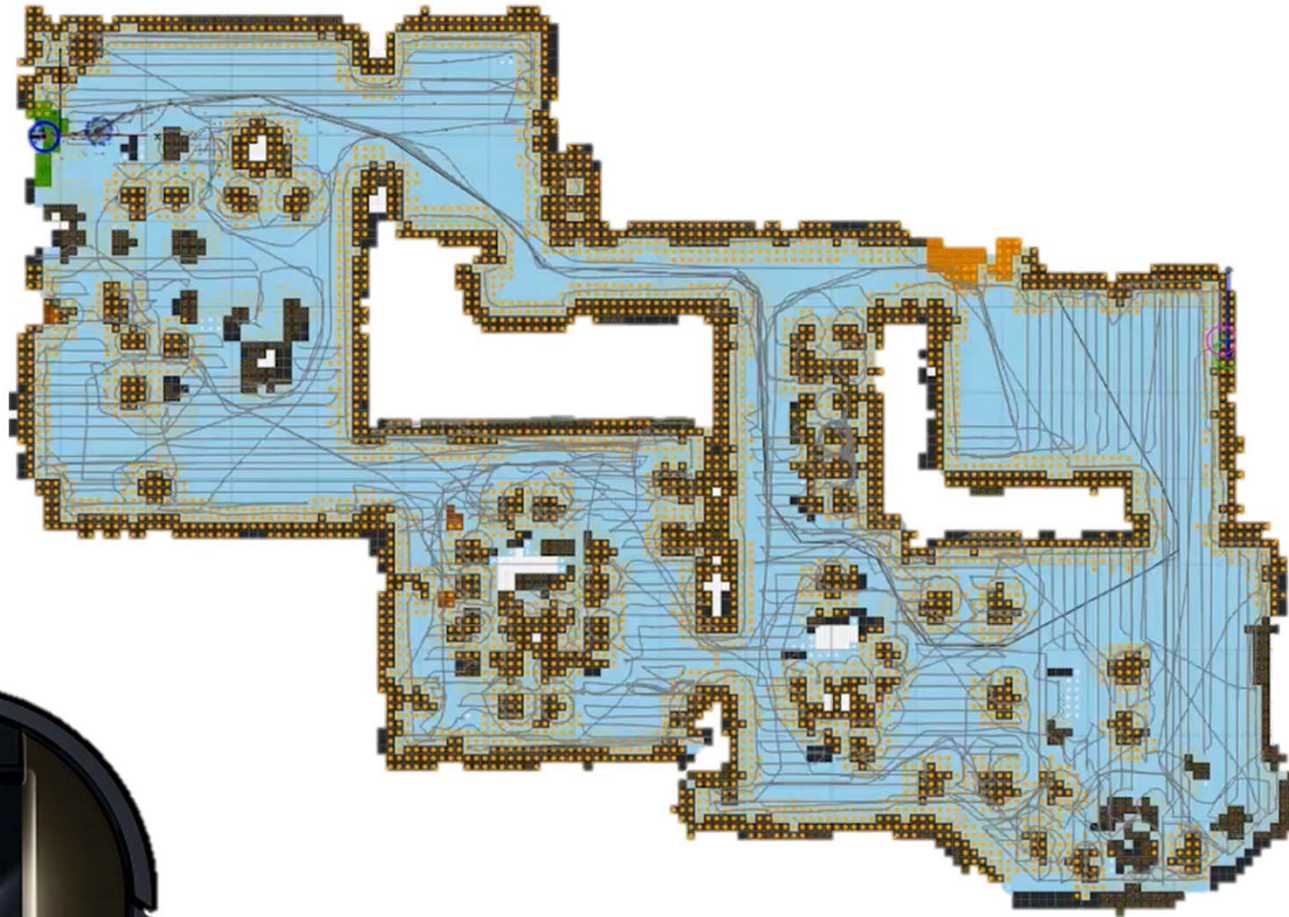
Innovative Visual SLAM robot mapping technology developed through years of focused development.

Technical Approach		Solution Efficacy
iRobot Roomba 980	“Fusion” Visual SLAM with forward-facing camera & optical floor tracking sensors	<ul style="list-style-type: none"> • Cleans entire level of home • Robustness and efficiency from combination of standard camera & floor tracking sensors • Ability to recover if gets lost or manually moved • Benefits from richness of visual sensing
Technical Approach #2	Visual SLAM with panoramic camera	<ul style="list-style-type: none"> • Limited ability to fully recover if lost or moved • Complexity from custom camera optics & processing requirements • Challenge operating in <i>all</i> lighting conditions • Benefits from richness of visual sensing
Technical Approach #3	2D Laser SLAM with scanning laser sensor	<ul style="list-style-type: none"> • Limited ability to operate in sparse or large open areas due to 2D view of world & range of laser • Benefits from accuracy of laser distance measurements
Technical Approach #4	Visual SLAM with ceiling-facing camera	<ul style="list-style-type: none"> • Limited visual features on ceiling • Limited ability to fully recover if lost or moved

iRobot’s solution is carefully designed to be practical and operate across household environments.

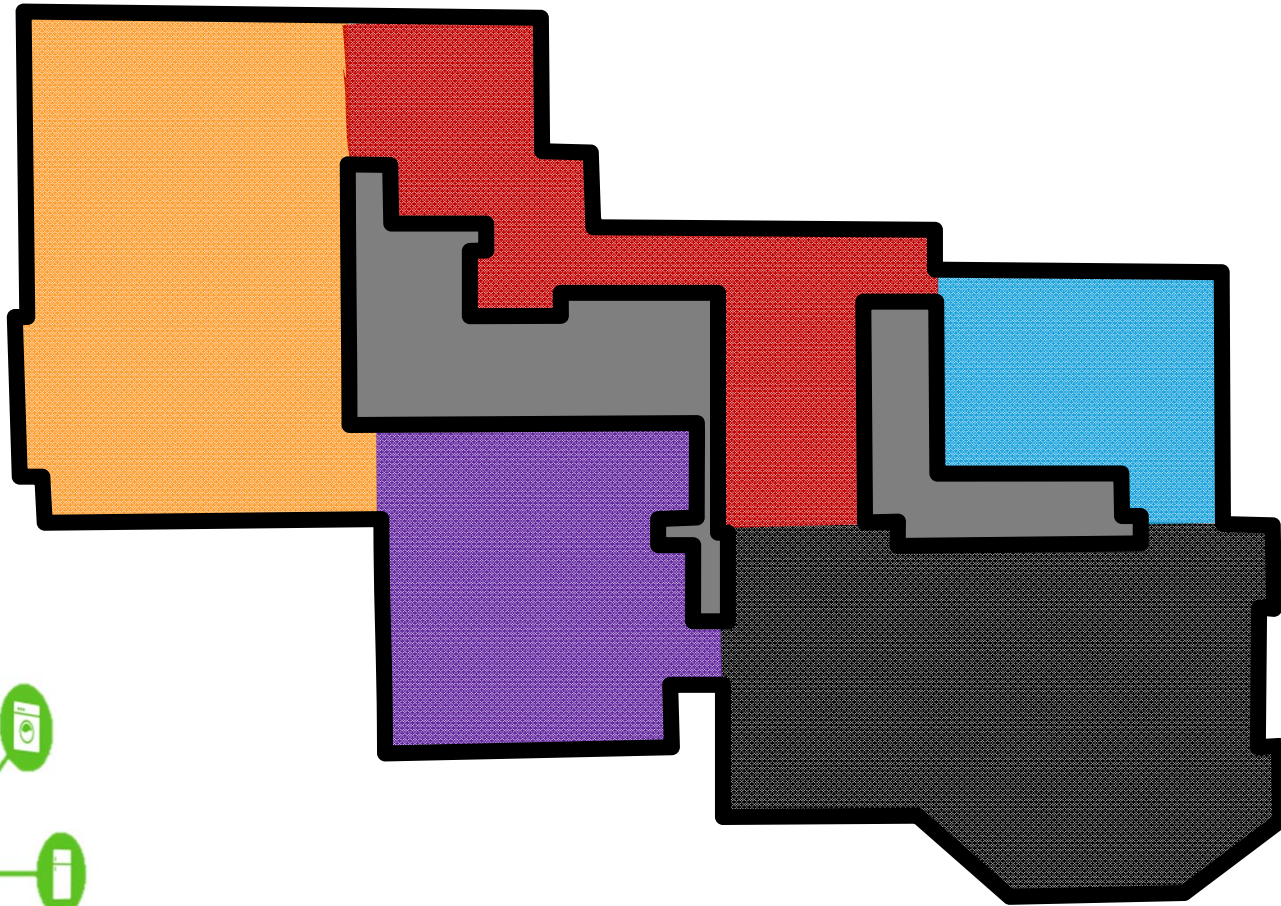
Role of Connected, Mapping Robots in the Self-Configuring Smart Home

Smart Home Setup & Operations



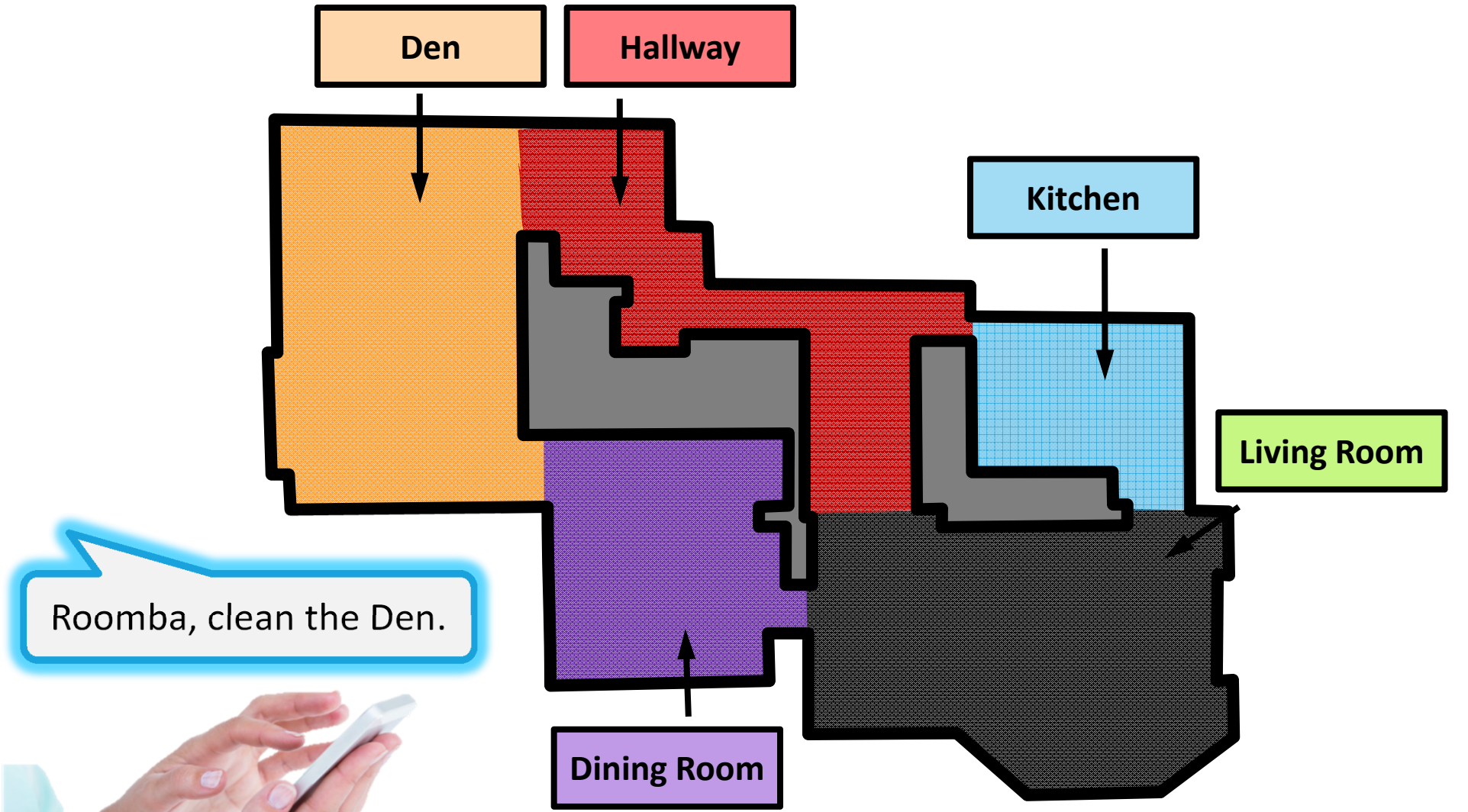
Step 1: Smart Home Robot Maps Home

Smart Home Setup & Operations



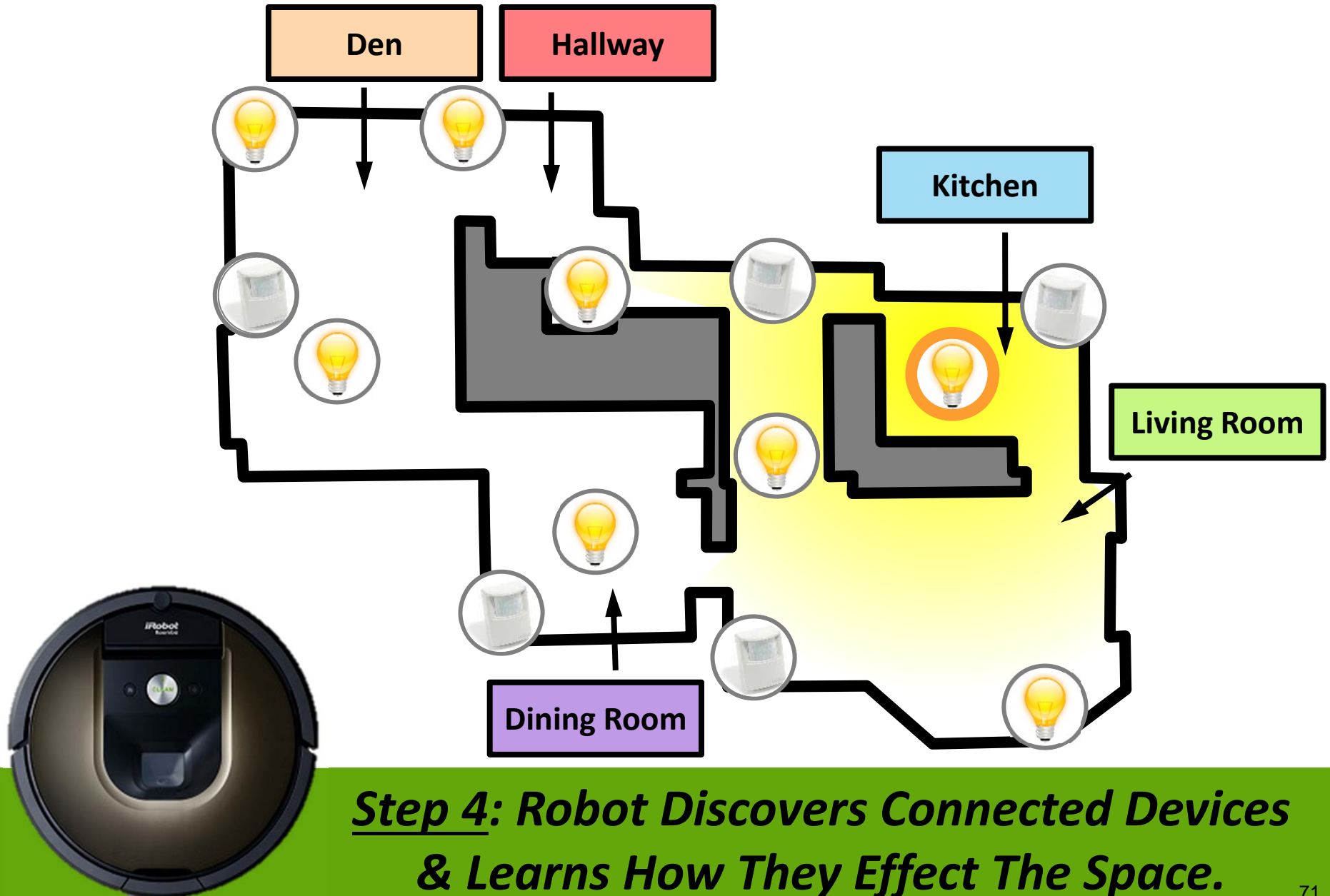
***Step 2: Spatial Context Engine
Cleans-Up & Segments Map.***

Smart Home Setup & Operations



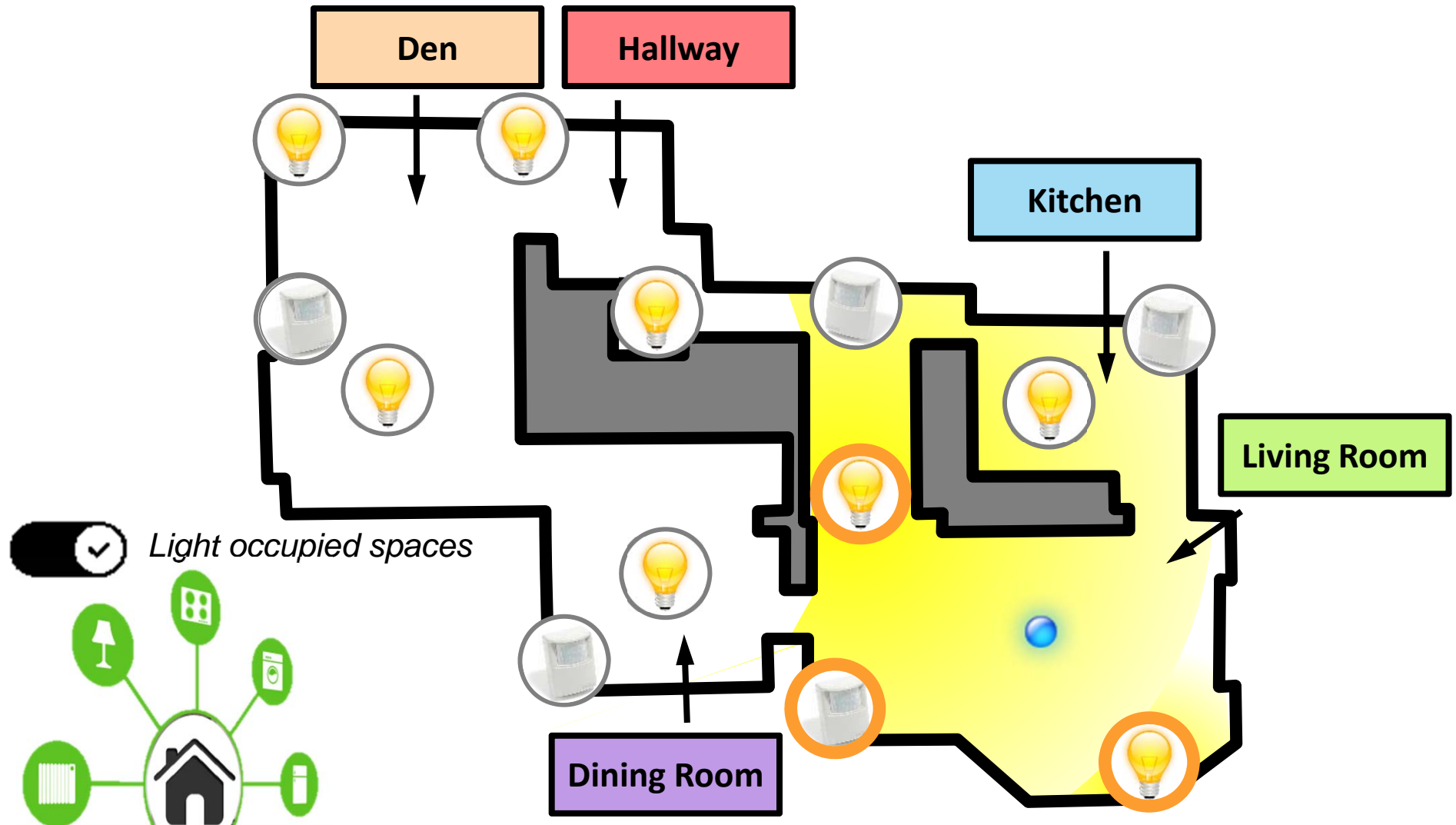
Step 3: Consumer Can Label & Leverage Segmented Rooms.

Smart Home Setup & Operations



Step 4: Robot Discovers Connected Devices & Learns How They Effect The Space.

Smart Home Setup & Operations



Step 5: Spatial Context Engine Uses Spatial Knowledge To Trigger Appropriate Actions.

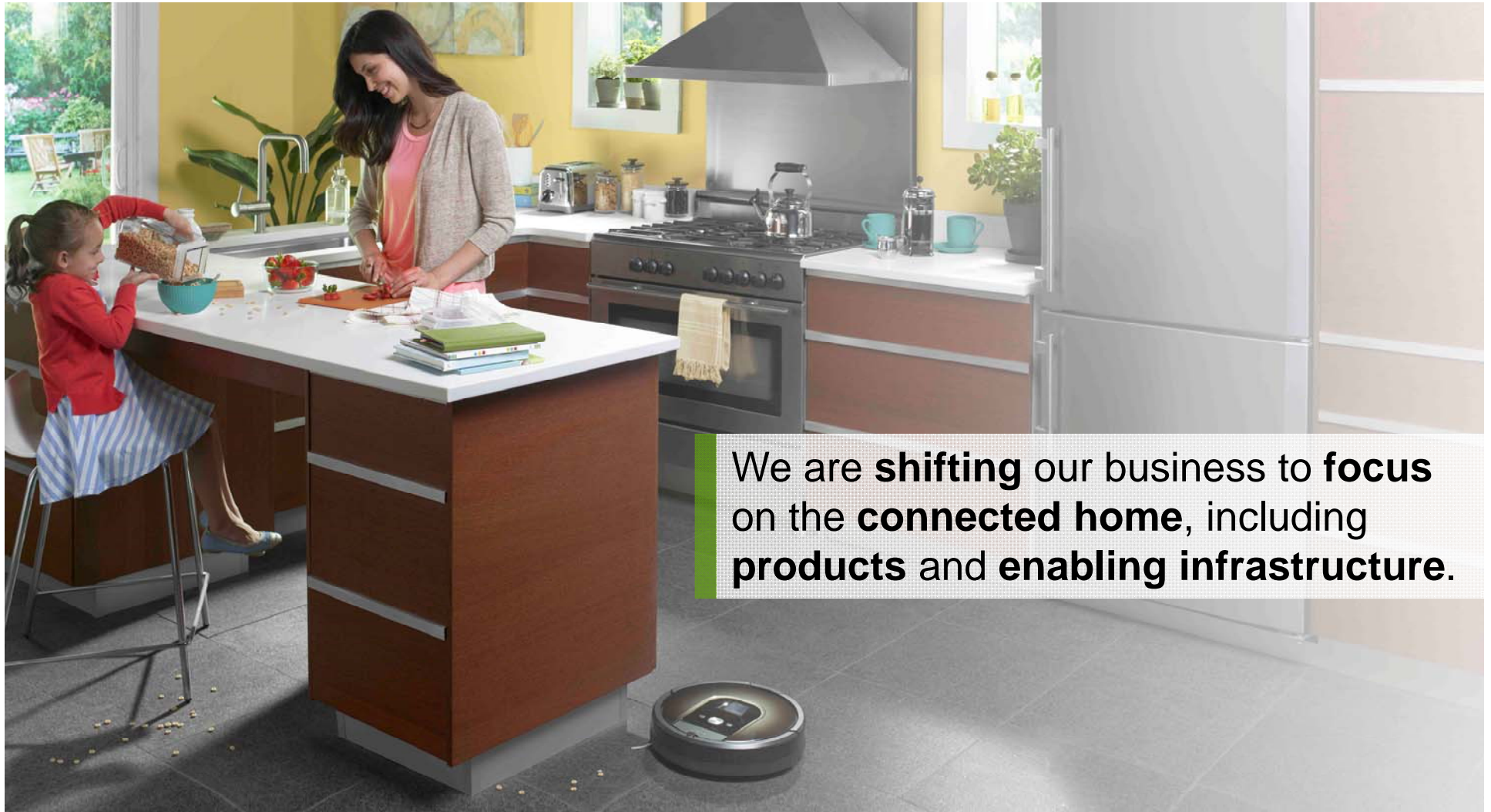


Summary

The Roomba 980 introduces connectivity and mapping technology driving **compelling product capabilities today.**

Our **technology strategy** also sets the stage for further enhancements to our current products and **enables new products & business opportunities.**

Creating Long-Term Shareholder Value



We are **shifting** our business to **focus** on the **connected home**, including **products** and **enabling infrastructure**.



Thank You