



JP Morgan TMT Conference May 21, 2014

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.
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- 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.

iRobot – The Robot Company

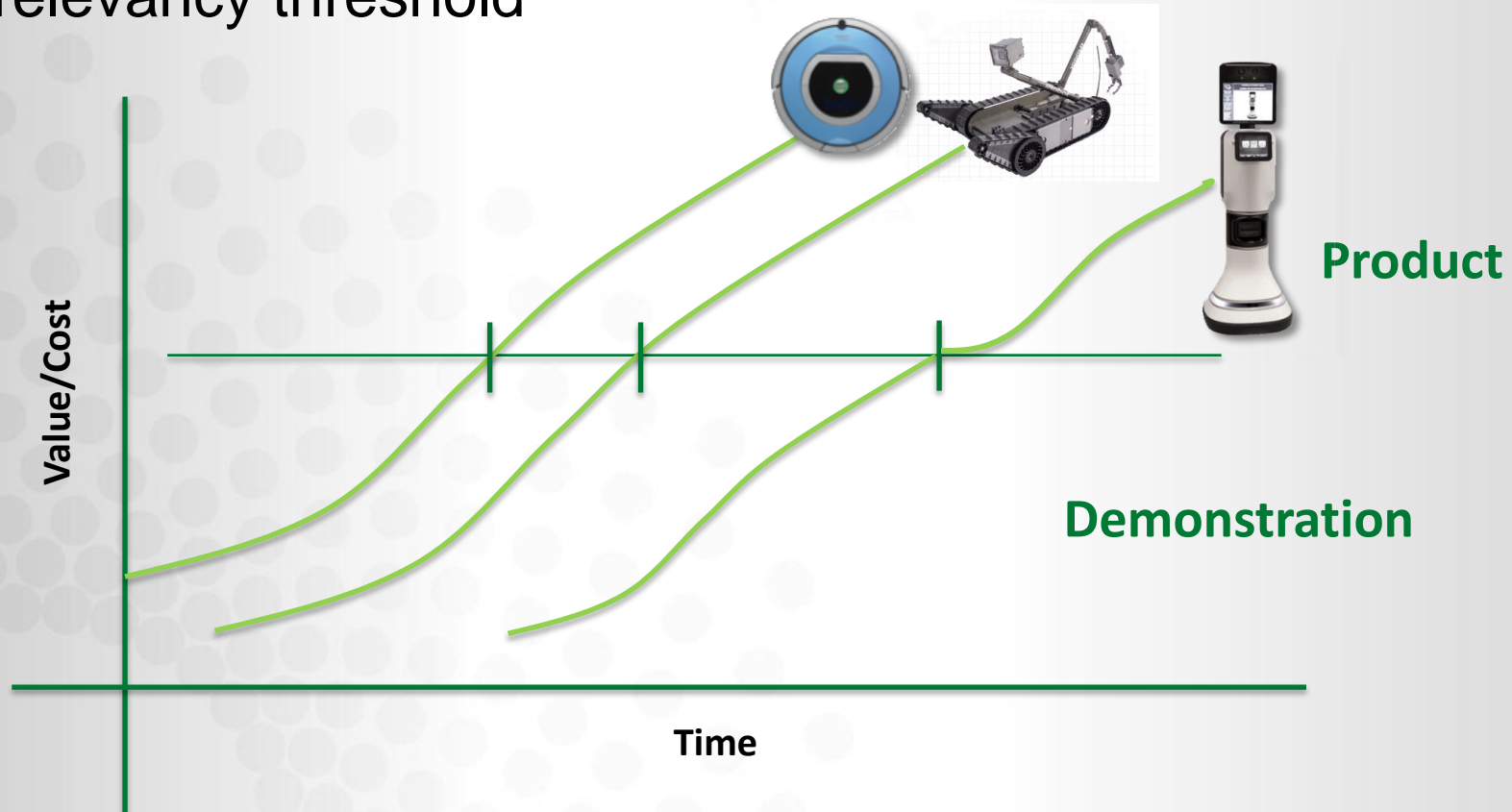
- **Empowering people to accomplish more through practical robots**
- **Portfolio of robotic technology solutions currently serving 3 market verticals:**
 - Home maintenance market – Roomba, Scooba, Braava, Mirra
 - Defense & Security – SUGV, FirstLook, PackBot
 - Emerging video collaboration markets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

More than two decades of global robotic-technology market leadership

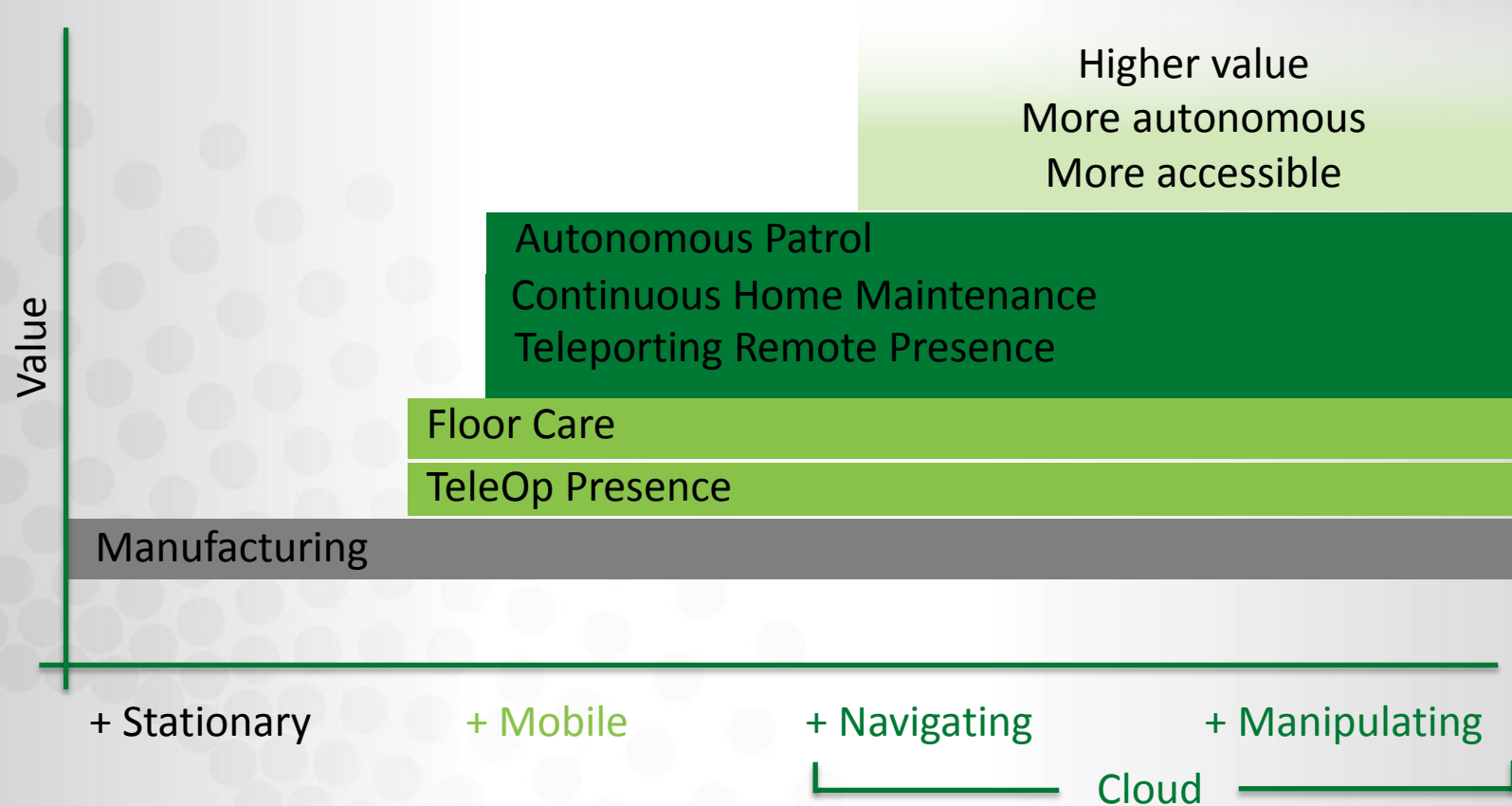


The Emerging Robot Industry

New capabilities unlock new opportunities to cross the relevancy threshold

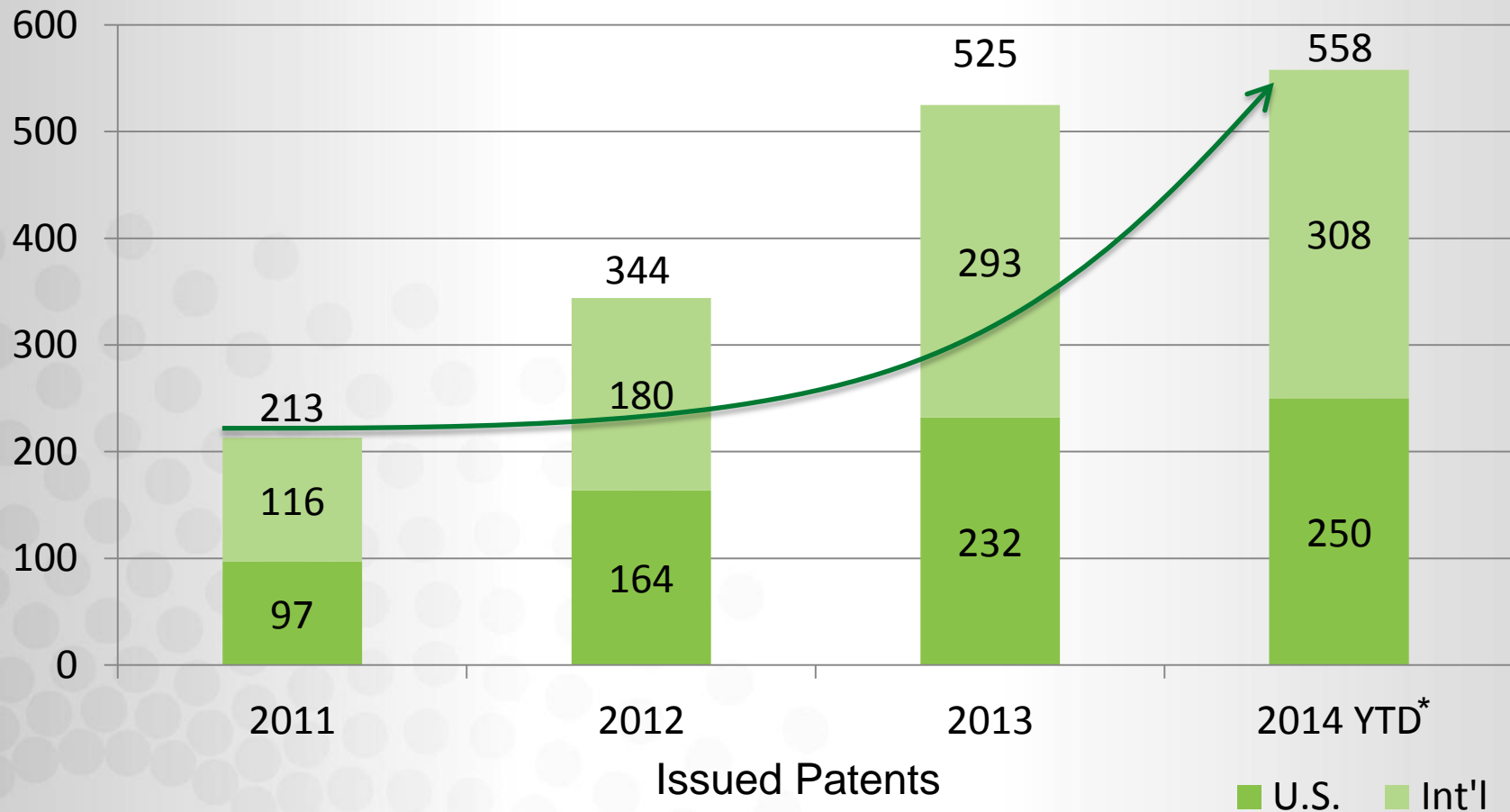


Unlocking the Potential



Productizing Robot Capabilities

Formidable Patent Portfolio



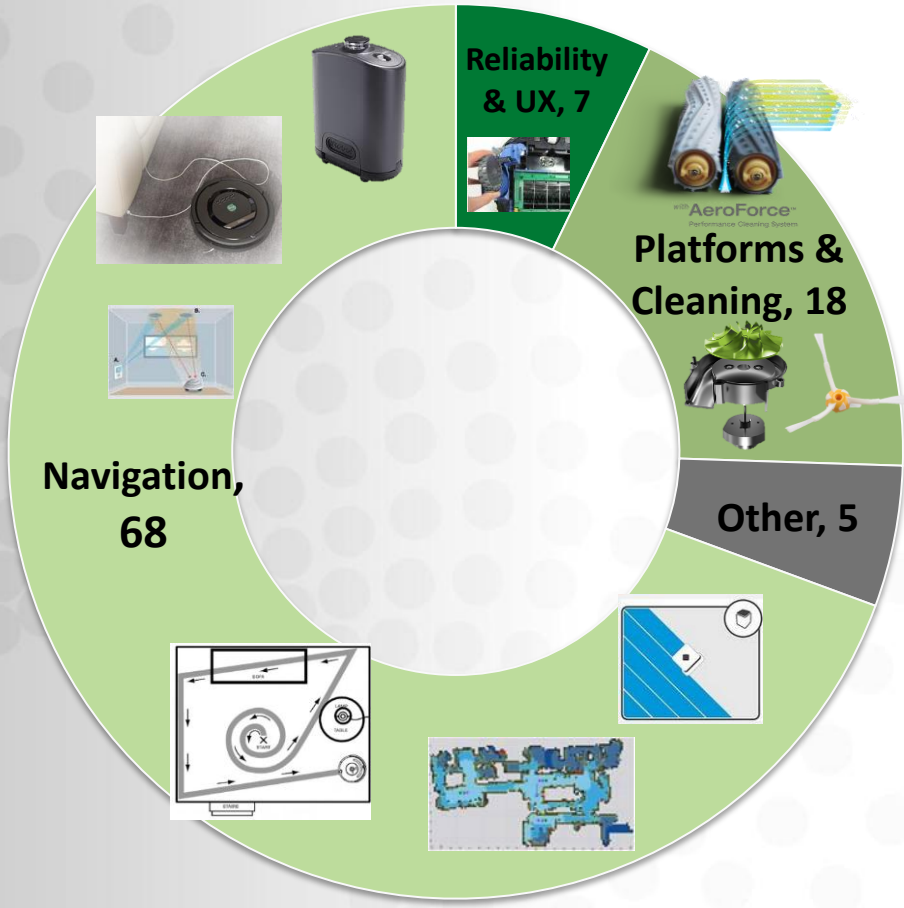
iRobot ranked #5 by the Patent Board™ for having one of the top patent portfolios within the electronics and instruments industry

* As of April 22, 2014

Patent Portfolio — Roomba


98 U.S. Patents

Covering Roomba Technology



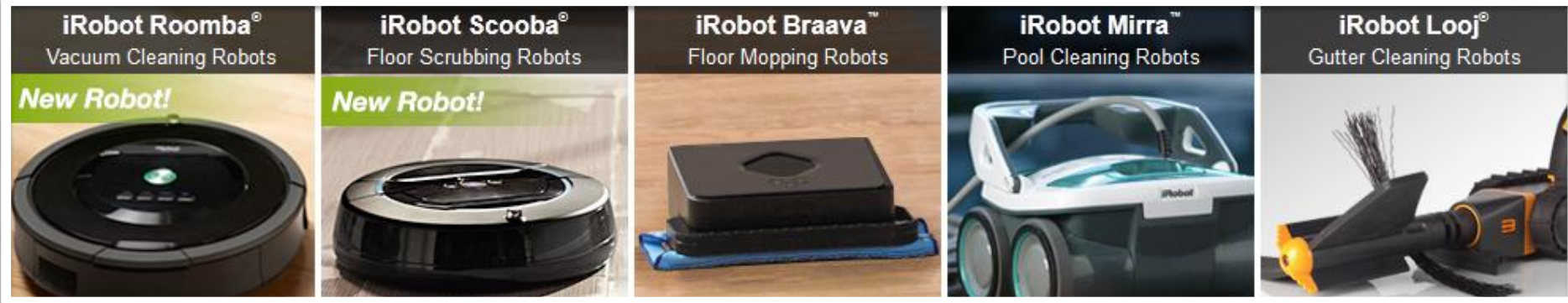
188 International Patents

Covering Roomba Technology

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



Home Robot Products

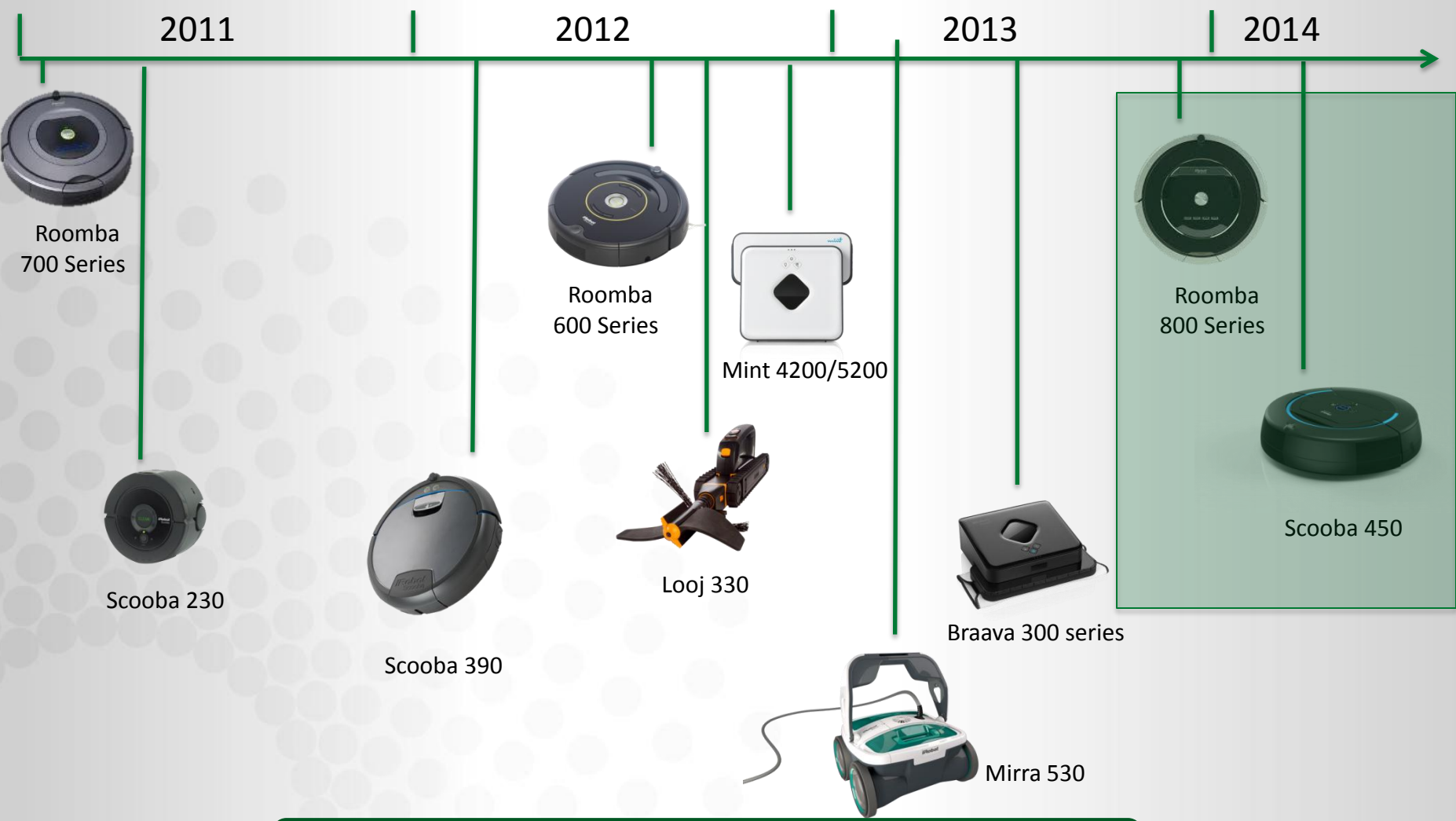


Flagship product
Driving iRobot revenue growth
**New iRobot Roomba® 880 Vacuum
Cleaning Robot**

**More Than 10 Million Home Robots Sold Since 2002
Currently Sold in More Than 50 Countries**

iRobot®

HBU Product Introductions



Continuous innovation driving portfolio expansion



New iRobot Roomba 880

Revolutionary AeroForce™ Extractors



★★★★★ So worth it!

By [katie0123](#) on April 6, 2014

"The rubber rollers on the bottom have been the biggest difference. Our old vacuum had the bristled roller on the bottom and wouldn't even rotate it was so tangled in hair. Now, hair isn't a problem."

★★★★★ I am in love!

By [tharp83](#) on April 10, 2014

"I had a Roomba many years ago when they first came out. That Roomba was a novelty. This Roomba is a masterpiece."



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.

New iRobot Scooba 450

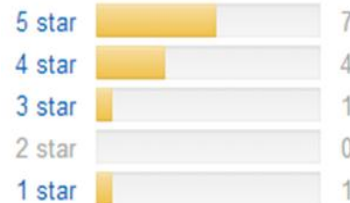
Wet Floor Scrubbing System



Customer Reviews

★★★★★ (13)

4.2 out of 5 stars



[See all 13 customer reviews ▶](#)

I let my floors get pretty bad, but it did a great job of cleaning.

Bookenator

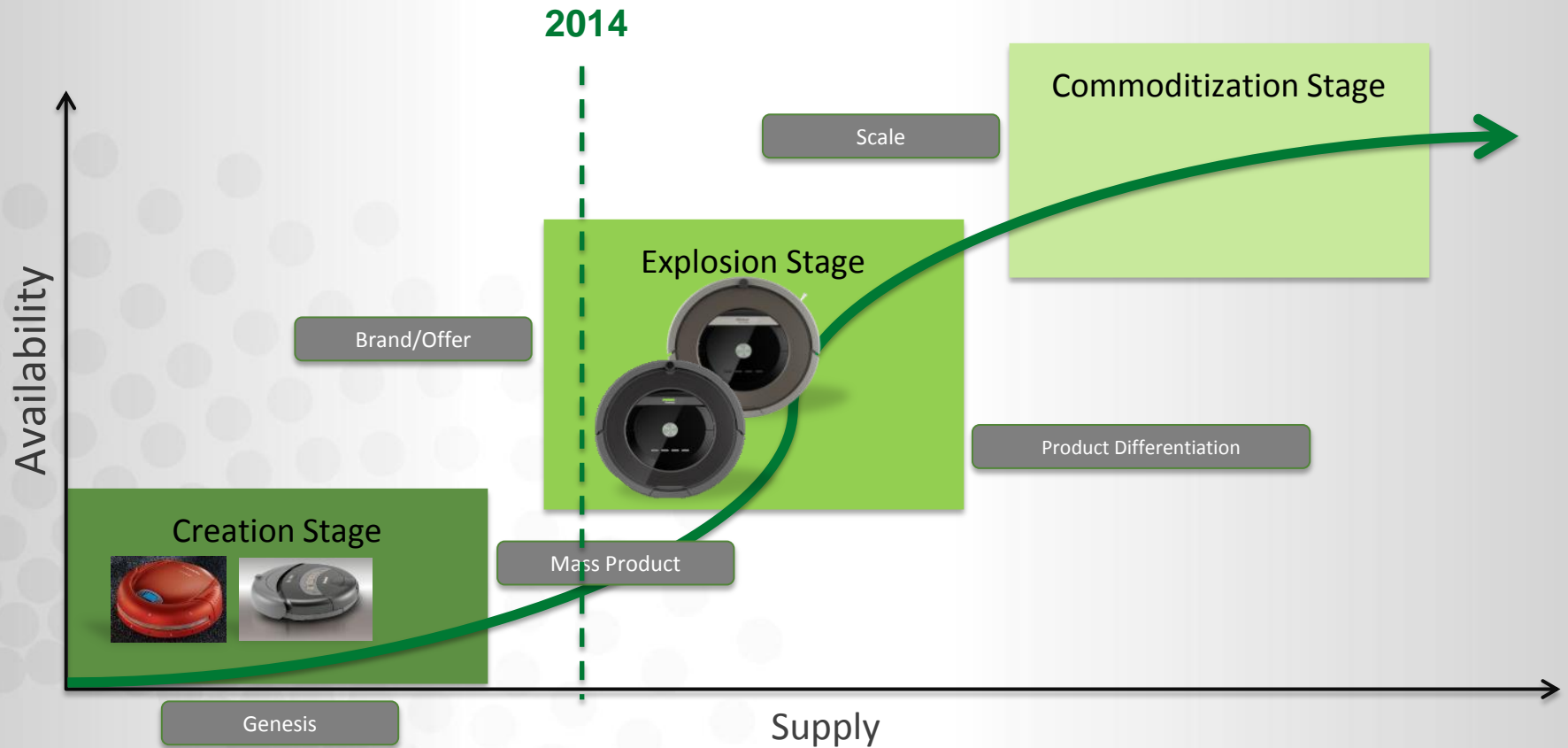
I found that having a Scooba floor cleaner is much more useful than having a Roomba for hard floors, since the Scooba takes care of both mopping and vacuuming.

FlyingPolarBear

New Features:

- **Three-Cycle Cleaning Process** – sweeps and pre-soaks, scrubs, finishes with squeegee; 3x more effective than previous models
- **iAdapt® Responsive Navigation** – optimized for wet floor care
- **Two cleaning options** – 40-minute cycle or 20-minute cycle for smaller spaces
- **Uses same accessories as Roomba** - Virtual Wall® Barriers, wall chargers and batteries
- **Significantly improved user interface** – easier to use and clean

Scaling Robot Vacuuming



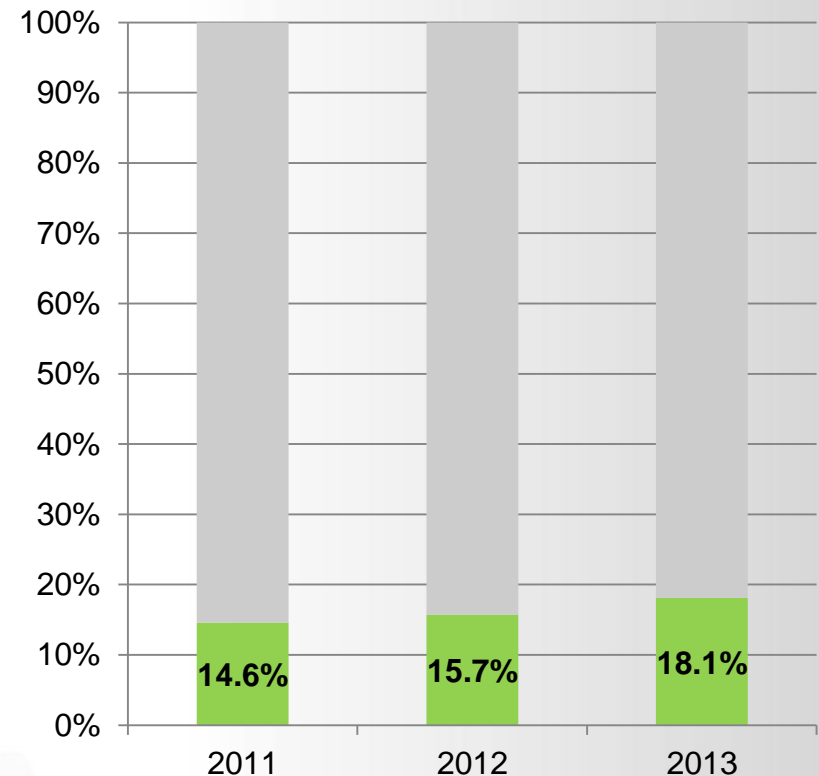
Roomba - beginning of the explosion stage

Robotic Vacuum Market

Robotic Vacuum \$ Spent*



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



Strong growth continues in robotic vacuum cleaning market

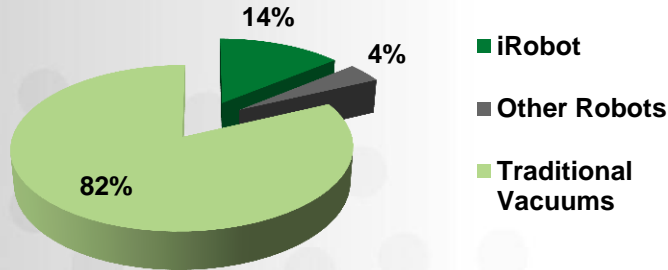
Source: *GfK, NPD, iRobot data –March 2014

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

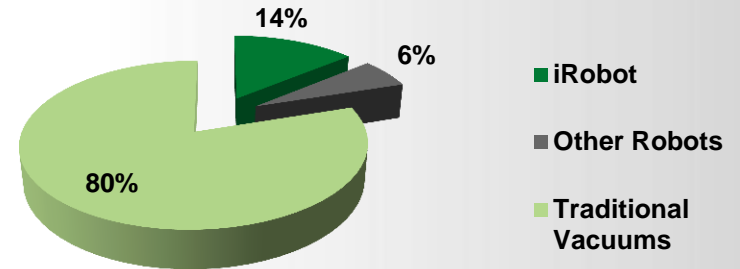
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Huge Addressable Markets

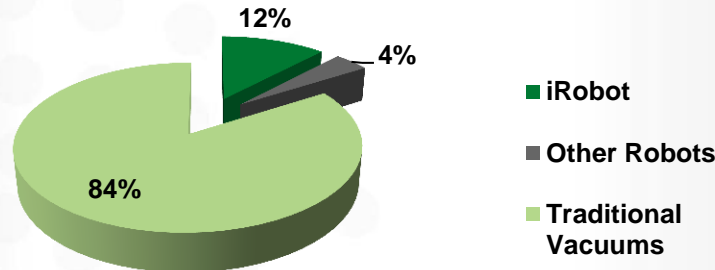
North America - \$2.2 billion



EMEA - \$2.5 billion



APAC - \$2.2 billion



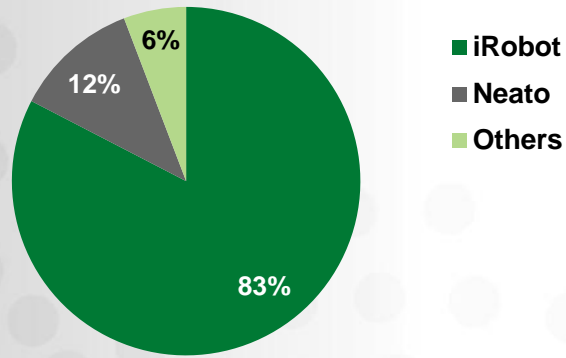
\$7 billion annual market opportunity

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

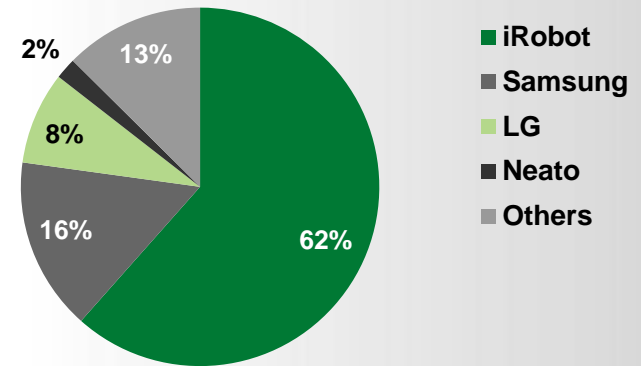
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Robotic Vacuum Global Retail \$ Market Share

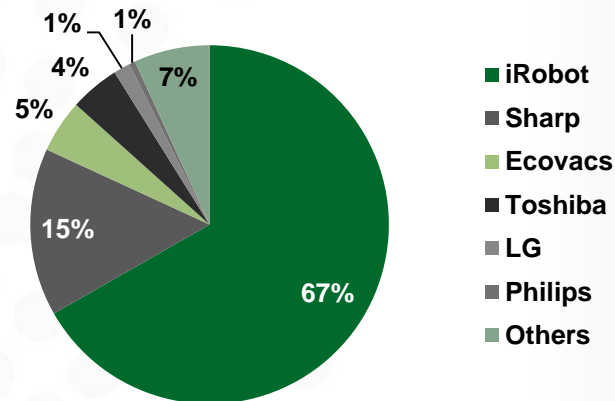
North America



EMEA



APAC



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

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Defense & Security



- Expanding markets and opportunities in public safety and industry
- International revenue more than doubled from 2012 to 2013

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Remote Presence

RP- VITA
Health Care Telepresence
InTouch Health



Annual video telemedicine market is expected to grow to \$1B by 2016*. iRobot estimates that 10% will be robotic telemedicine.

* 2011 report from InMedica – unit of IMS Research

Ava 500
Video Collaboration
Cisco



Annual Personal Video market is expected to reach \$1.1B by 2017**. iRobot estimates that Video Collaboration market will be 10%.

** IDC

Partnering to address broad market opportunity

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2014 Results and Expectations

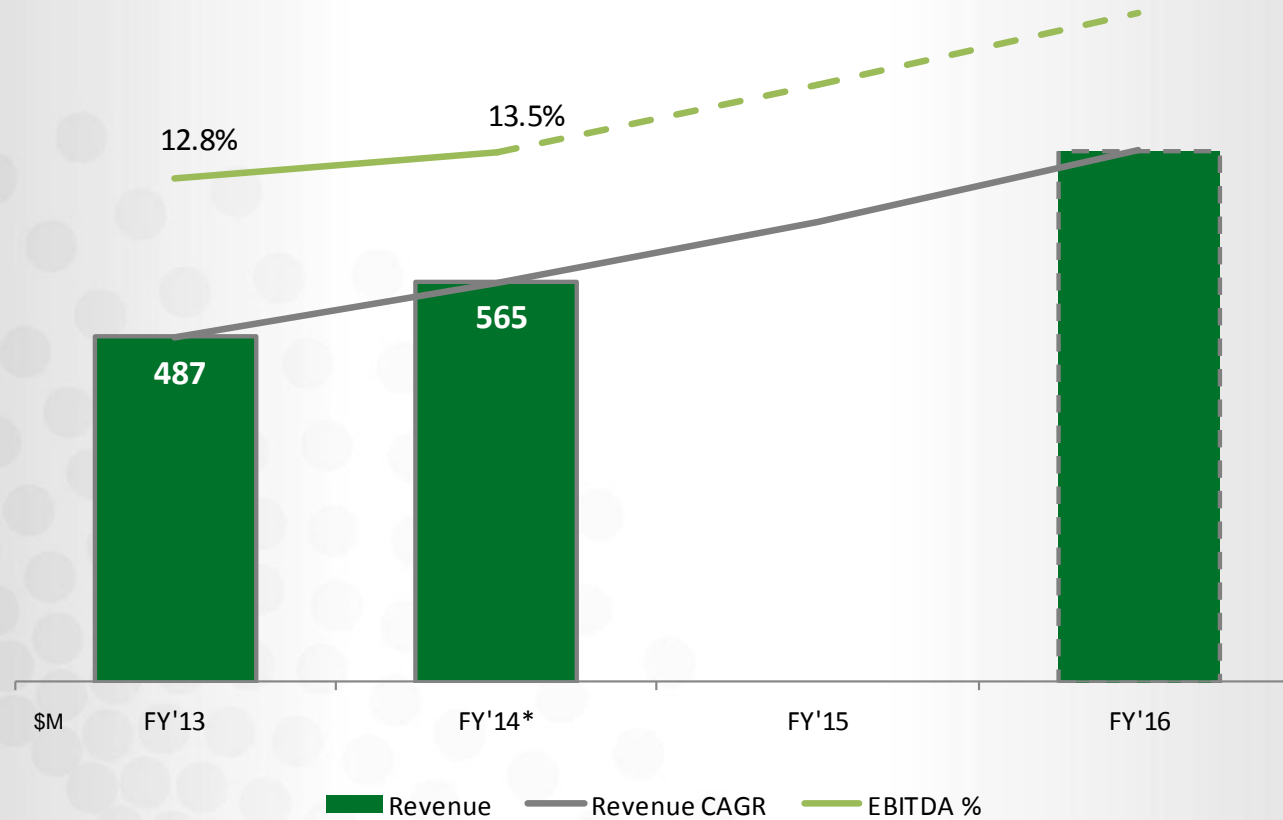
	Q1-14	Q2-14*	FY 2014 *
Revenue (\$M)	114	138 - 145	560 - 570
<i>YoY % Growth</i>	8%	6% - 11%	15% - 17%
EPS (\$)	0.18	0.15 - 0.25	1.00 - 1.15
Adjusted EBITDA (\$M)	14	13 - 17	74 - 78

Q1 exceeded expectations; Reaffirmed 2014 expectations

* Expectations provided April 22, 2014



Financial Targets - 2016



Commitment to Grow Shareholder Value

* Expectations provided April 22, 2014

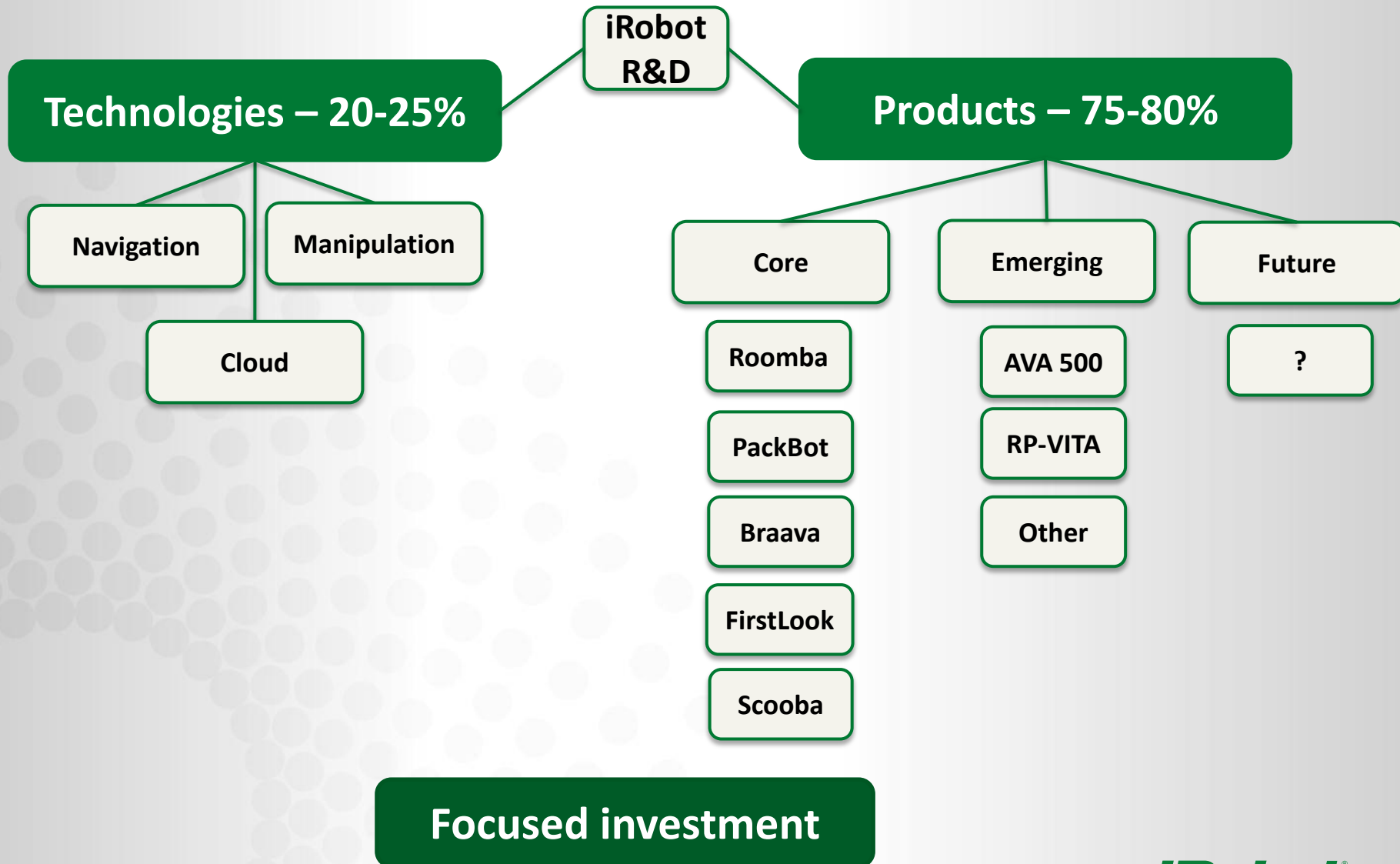
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Cash Generation – Capital Allocation Priorities

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

Cash generation to leverage Robot industry investment options

Internal R&D Prioritization Framework



Investment Thesis

- 2014 revenue growth of 15 – 17%
- Home Robots will drive iRobot growth and profitability for the next couple of years
- Addressable markets are huge and growing
- Strong balance sheet allows for acquisitions and stock repurchase
- iRobot's foundational technologies enable significant & sustainable competitive advantage
- Commitment to generating profitable growth