



# Sidoti & Company Emerging Growth Forum

## March 17, 2015

**iRobot®**

*Robots That Make A Difference*

# 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](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 – The Robot Company

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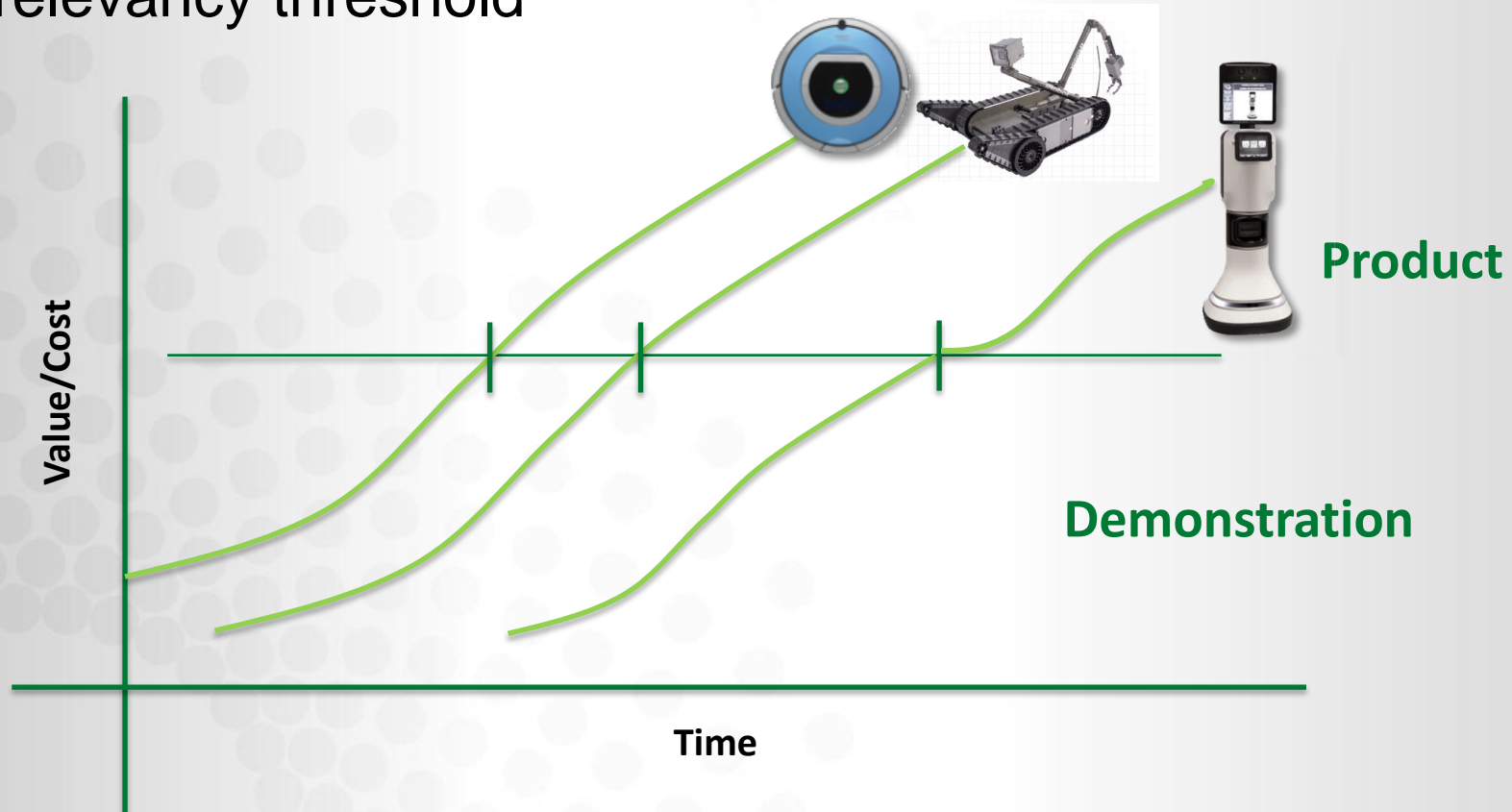
- **Global Technology Company - Empowering people to accomplish more through practical robots**
- **Portfolio of robotic technology solutions currently serving 3 market verticals:**
  - Home maintenance market – Roomba, Scooba, Braava, Mirra
  - Defense & Security – SUGV, FirstLook, PackBot, Kobra
  - Emerging video collaboration markets – Ava 500, RP-VITA
- **Huge addressable markets**
  - Formidable IP portfolio
  - Market-leading brand recognition
  - First mover advantage

**More than two decades of global robotic-technology market leadership**

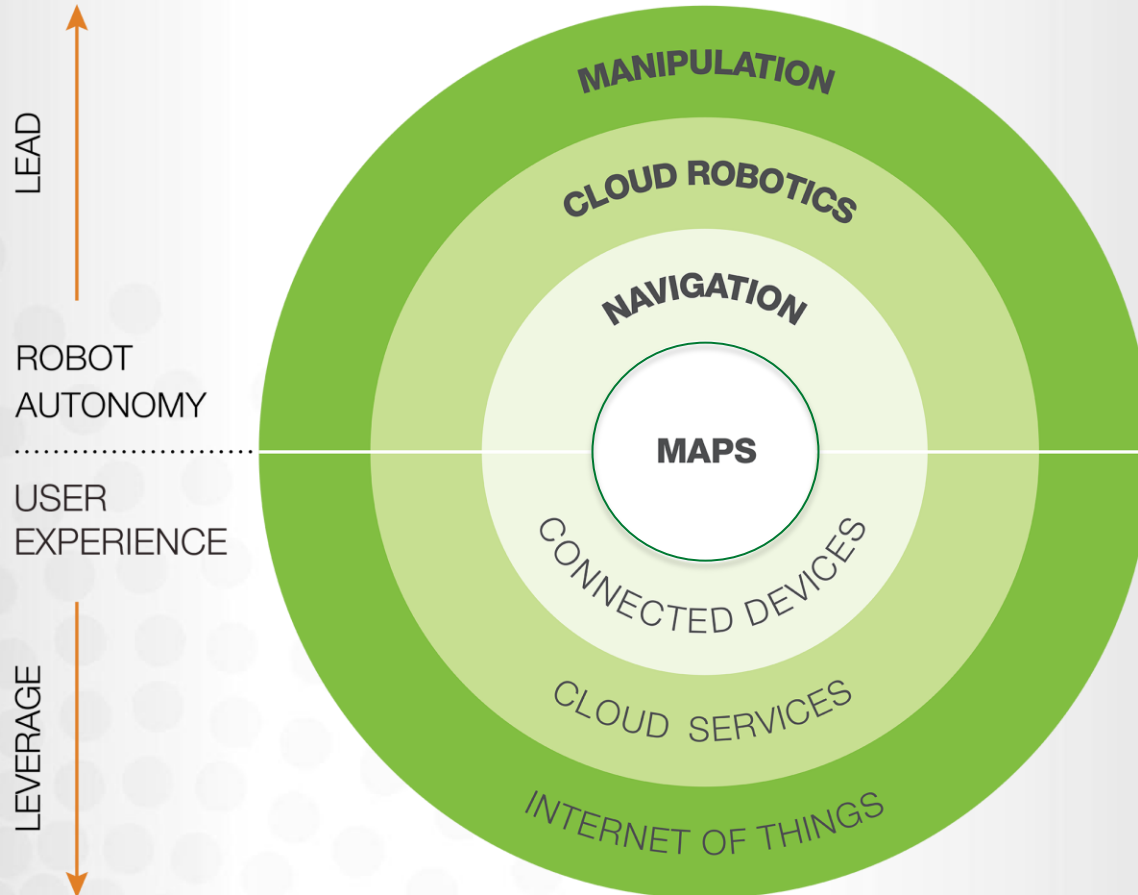


# The Emerging Robot Industry

New capabilities unlock new opportunities to cross the relevancy threshold

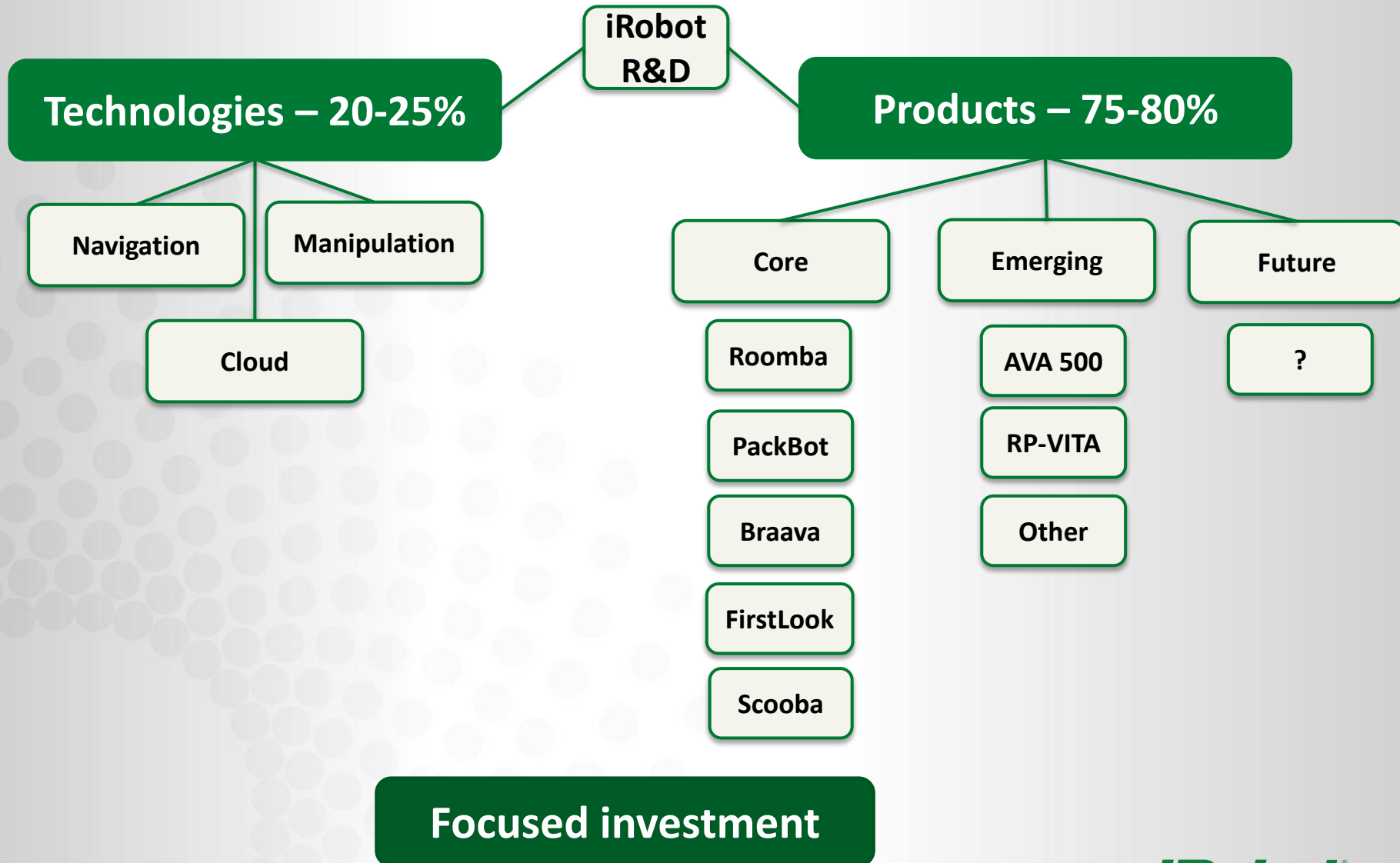


# Technology Strategy



**Navigation – Near term focus**

# Internal R&D Prioritization Framework



# Patent Portfolio — Roomba


## 98 U.S. Patents\*

Covering Roomba Technology



## 188 International Patents\*

Covering Roomba Technology

Tier 1	 	58
Tier 2	   	61
Tier 3	   	29
Tier 4	       	28

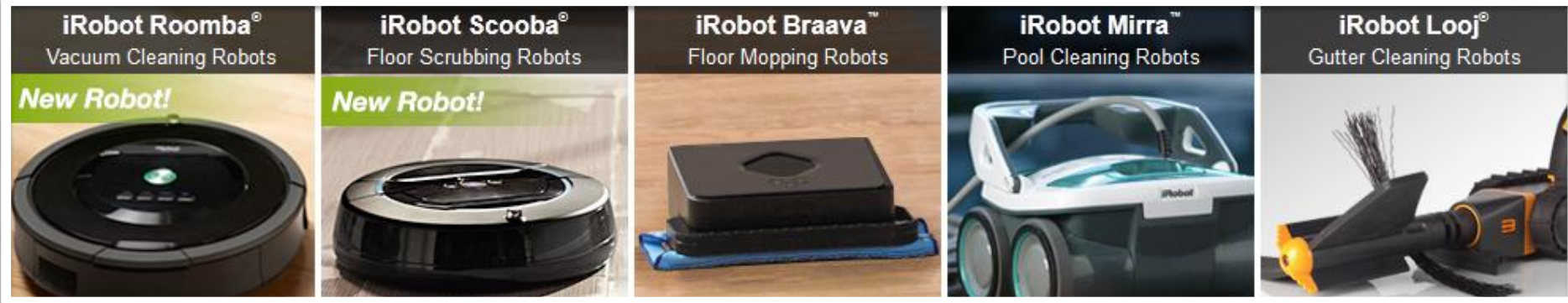
\* As of May 2014

Company-wide: 297 US and 352 International Patents





# Home Robot Products



Flagship product  
Driving iRobot revenue growth  
**iRobot Roomba® 880 Vacuum Cleaning Robot**

**More Than 13 Million Home Robots Sold Since 2002**  
**Currently Sold in More Than 50 Countries**

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# iRobot Roomba 880

## Revolutionary AeroForce™ Extractors

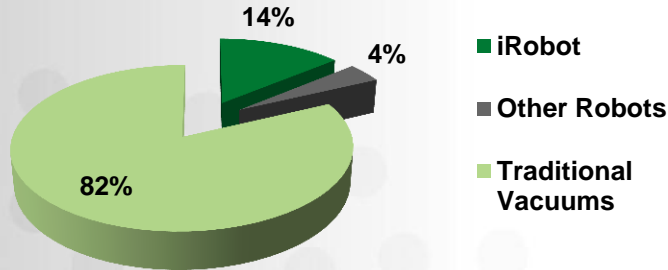


### New Features:

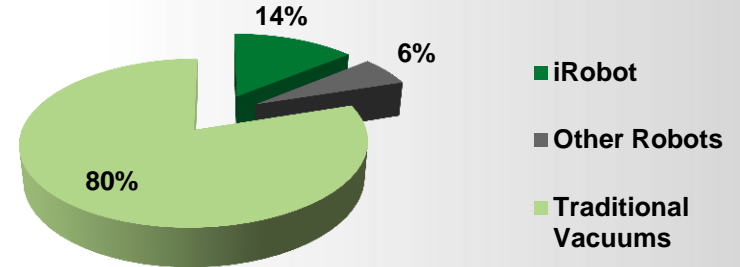
- **Removes up to 50 percent more dirt, dust, hair and debris.**
- **Virtually maintenance free** – AeroForce Extractors eliminate tangled hair.
- **5x more powerful vacuum** than previous Roomba models.
- **Holds 60 percent more dirt** in the high capacity bin.
- **Delivers double the cleaning cycles** over the life of the robot, with the new XLife battery.

# Large and Growing Addressable Markets

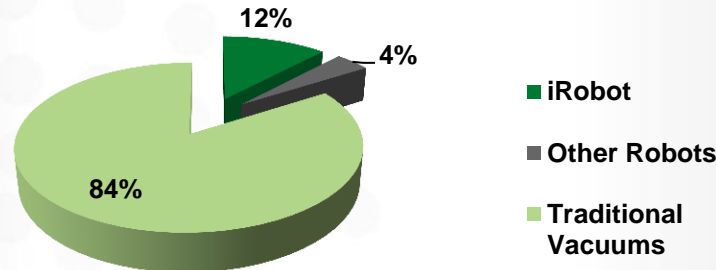
North America - \$2.2 billion



EMEA - \$2.5 billion



APAC - \$2.2 billion



**\$7 billion annual market opportunity**

Source: Vacuum Cleaners >\$200 USD, 2013 retail prices (based on NPD, GfK, Euromonitor, iRobot internal data)

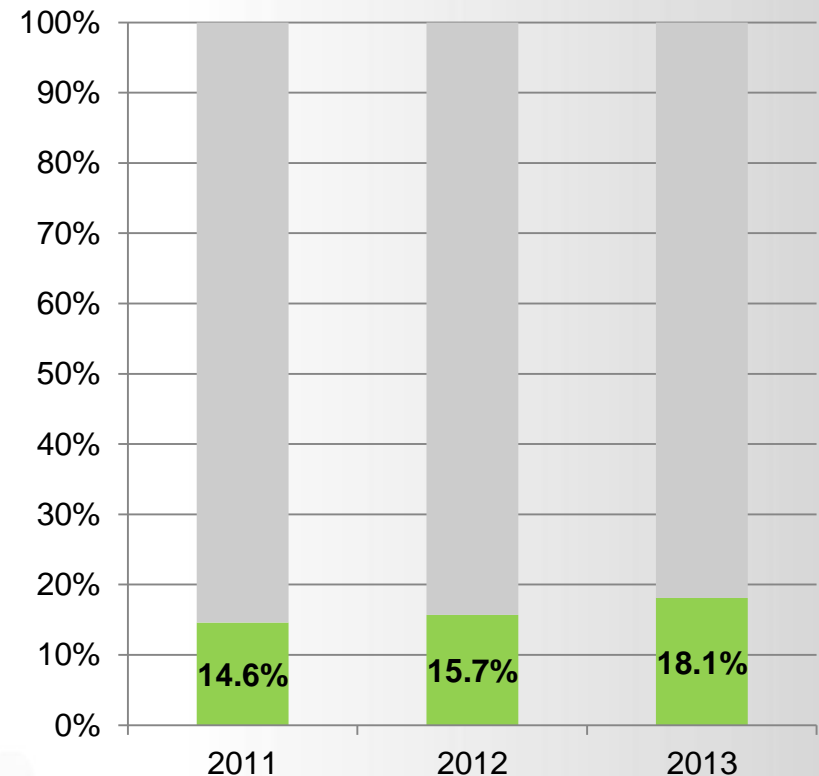
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# Robotic Vacuum Market

## Robotic Vacuum \$ Spent\*



## Robotic Vacuum \$ as % of total \$ Vacuum Market\*\*



**Strong growth continues in robotic vacuum cleaning market**

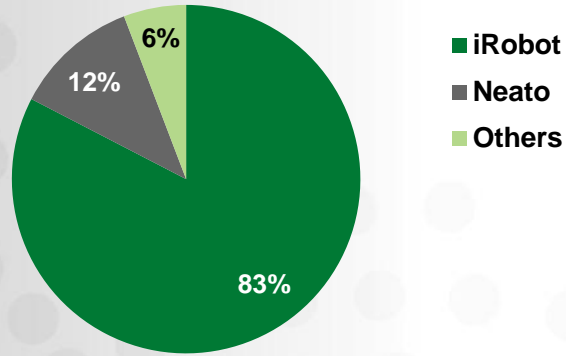
Source: \*GfK, NPD, iRobot data –March 2014

\*\*Vacuum cleaners >\$200/robotic vacuum revenues

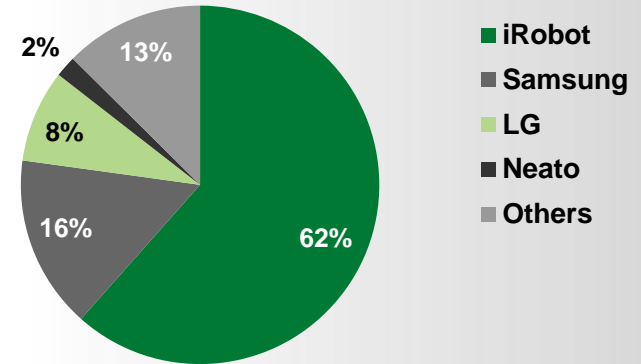
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# Robotic Vacuum Global Retail \$ Market Share

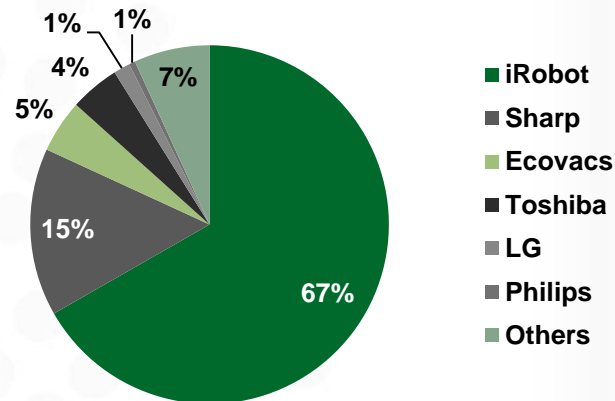
## North America



## EMEA



## APAC



Source: 2013 NPD, GfK, iRobot internal data, Robotic Vacuum Cleaners >\$200 retail prices



# Defense & Security Products

## 110 FirstLook



*Compact, Rugged,  
Throwable*

## 510 PackBot



*Ultimate Modularity*

## 310 SUGV



*Fully Capable and  
Backpack-Portable*

## 710 Kobra



*Next Generation  
Force-Multiplier*

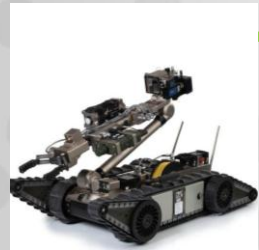
# Defense & Security

### Near Term Growth Drivers

- DoD Upgrades – New Capabilities
- International Sales

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# D & S – A Worldwide Market



Expanding markets and opportunities worldwide

**iRobot®**



# Remote Presence Markets

## Navigate & Interact In Complex Real World Environments



**Video Collaboration**  
**Ava 500**



**Telemedicine**  
**RP-VITA**

**Investing to improve scalability of solution**



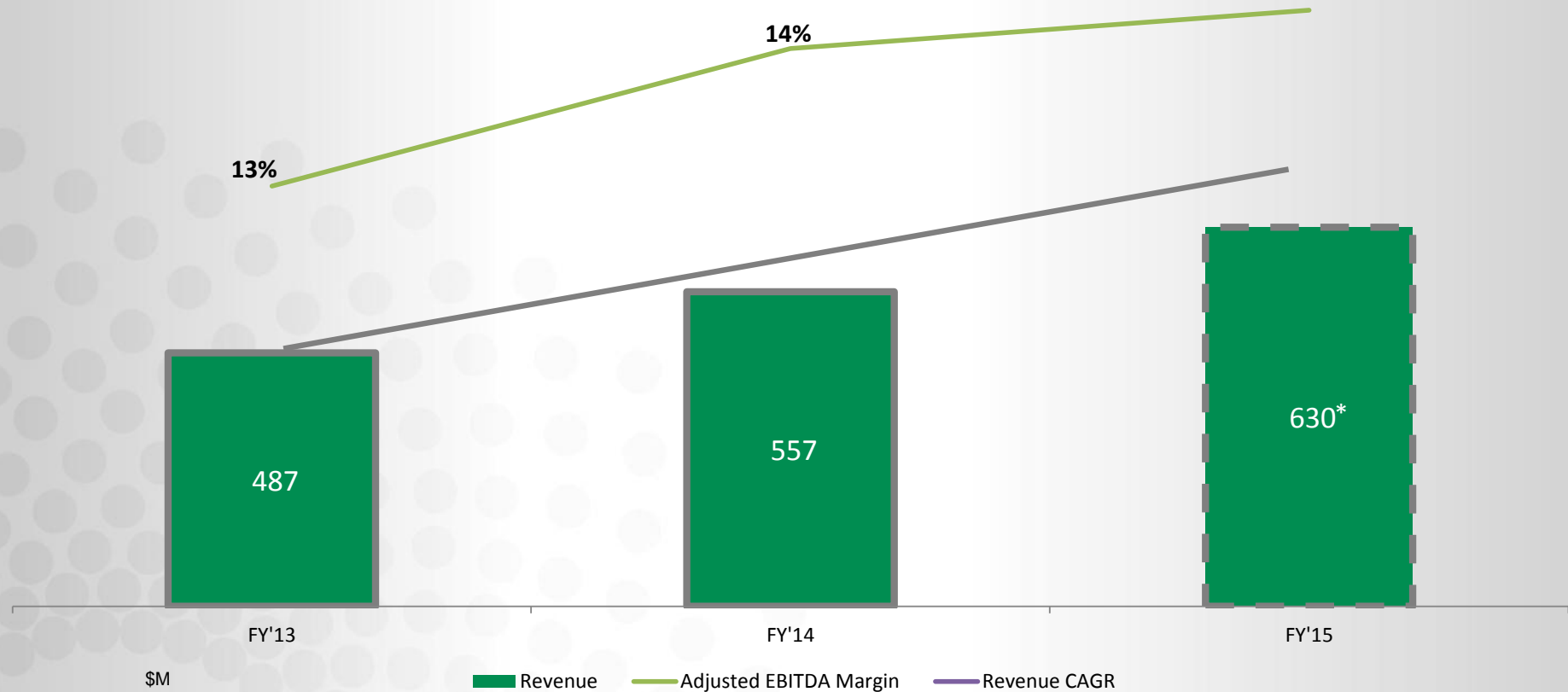
# 2014 Results and 2015 Expectations

\$M (except EPS)	FY'14	FY'15*	Q1'15*
Revenue	557	625 - 635	114 - 117
YoY Growth %	14.2%	12 - 14%	0 - 2%
EPS\$	\$1.25	\$1.25 - \$1.45	\$0.08 - \$0.10
EBITDA	80	85 - 95	10 - 11

**2014 met expectations; Q1 2015 impacted by macros in Japan**

\*Expectations provided February 4, 2015

# Financial Progression



Note: 3yr Financial Targets provided in 2013 – Mid to High Teen Revenue CAGR and High Teen Adjusted EBITDA Margin

**Driving Shareholder Value**

\* Midpoint of expectations provided on February 4, 2015

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# Cash Generation – Capital Allocation Priorities

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- Build cash through strong OCF
- Evaluation of investment/acquisition opportunities
- Opportunistically purchase stock under expanded share repurchase program

**Cash generation to support further Robot industry investments**

# Investment Thesis

- Home Robots will drive iRobot growth and profitability for the next couple of years
- Addressable markets are large and growing
- Strong balance sheet allows for acquisitions and stock repurchase
- iRobot's foundational technologies enable sustainable competitive advantage
- Commitment to generating profitable growth