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.
Non-GAAP Financial Metrics

Regulation G Disclosure

This presentation contains references to the non-GAAP financial measures as defined by SEC Regulation G, including non-GAAP gross profit and non-GAAP gross profit margin, non-GAAP operating expenses, non-GAAP operating income and non-GAAP operating income margin, non-GAAP income tax expense, non-GAAP net income (earnings) and non-GAAP net income (earnings) per share. These non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations from these results should be carefully evaluated.

Non-GAAP gross profit removes expenses related to the amortization of acquired intangible assets and stock-based compensation while non-GAAP gross profit margin is calculated as non-GAAP gross profit divided by revenue for the applicable period. Non-GAAP operating expenses excludes the amortization of acquired intangible assets, stock-based compensation, net merger, acquisition and divestiture (income) expense, and net IP litigation expense. Non-GAAP operating income removes the aforementioned non-GAAP operating expenses while non-GAAP operating income margin is calculated as non-GAAP operating income divided by revenue for the applicable period. Non-GAAP income tax expense reflects the tax effect of the non-GAAP adjustments, calculated using the appropriate statutory tax rate for each adjustment. Non-GAAP net income includes the aforementioned items related to non-GAAP income from operations, and also removes gain or loss on strategic investments. Non-GAAP net income (earnings) per share is calculated by dividing non-GAAP net income (earnings) by the number of diluted shares used in per share calculations for the applicable period. Definitions of each item and why they are used in calculating non-GAAP financial measures is detailed in the appendix of this presentation.

We use non-GAAP measures to internally evaluate and analyze financial results. We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and enable comparison of our financial results with other public companies, many of which present similar non-GAAP financial measures. The reconciliation of these non-GAAP metrics to the comparable GAAP metrics are set forth in the accompanying tables in the appendix of this presentation and are available on our website at https://investor.irobot.com/.
Investment Highlights

**Category creator, innovator and leader in Robotic Floor Care & AI**
- Strong revenue growth with continued runway
- Consistent innovation, category leadership and portfolio expansion
- Cutting-edge robotic AI and home understanding

**Accelerating strategic initiatives aimed at**
- Differentiating the cleaning experience
- Building direct relationships with 5+m connected, engaged owners
- Nurturing lifetime value of customer relationships

**Taking actions to navigate challenging market conditions**
- Recalibrating spending
- Investing to scale our direct-to-consumer sales channel
- Well-positioned to drive sustainable, profitable growth

* Based on stock price as 6/1/20
Category Creator, Innovator & Leader

**Global category leader** well positioned for future expansion

Broadened portfolio over the past two years with innovative new products

Consistent innovation across the portfolio to widen competitive moat

### Global $ Segment Share (RVC+, +$200)

<table>
<thead>
<tr>
<th>Year</th>
<th>Global Share</th>
<th>(RVC+ +$200)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY'16</td>
<td>64%</td>
<td>$1,382M +22%</td>
</tr>
<tr>
<td>CY'17</td>
<td>62%</td>
<td>$1,811M +9%</td>
</tr>
<tr>
<td>CY'18</td>
<td>52%</td>
<td>$2,484M +37%</td>
</tr>
<tr>
<td>CY'19</td>
<td>52%</td>
<td>$2,544M +3%</td>
</tr>
</tbody>
</table>

- Others
- Dyson
- Samsung
- Panasonic
- Cecotec
- Neato
- Shark
- Roborock
- Mi
- Ecovacs
- iRobot

*Source: Global market size for Vacuum Cleaners +$200 (Third-Party Market Data and iRobot internal estimates).*
An Expanding Global Franchise
Double-digit revenue growth since 2014

Revenue ($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Americas</th>
<th>EMEA</th>
<th>APAC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$656</td>
<td>$141</td>
<td>$166</td>
<td>$963</td>
</tr>
<tr>
<td>2017</td>
<td>$884</td>
<td>$242</td>
<td>$488</td>
<td>$1,614</td>
</tr>
<tr>
<td>2018</td>
<td>$1,093</td>
<td>$312</td>
<td>$610</td>
<td>$1,615</td>
</tr>
<tr>
<td>2019</td>
<td>$1,214</td>
<td>$358</td>
<td>$653</td>
<td>$2,225</td>
</tr>
</tbody>
</table>

Revenue by Geography

- Americas: 54%
- EMEA: 29%
- APAC: 17%

June 2020
Continued Runway to Support Expansion

RVCs Gaining Momentum with Consumers but Household Penetration Remains Low

2012: ~$5B Market
- RVC: 13%
- Non-RVC: 87%

2019: $11B Market 11.5% CAGR
- RVC: 24%
- Non-RVC: 76%

Immediate addressable market
~1.5X current installed base

Source: iRobot estimate at the end of 2019

*Source: Global market size for Vacuum Cleaners >$200 (Third-Party Market Data and iRobot internal estimates).
**Category Leadership Fortified Through Innovation**

**2019 Regional Retail Share**

**North America**
- 2019 Size: $764M
- Growth: -1%
- IRBT position: Held share

**EMEA**
- 2019 Size: $869M
- Growth: +20%
- IRBT position: Modest share erosion

**Japan**
- 2019 Size: $219M
- Growth: +11%
- IRBT position: Meaningful Share gain

**Global (excl China)**
- 2019 Size: $1,936M
- Growth: +9%
- IRBT position: Slight share erosion

Source: 2019 market size for Vacuum Cleaners >$200 (Third-Party Market Data and iRobot internal estimates). Growth from prior year reflects normalization of 52-week calendar year, updates to certain data sources and other changes.
Robust Product Portfolio Spans Range of Price Points

Roomba s9 / s9+
- $899
- $1,099
- with Clean Base™
- Automatic Dirt Disposal
- Imprint™ Smart Mapping
- vSLAM Advanced Navigation
- Recharge & Resume
- 40x the air power*
- Introduced in May 2019

Roomba i7 / i7+
- $599
- $799
- with Clean Base™
- Automatic Dirt Disposal
- Imprint™ Smart Mapping
- vSLAM Advanced Navigation
- Recharge & Resume
- 10x the air power*
- Introduced in September 2018

Roomba 900
- $499
- vSLAM Advanced Navigation
- Recharge & Resume
- Coverage maps
- 5x the air power*

Braava jet m6
- $499
- vSLAM Advanced Navigation
- Imprint™ Smart Mapping
- Multi-room, large space coverage
- Home Base unit for recharging
- Introduced in May 2019

Roomba e5
- $375
- 3-Stage Cleaning System
- Dual Multi-Surface Rubber Brushes
- 5x the air power
- Introduced in September 2018

Braava jet 380t
- $299
- Ideal for larger spaces
- iAdapt 2.0 Navigation
- Turbo charge cradle

Roomba 675
- $299
- 3-Stage Cleaning System
- Dual Multi-Surface Rubber Brushes

Braava jet 240
- $199
- Precision jet spray
- iAdapt 2.0 Navigation
- Optimized for smaller spaces

* Compared to Roomba 600 series

Introduce innovation in flagship product
Flow innovation across lower price point products
Mix Shifts Toward Higher-End Products

Roomba i7 & s9 and Braava m6 Continue to Gain Recognition as GAME-CHANGING ROBOTS

RVCs $200+ (based on MSRP)
- High-end defined as $500+
- Mid-tier defined as $300-$500
- Entry defined as $200-$300
State-of-the-Art Robot AI and Home Understanding
Powering Differentiated Digital Features and Experiences

Our Home Understanding captures the context of the home
- Physical layout through Smart Maps
- Home activity insights through smart home device integrations

Our Robot AI intelligently controls the robot’s actions
- Adapts to a given user’s home & activities
- Combination of home understanding, advanced computer vision and machine learning

AI innovation helps drive differentiated user experience
- Continuous improvement of our product’s performance
- Unlocks expansive range of user benefits (greater control over the “when, where and how”)

Fits seamlessly into the owner’s lifestyle
- Directed Commands & Responsive Behavior:
- Customizable Settings: “clean here but not here” through Clean Zones & Keep Out Zones
Fortifying and Expanding Our Segment Leadership …

1. Differentiate through Thoughtful Intelligence and Personalized Control
2. Build a Relationship
3. Nurture Value

Differentiate Roomba through Thoughtful Intelligence and Personalized Control
5m+ engaged, connected customers who want to hear from us
Cross-sell, upsell and add new purchasing options and new services that can build higher margin, recurring revenue streams
“A focus on elevating the cleaning experience through digital capabilities that enable users to customize how, when and where our robots clean.”
Software & AI are the Catalysts To Winning

EXTENDS ACROSS ENTIRE PORTFOLIO

INTELLIGENT SOFTWARE
on top of physical product

SPEED TO MARKET

Average product release cycle is 2-3 YEARS

Average software release cycle is 3 MONTHS*

DEFENDABLE

30M+ Robots Sold

9M+ Connected Robots

USER CENTRICITY

5M+ Engaged Owners

1500+ Patents

* Current
Integration into the Consumer’s Lifestyle

**be thoughtful**
I know the robot will be respectful in my home & responsive to my needs

**I need control**
I can easily manage the robot in a way that’s convenient for me

**be reliable**
I know the robot will consistently complete whatever job I ask it to do

**I need support**
I understand what I can do & how it will improve my experience
“We can uniquely identify both our customers’ true needs, and what parts of the experience enabled by our robots they value the most.”
Driving Personalization of the Experience

Roomba works around your schedule and your life

- Resume and finishes the job from where it was paused.
- Roomba heads back to its charging station to wait until it is told to clean again.
- When Roomba is told to resume cleaning later on Sunday, it heads back to exactly where it was last paused, so it can complete the job.

Roomba learns your routine and makes suggestions that fit your life

- Data science driving richer personalization.

You can tell Roomba to go to specific spots to clean up messes right away:

- Under the Kitchen Table
- In Front of The Family Room Sofa
- By the Dog's Bed

Unique Partnerships

Smart Home Integrations

Home Understanding

Personalization

Roomba knows the layout of your house, so it can avoid certain rooms and areas at your command.

The deeper we integrate into your life, the more loyalty we earn.
Strong Growth of Engaged, Connected Customer Base

Continual OTA updates help drive growth of owners who opt-in to receive digital communications

As Roomba becomes increasingly integrated into the owner’s life, it solidifies iRobot’s relationship with the owner.
“With increased loyalty comes increased opportunity.”
Well-Position to Succeed

Able to grow our connected installed base at scale
- Retail remains important, offering efficient customer acquisition at scale
- Compelling strategy for sustained differentiation

Able to engage customer with our outreach
- WiFi-connectivity across the portfolio
- High connection rate
- Continued growth of owners who opt-in to our communications

Able to build strong long-term loyalty/stickiness
- Strong brand preference, high NPS
- Product experience is rapidly becoming more sticky
- Commitment to data privacy
Potential to Scale Direct-to-Consumer Sales Channel

- **Increase transactional velocity** for product upgrades and cross-selling
- **Leverage robust usage data** to drive accessory sales
- Pilot new offerings to increase purchase flexibility and **create new recurring revenue streams**
  - Care as a Service
  - Digital as a Service
  - Robotic Cleaning as a Service

![Direct to Consumer Revenue Chart]

- 2017: $36.8 million, 4%
- 2018: $48.0 million, 4%
- 2019: $70.5 million, 6%

- **+30%** increase from 2017 to 2018
- **+47%** increase from 2018 to 2019
Chief Supply Chain Officer?

NAVIGATING CHALLENGING MARKET CONDITIONS

COVID-19 PANDEMIC

TARIFFS

COMPETITION
COVID-19 Interjects Unprecedented Challenges

iRobot withdrew original 2020 guidance

COVID-19 directly and indirectly impacts all aspects of our business

- Q120 revenue below original targets
- Uncertain economic environment is likely to weigh heavily on consumer spending
- Retailers striving to carefully manage inventory amid difficult operating environment
- Limited visibility into timing and magnitude of orders

$30m cost-reduction initiative to recalibrate and realign resources

- Reduced headcount 5% and pared back spending in other areas
- Shifting R&D resources to software
- Suspended Terra robot mower launch
- Accelerating direct-to-consumer initiatives
- All other product and digital roadmaps funded and on schedule

Anticipated Q220 Performance Highlighted by Substantially Stronger-than-Expected Quarterly Revenue
Tariff Exclusion & Manufacturing Diversification Update

Tariff exclusion granted on April 24, 2020

- **Removes 25% on Roomba** and other RVCs
- **Entitled to a refund on $57 million** for prior tariff payments since September 2018
  - $47 million on robots sold since 9/18
  - $10 million for products in inventory
- **Exclusion will benefit Q220 gross margin**
- **Exclusion set to expire in August 2020**
  - Eligible to apply for a 12-month extension
- **Ramping Malaysia manufacturing volumes** but **COVID-19 slows potential progress**
Optimism for a Stronger 2H20
Moving forward with limited visibility

• **iRobot is well positioned to benefit** as market conditions improve
  – Q220 performance better than expected due primarily to substantially stronger-than-anticipated quarterly revenue
  – Through May 2020, iRobot sell-through in units has strengthened in the US, remained positive in EMEA and has recently started to improve in Japan
  – Robust order growth for the Roomba i7 and s9, and Braava jet m6
  – Through Week 16, robust growth on iRobot.com and with e-tailers more broadly
  – Through Week 16, faring modestly better than anticipated with U.S. retailers with extensive brick and mortar footprints

• **Positioned to move into 2H with low inventory and rising demand** for our premium offerings

• Stronger 2H20 revenue (vs. 1H20) combined with **cost-savings and potential tariff extension will aid return** to operating profitability

• **Solid financial foundation with $264 million in cash** and investments, no debt and access to $150 million unsecured revolving line of credit with additional $75 million accordion feature
Framework for DRIVING IMPROVED GROSS MARGIN OVER TIME

- SUBSCRIPTIONS
- CROSS-SELL & UPSELL
- FULFILLMENT SCALE & EFFICIENCY
- TARIFF EXCLUSION
- HIGHER SOFTWARE CONTENT & COST-OPTIMIZED HARDWARE
- MANUFACTURING CHAIN EFFICIENCY
Summary

Category creator, innovator and leader in Robotic Floor Care & AI
- Strong revenue growth with continued runway
- Consistent innovation, category leadership and portfolio expansion
- Cutting-edge robotic AI and home understanding

Accelerating strategic initiatives aimed at
- Differentiating the cleaning experience
- Building direct relationships with 5+m connected, engaged owners
- Nurturing lifetime value of customer relationships

Taking actions to navigate challenging market conditions
- Recalibrating spending
- Investing to scale our direct-to-consumer sales channel
- Well-positioned to drive sustainable, profitable growth
Thank you!

Any questions?
Non-GAAP Financial Measures

Our non-GAAP financial measures reflect adjustments based on the following items.

• **Amortization of acquired intangible assets**: Amortization of acquired intangible assets consists of amortization of intangible assets including completed technology, customer relationships, and reacquired distribution rights acquired in connection with business combinations. Amortization charges for our acquisition-related intangible assets are inconsistent in size and are significantly impacted by the timing and valuation of our acquisitions. We exclude these charges from our non-GAAP measures to facilitate an evaluation of our current operating performance and comparisons to our past operating performance.

• **Net Merger, Acquisition and Divestiture (Income) Expense**: Net merger, acquisition and divestiture (income) expense primarily consists of transaction fees, professional fees, and transition and integration costs directly associated with mergers, acquisitions and divestitures. It also includes business combination adjustments including adjustments after the measurement period has ended. The occurrence and amount of these costs will vary depending on the timing and size of these transactions. We exclude these charges from our non-GAAP measures to facilitate an evaluation of our current operating performance and comparisons to our past operating performance.

• **Stock-Based Compensation**: Stock-based compensation is a non-cash charge relating to stock-based awards. We exclude this expense as it is a non-cash expense, and we assess our internal operations excluding this expense and believe it facilitates comparisons to the performance of other companies.

• **IP Litigation Expense, Net**: IP litigation expense, net relates to legal costs incurred to litigate patent, trademark, copyright and false advertising infringements, or to oppose or defend against interparty actions related to intellectual property. Any settlement payment or proceeds resulting from these infringements are included or netted against the costs. We exclude costs from our non-GAAP measures as we do not believe these costs have a direct correlation to the operations of our business and may vary in size depending on the timing and results of such litigations and settlements.

• **Gain/Loss on Strategic Investments**: Gain/loss on strategic investments includes fair value adjustments, realized gains and losses on the sales of these investments and losses on the impairment of these investments. We exclude these items from our non-GAAP measures because we do not believe they correlate to the performance of our core business and may vary in size based on market conditions and events. We believe that the exclusion of these gains or losses provides investors with a supplemental view of our operational performance.

• **Income tax adjustments**: Income tax adjustments include the tax effect of the non-GAAP adjustments, calculated using the appropriate statutory tax rate for each adjustment. We reassess the need for any valuation allowance recorded based on the non-GAAP profitability and have eliminated the effect of the valuation allowance recorded in the U.S. jurisdiction. We also exclude certain tax items that are not reflective of income tax expense incurred as a result of current period earnings. These certain tax items include, among other non-recurring tax items, impacts from the Tax Cuts and Jobs Act of 2017 and stock-based compensation windfalls/shortfalls. We believe disclosure of the income tax provision before the effect of such tax items is important to permit investors’ consistent earnings comparison between periods.
GAAP-Non-GAAP Reconciliation

Q1 2020 GAAP Actuals to Q1 2019 Non-GAAP Actuals

<table>
<thead>
<tr>
<th></th>
<th>March 28, 2020</th>
<th>March 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Revenue</strong></td>
<td>$192,535</td>
<td>$237,661</td>
</tr>
<tr>
<td><strong>GAAP Gross Profit</strong></td>
<td><strong>77,955</strong></td>
<td><strong>119,546</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP Gross Profit Margin</strong></td>
<td><strong>40.9%</strong></td>
<td><strong>51.8%</strong></td>
</tr>
<tr>
<td><strong>GAAP Operating Expenses</strong></td>
<td><strong>98,180</strong></td>
<td><strong>97,283</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Margin</strong></td>
<td><strong>13.9%</strong></td>
<td><strong>13.9%</strong></td>
</tr>
<tr>
<td><strong>GAAP Operating (Loss) Income</strong></td>
<td><strong>(20,225)</strong></td>
<td><strong>22,263</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP Operating (Loss) Income</strong></td>
<td><strong>(14,380)</strong></td>
<td><strong>33,096</strong></td>
</tr>
<tr>
<td><strong>GAAP Income Tax (Benefit) Expense</strong></td>
<td><strong>(2,109)</strong></td>
<td><strong>1,023</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP Income Tax (Benefit) Expense</strong></td>
<td><strong>(5,324)</strong></td>
<td><strong>6,914</strong></td>
</tr>
<tr>
<td><strong>GAAP Net (Loss) Income</strong></td>
<td><strong>(18,135)</strong></td>
<td><strong>22,520</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP Net (Loss) Income</strong></td>
<td><strong>(9,162)</strong></td>
<td><strong>27,519</strong></td>
</tr>
</tbody>
</table>

**Number of shares used in diluted per share calculation**

- March 28, 2020: 28,297
- March 30, 2019: 28,763

**Impact of Section 301 Tariff Costs to Gross and Operating Margin (GAAP & non-GAAP)**

- GAAP: (-3.4%)
- Non-GAAP: (-1.5%)

**Impact of Section 301 Tariff Costs to Net (Loss) Income per Diluted Share (GAAP & non-GAAP)**

- GAAP: (-0.23)
- Non-GAAP: (-0.12)

**Section 301 Tariff Costs**

- Impact of Section 301 tariff costs on gross and operating margin (GAAP & non-GAAP): $6,609
- Impact of Section 301 tariff costs on net income (GAAP & non-GAAP): $3,518

**Repayment of Trade Obligations**

- Days sales outstanding: 18
- Days inventory: 118
## GAAP-Non-GAAP Reconciliation

### 2019 GAAP Actuals to 2019 Non-GAAP Actuals

### In thousands, except per share and % amounts

**Unaudited**

<table>
<thead>
<tr>
<th></th>
<th>March 30, 2019</th>
<th>For the three months ended</th>
<th>For the twelve months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Revenue</strong></td>
<td>$237,661</td>
<td>$260,172</td>
<td>$426,778</td>
</tr>
<tr>
<td><strong>GAAP Gross Profit</strong></td>
<td>119,546</td>
<td>118,170</td>
<td>169,370</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>3,077</td>
<td>3,111</td>
<td>3,005</td>
</tr>
<tr>
<td><strong>Stock-based compensation</strong></td>
<td>4,456</td>
<td>11,721</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP Gross Profit</strong></td>
<td>$123,001</td>
<td>$121,686</td>
<td>$172,174</td>
</tr>
<tr>
<td><strong>Amortization of acquired intangible assets</strong></td>
<td>3,077</td>
<td>3,111</td>
<td>3,005</td>
</tr>
<tr>
<td><strong>Stock-based compensation</strong></td>
<td>3,005</td>
<td>11,721</td>
<td></td>
</tr>
<tr>
<td><strong>Net merger, acquisition and divestiture (income) expense</strong></td>
<td>152</td>
<td>143</td>
<td>32</td>
</tr>
<tr>
<td><strong>IP litigation expense, net</strong></td>
<td>(473)</td>
<td>2,582</td>
<td>2,218</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Income</strong></td>
<td>$33,096</td>
<td>$15,691</td>
<td>$26,964</td>
</tr>
<tr>
<td><strong>Amortization of acquired intangible assets</strong></td>
<td>3,077</td>
<td>3,111</td>
<td>3,005</td>
</tr>
<tr>
<td><strong>Stock-based compensation</strong></td>
<td>6,864</td>
<td>7,594</td>
<td>4,284</td>
</tr>
<tr>
<td><strong>Net merger, acquisition and divestiture (income) expense</strong></td>
<td>152</td>
<td>143</td>
<td>32</td>
</tr>
<tr>
<td><strong>IP litigation expense, net</strong></td>
<td>(473)</td>
<td>2,582</td>
<td>2,218</td>
</tr>
<tr>
<td><strong>Non-GAAP Net Income</strong></td>
<td>$27,519</td>
<td>$13,761</td>
<td>$19,697</td>
</tr>
<tr>
<td><strong>Amortization of acquired intangible assets</strong></td>
<td>3,077</td>
<td>3,111</td>
<td>3,005</td>
</tr>
<tr>
<td><strong>Stock-based compensation</strong></td>
<td>6,864</td>
<td>7,594</td>
<td>4,284</td>
</tr>
<tr>
<td><strong>Net merger, acquisition and divestiture (income) expense</strong></td>
<td>152</td>
<td>143</td>
<td>32</td>
</tr>
<tr>
<td><strong>IP litigation expense, net</strong></td>
<td>(473)</td>
<td>2,582</td>
<td>2,218</td>
</tr>
<tr>
<td><strong>Number of shares used in diluted per share calculation</strong></td>
<td>28,763</td>
<td>28,763</td>
<td>28,650</td>
</tr>
</tbody>
</table>

Certain numbers may not total due to rounding

1. Net merger, acquisition and divestiture (income) expense and IP litigation, net are classified in General and Administrative

June 2020
## GAAP-Non-GAAP Reconciliation

### 2018 GAAP Actuals to 2018 Non-GAAP Actuals

**In thousands, except per share and % amounts**

<table>
<thead>
<tr>
<th></th>
<th>For the three months ended</th>
<th>For the twelve months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2018</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td><strong>GAAP Revenue</strong></td>
<td>$237,966</td>
<td>$226,317</td>
</tr>
<tr>
<td><strong>GAAP Gross Profit</strong></td>
<td>115,705</td>
<td>117,926</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>4,782</td>
<td>4,679</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>361</td>
<td>347</td>
</tr>
<tr>
<td><strong>Non-GAAP Gross Profit</strong></td>
<td>$120,908</td>
<td>$122,952</td>
</tr>
<tr>
<td><strong>Non-GAAP Gross Profit Margin</strong></td>
<td>55.7%</td>
<td>54.3%</td>
</tr>
<tr>
<td><strong>GAAP Operating Income</strong></td>
<td>$25,405</td>
<td>$13,355</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>5,055</td>
<td>4,948</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>5,946</td>
<td>6,431</td>
</tr>
<tr>
<td>Net merger, acquisition and divestiture (income) expense</td>
<td>(141)</td>
<td>164</td>
</tr>
<tr>
<td>IP litigation expense, net</td>
<td>2,571</td>
<td>759</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Income</strong></td>
<td>$38,836</td>
<td>$25,657</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Income Margin</strong></td>
<td>17.9%</td>
<td>11.3%</td>
</tr>
<tr>
<td><strong>GAAP Income Tax (Benefit) Expense</strong></td>
<td>$5,523</td>
<td>$4,391</td>
</tr>
<tr>
<td>Tax effect of non-GAAP adjustments</td>
<td>3,140</td>
<td>2,830</td>
</tr>
<tr>
<td>Other tax adjustments</td>
<td>712</td>
<td>(2,440)</td>
</tr>
<tr>
<td><strong>Non-GAAP Income Tax Expense</strong></td>
<td>$9,575</td>
<td>$4,781</td>
</tr>
<tr>
<td><strong>GAAP Net Income</strong></td>
<td>$20,401</td>
<td>$10,471</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>5,055</td>
<td>4,948</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>5,946</td>
<td>6,431</td>
</tr>
<tr>
<td>Net merger, acquisition and divestiture (income) expense</td>
<td>(141)</td>
<td>164</td>
</tr>
<tr>
<td>IP litigation expense, net</td>
<td>2,571</td>
<td>759</td>
</tr>
<tr>
<td>(Gain)/loss on strategic investments</td>
<td>281</td>
<td>(682)</td>
</tr>
<tr>
<td>Income tax effect</td>
<td>(4,052)</td>
<td>(390)</td>
</tr>
<tr>
<td><strong>Non-GAAP Net Income</strong></td>
<td>$30,061</td>
<td>$21,701</td>
</tr>
<tr>
<td><strong>GAAP Net Income Per Diluted Share</strong></td>
<td>$0.71</td>
<td>$0.37</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>0.17</td>
<td>0.17</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>0.20</td>
<td>0.23</td>
</tr>
<tr>
<td>Net merger, acquisition and divestiture (income) expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IP litigation expense, net</td>
<td>0.00</td>
<td>0.01</td>
</tr>
<tr>
<td>(Gain)/loss on strategic investments</td>
<td>0.01</td>
<td>(0.02)</td>
</tr>
<tr>
<td>Income tax effect</td>
<td>(0.14)</td>
<td>(0.01)</td>
</tr>
<tr>
<td><strong>Non-GAAP Net Income Per Diluted Share</strong></td>
<td>$1.04</td>
<td>$0.77</td>
</tr>
</tbody>
</table>

Number of shares used in diluted per share calculation: 28,923, 28,337, 28,506, 28,579, 28,640

*Certain numbers may not total due to rounding

1 Net merger, acquisition and divestiture (income) expense and IP litigation, net are classified in General and Administrative.