



Leading SaaS platform for the intelligently connected property

| FEBRUARY 2023



Safe Harbor Statement

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact contained in this presentation, including, but not limited to, statements regarding our potential market opportunity in both the residential and commercial markets and growth drivers, including addressable markets and industry trends, expansion into new international markets and other verticals and other business and product development plans, including statements regarding product and feature releases and related benefits, market demand for our offerings, are forward-looking statements. Any such statements are not guarantees of future performance, but are based on our assumptions, expectations and beliefs as of the date of this presentation and are subject to substantial risks, uncertainties, assumptions, and changes in circumstances that may cause our actual results, performance, or achievements to differ materially from those expressed or implied in any forward-looking statement. Investors should not place undue reliance on our forward-looking statements. For more information about factors that may cause our actual results to differ materially from these forward-looking statements, including the Company's actual operating results and business operations may be negatively impacted by the anticipated impact of the global economic uncertainty and financial market conditions caused by significant worldwide events, including public health crises, such as the COVID-19 pandemic, and geopolitical upheaval, such as Russia's incursion into Ukraine (collectively Macroeconomic Conditions). Macroeconomic Conditions and their economic effects may reduce demand, the reliability of the Company's network operations centers, the Company's ability to retain service provider partners and residential and commercial subscribers and sustain its growth rate, the Company's ability to manage growth and execute on its business strategies, the effects of increased competition and evolving technologies, the Company's ability to integrate acquired assets and businesses and to manage

service provider partners, customers and employees, consumer demand for interactive security, video monitoring, intelligent automation, energy management and wellness solutions, the Company's reliance on its service provider network to attract new customers and retain existing customers, the Company's dependence on its suppliers, the potential loss of any key supplier or the inability of a key supplier to deliver their products to us on time or at the contracted price, the reliability of the Company's hardware and wireless network suppliers and enhanced United States tax, tariff, import/export restrictions, or other trade barriers, particularly tariffs from China as well as other risks and uncertainties discussed in the "Risk Factors" section of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 24, 2023 and other subsequent filings the Company makes with the Securities and Exchange Commission from time to time. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future. Any information in this presentation on new products, features or functionality is intended to outline our general product direction. The information on new products, features, and functionality is not a commitment, promise or legal obligation to deliver any feature or functionality. The development, release, and timing of any features or functionality described for our products remains at our sole discretion.

NON-GAAP FINANCIAL MEASURES

This presentation also contains certain non-GAAP financial measures as defined by the SEC rules. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. As required by Regulation G, we have provided a reconciliation of those measures to their most directly comparable GAAP measures, which is available in the Appendix slides to this presentation. Please refer to our February 23, 2023 press release for information as to why we believe these non-GAAP financial measures are useful to investors and others in assessing our operating results. We urge investors not to rely on any single financial measure to evaluate our business.



AGENDA

Company Overview

Market Opportunity

Alarm.com Solutions

Competitive Advantages

Growth Drivers

Financial Overview

Company Overview

The cloud based (SaaS) operating system which enables service providers and their subscribers to intelligently manage and control their residential and commercial properties with highly advanced IoT technology solutions.



Founded in
2000



IPO
in June 2015;
Nasdaq:
ALRM



11,000+
service provider
partners



9.1 million+
subscribers¹



1,733
employees

Note: Subscriber, Partner, and Employee data is as of December 31, 2022.

¹Primarily consists of subscribers on our Alarm.com platform or non-hosted software platform to which we are delivering at least one of our solutions.

Key Investment Highlights

**Clear Leader in
Large & Growing
Markets**



**Innovating to
Expand Market
Opportunity**



**SaaS Recurring
Revenue Model**



**Strong Growth
& Profitable**



Efficient Service Provider Go-to-Market

11,000+

SERVICE PROVIDER PARTNERS¹

A Winning Partnership

Alarm.com Contributes

- SaaS software for subscribers and service providers
- Enterprise services drive service provider efficiency
- Innovation engine for partners

Service Provider Contributes

- Customer acquisition and marketing
- System installation and ongoing support
- Monitoring and emergency dispatch

¹ As of Dec 31, 2022

LEADING PLATFORM FOR

Intelligently Connected Properties



9.1+
MILLION

Subscribers



300+
BILLION

Data Points
In the last year alone

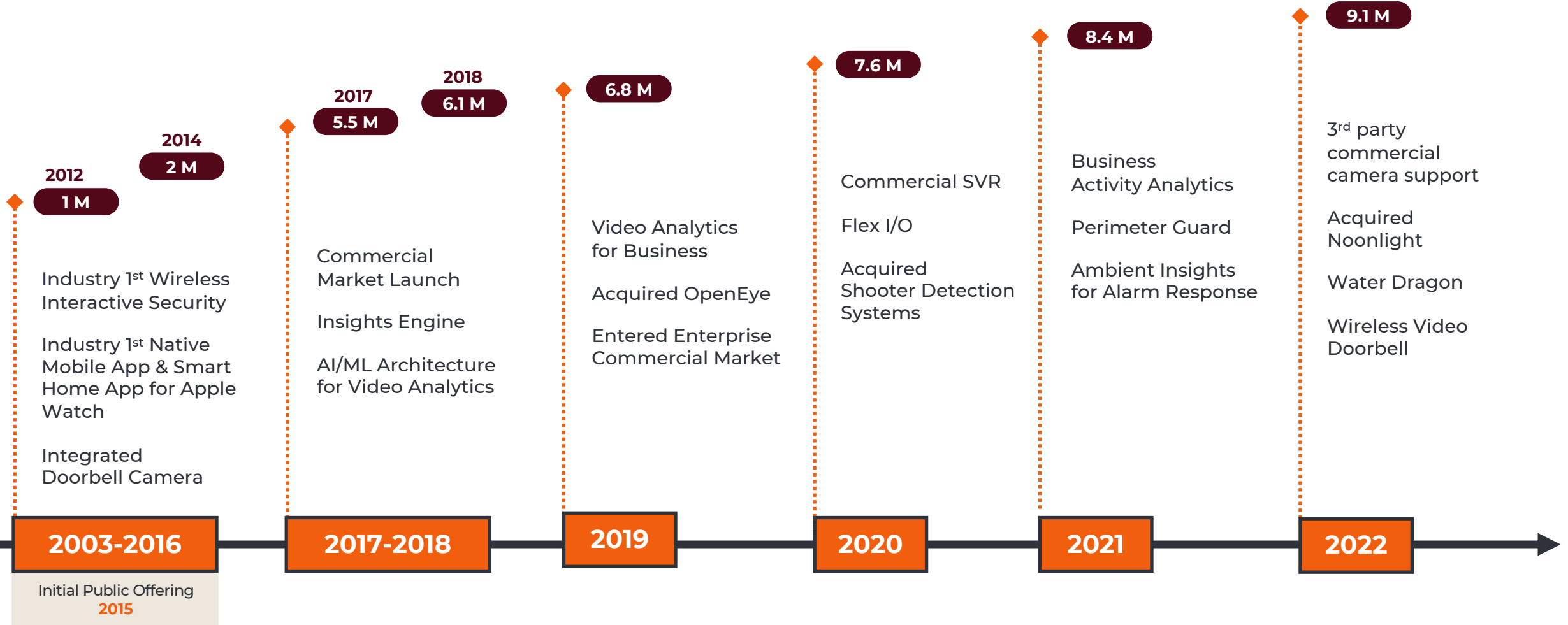


100+
MILLION

Connected Devices

History of Innovation and TAM Expansion

Subscriber Milestones





"Alarm.com wins security product of the year at CES 2019."



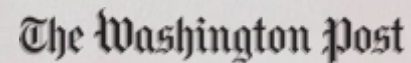
"Building owners and business proprietors can manage security and life-safety systems from an intuitive Alarm.com interface."



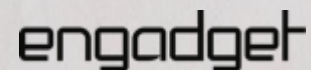
"One app to manage all of these functions is ideal. That's precisely what Alarm.com offers — a platform that streamlines dozens of tasks, from dozens of brands, in one single app."



"Alarm.com's enterprise services support the end-to-end needs of Smart Home Security Dealers."



"We are making the video camera smarter"



"You can expand your system with popular smart-home devices through Alarm.com"



"Alarm.com's Wellness independent living solution applies A.I. and machine learning to proactively detect changes that may suggest risks."

FEATURED IN:



The New York Times



THE WALL STREET JOURNAL.

WASHINGTON
BUSINESS JOURNAL

Conserving Energy and Resources

Our Energyhub Subsidiary Enables Decarbonization

Renewable Energy Resources

EnergyHub enables utilities to increase use of zero-carbon generation by intelligently managing electricity demand to match the output of intermittent renewable energy resources.

Electric Vehicles (EVs)

The mass-scale adoption of EVs is essential to decarbonizing the transportation sector but will significantly increase electricity demand. EnergyHub intelligently manages EV charging to enable utilities to meet peak charging demand and allow for greater EV adoption.

Alarm.com Leverages a Rich Set of Data to Reduce Energy and Water Waste

Our **Energy Star rated Smart Thermostat** knows when the property is empty or if a window or door is left open and automatically adjusts to energy savings mode.

Our **Smart Water Valve+Meter** solution detects leaks through onboard flow sensors and connected devices, automatically alerts the subscriber, and shuts off the water supply to eliminate waste. With the Alarm.com mobile app, subscribers can monitor how much water they use and compare it to past periods and average consumption levels.

Market Opportunity

TAM Expansion

Over 500 million serviceable properties and growing

Leverage our technology leadership and scale in core markets to invest in platform expansion that builds near-term growth and strategically positions Alarm.com to define emerging markets over the long-term.



Growth in Adjacent Markets

Video analytics and advanced monitoring, Commercial markets, active shooter event control, and emergency and event response solutions.



International Expansion

Currently in 60+ countries, expanding depth and breadth.



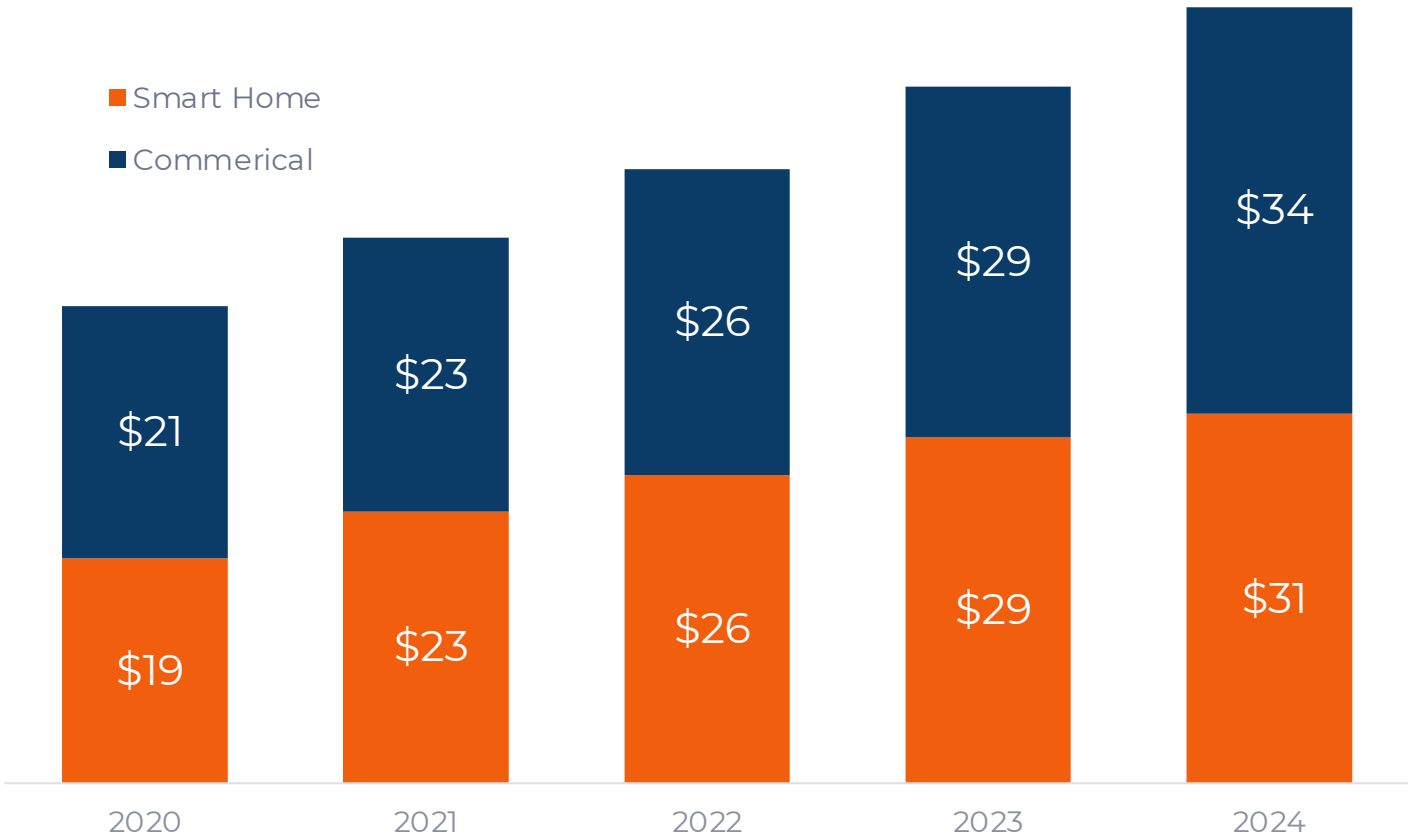
Develop Emerging IoT Opportunities

Lead secular technology trends and emerging opportunities through our subsidiary, new market businesses.

Connected Property Market

RESIDENTIAL AND COMMERCIAL MARKETS

Amounts shown in billions.



“ The global smart home cloud platform market is anticipated to grow at a CAGR of 17% from 2020 to 2030. ”

STRATEGY ANALYTICS

Source: OMDIA and Strategy Analytics

MARKET OPPORTUNITY

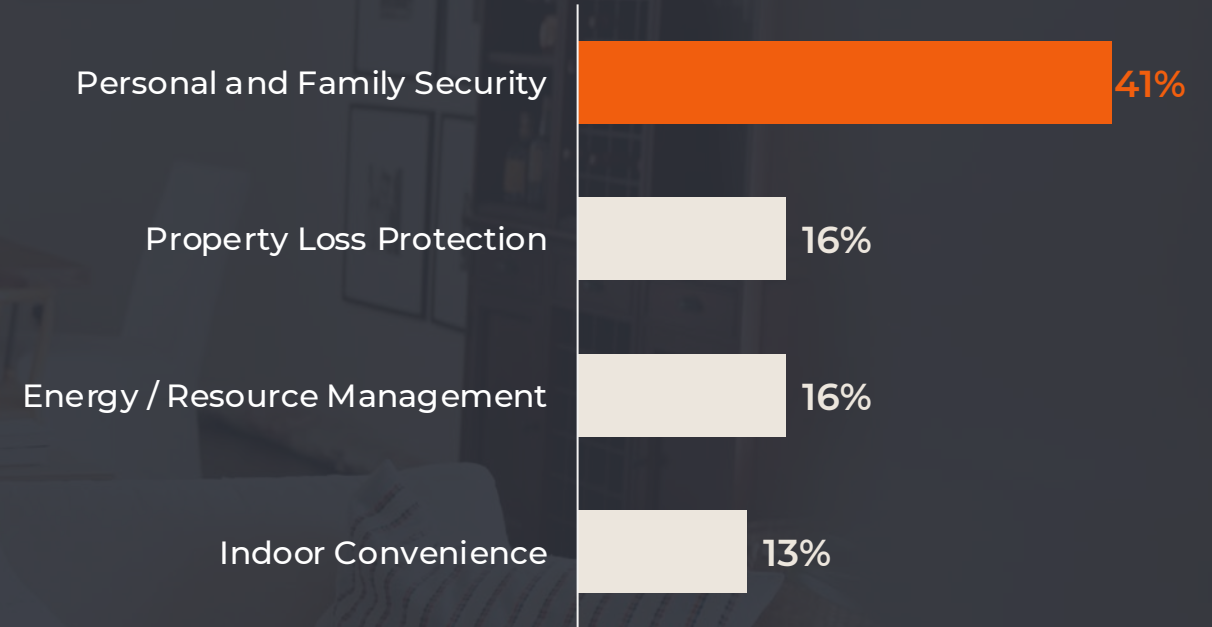
Residential



Security Drives Smart Home Adoption

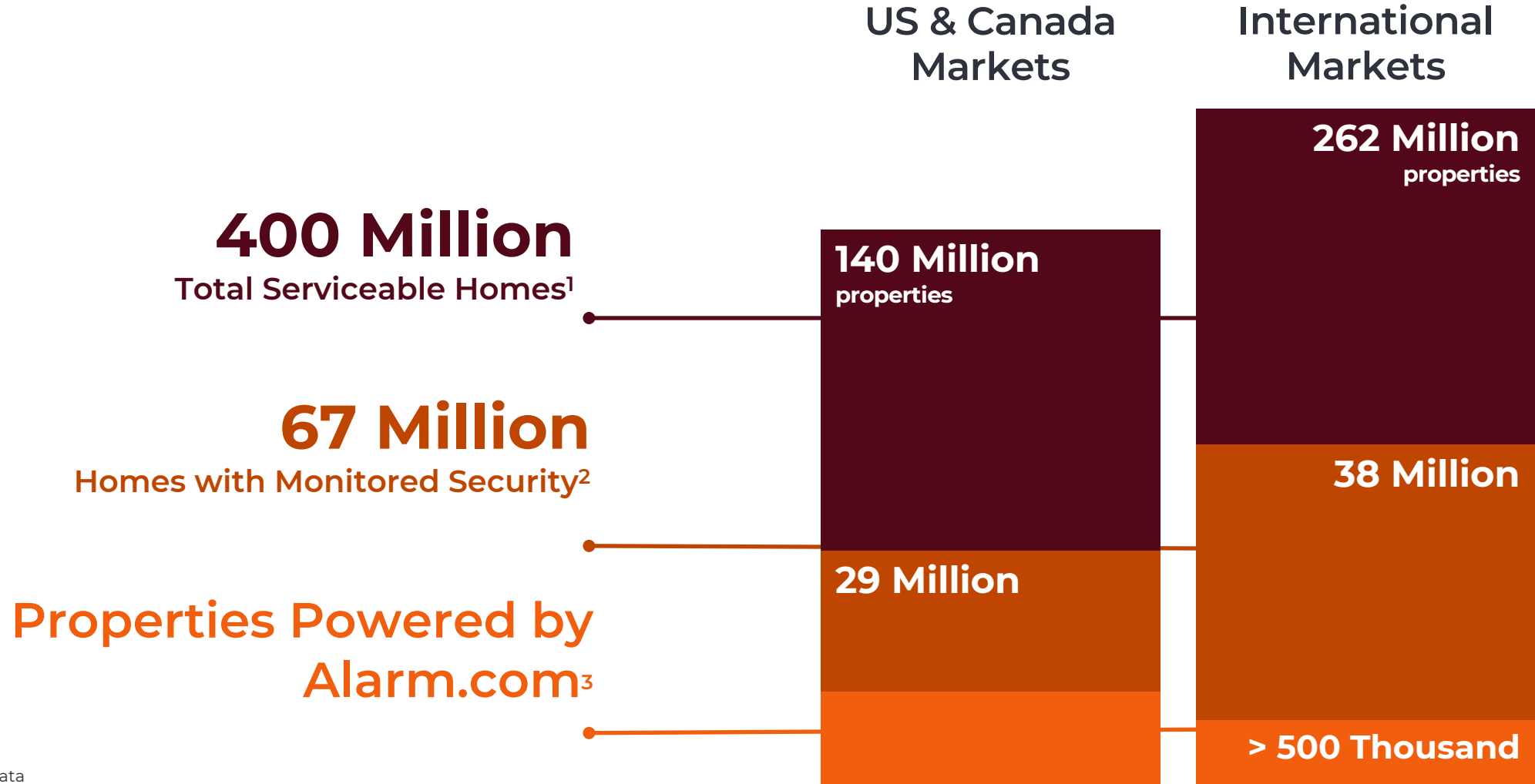
“Most security customers will continue to opt for professionally installed systems, especially as those systems gain more functionality.”

– Strategy Analytics, 2021



Source: CTA Forecast, 2019, Business Insider, 2016, Strategy Analytics Smart Home Market Update, July 2021

Global Residential Opportunity



¹ 2019 U.S. Census Data

² Parks Associates, Security Customer Acquisition & Retention, 2020. ³ Globally as of Dec 31, 2022.



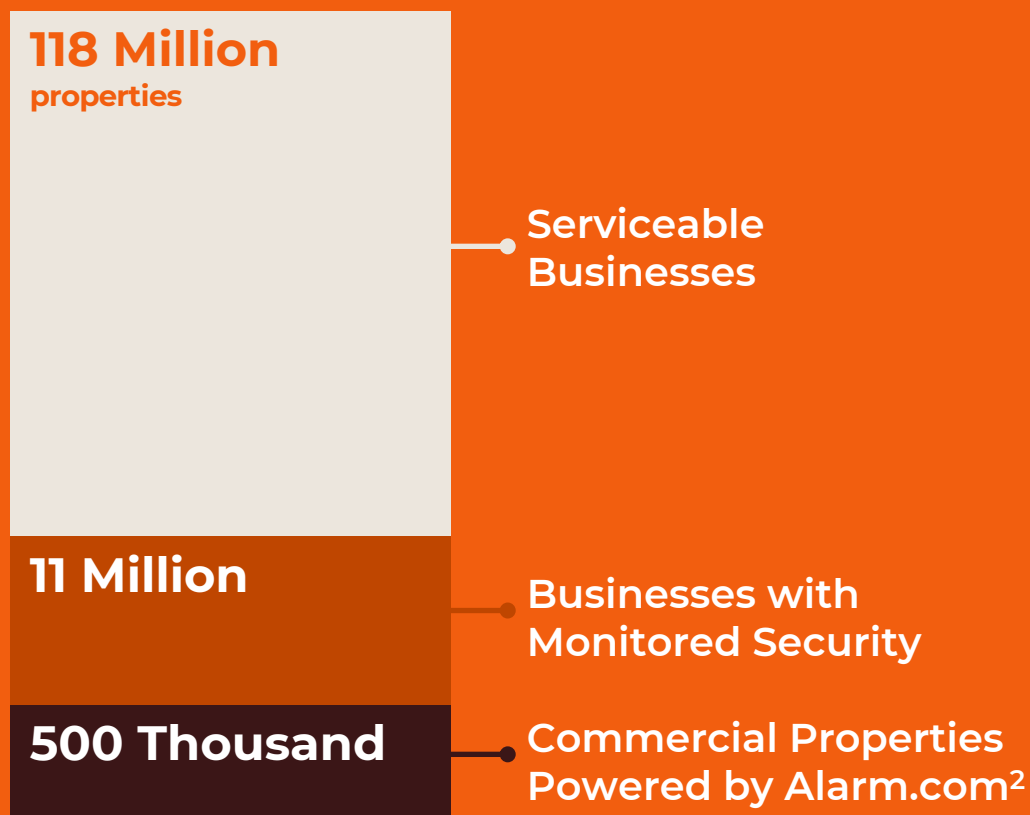
MARKET OPPORTUNITY

Business



Global Commercial Opportunity

Global Market¹



Growth Dynamics

- Long-term cyclical upgrade opportunity from highly penetrated traditional systems to Alarm.com's connected property systems.
- Integrated security, video, and access control solutions offer an intelligent, unified property management system.
- Robust solution set increases commercial account ARPU by 2 to 6 times over residential.

¹ Source: 2019 U.S. Census Data and Proprietary Alarm.com Research,
² Globally as of Dec 31, 2022.

North American Commercial Market



Small & Medium Sized Business Market

Opportunity to upgrade to integrated, smart business solutions



~6 million target properties in US



High penetration of traditional services



Commercial Business Market

High growth in Video Surveillance-as-a-Service (VSaaS) segment as legacy video solutions shift to advanced cloud-based architectures



VSaaS TAM \$4.4 billion (Americas)



VSaaS market to grow at a 15% CAGR from 2021 through 2025 in U.S.

Sources: Memoori Research, 2018. Small Business Administration, 2014. US Energy Information Administration, 2012. IHS Markit, VSaaS Market Brief, 2018

Overview of OpenEye

A leading provider of cloud-managed, video-based security solutions for the commercial market.

- Acquired in October 2019
- 200+ employees
- A leader in commercial VSaaS market
- Cloud-managed architecture
- High growth SaaS revenue
- Deployed to 30,000+ locations
- 500+ active service provider partners



Engineered for enterprise commercial and national account customers:

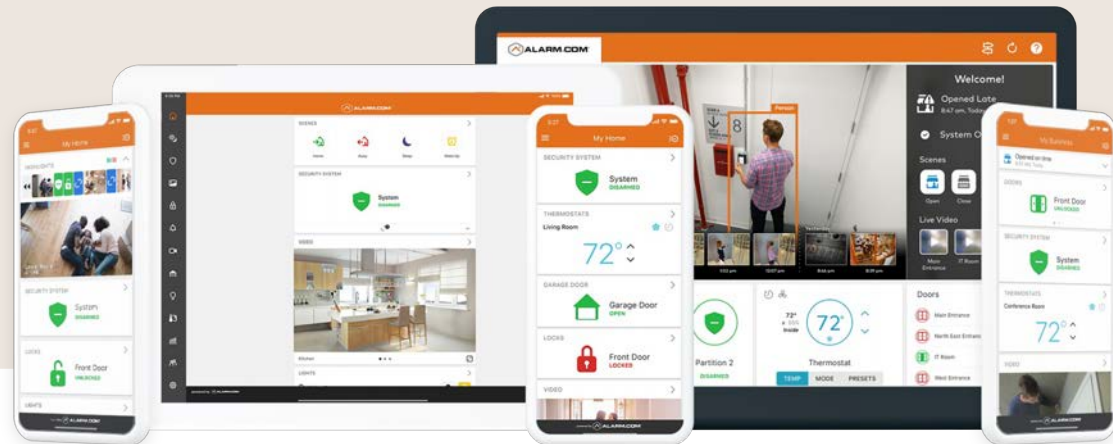




Alarm.com Solutions

Alarm.com Platform

A UNIFIED EXPERIENCE



INTELLIGENT SOLUTIONS



Security



Access



Video



Energy



Lights



Garage



Water



Wellness



Solar

INTERNET OF THINGS ECOSYSTEM



ADVANCED CLOUD PLATFORM

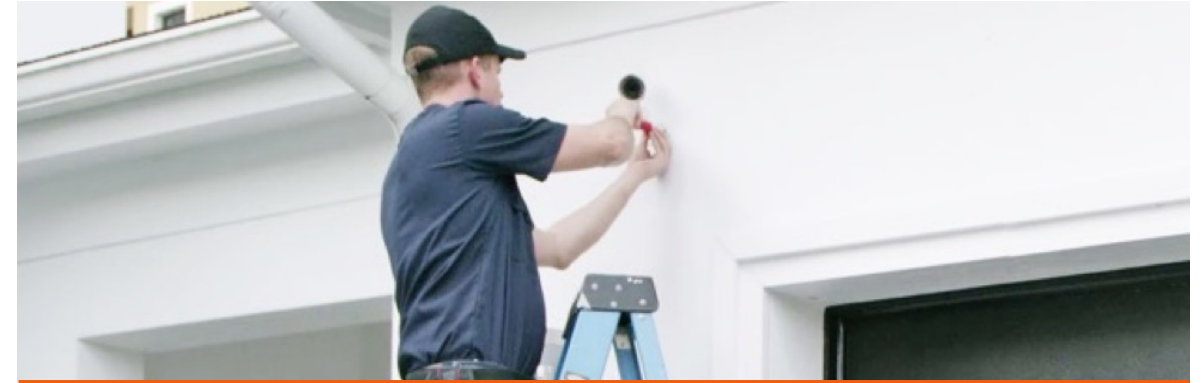
powered by  **ALARM.COM**

www.alarm.com/hardware

Intelligent Cloud-based Platform



FOR SUBSCRIBERS

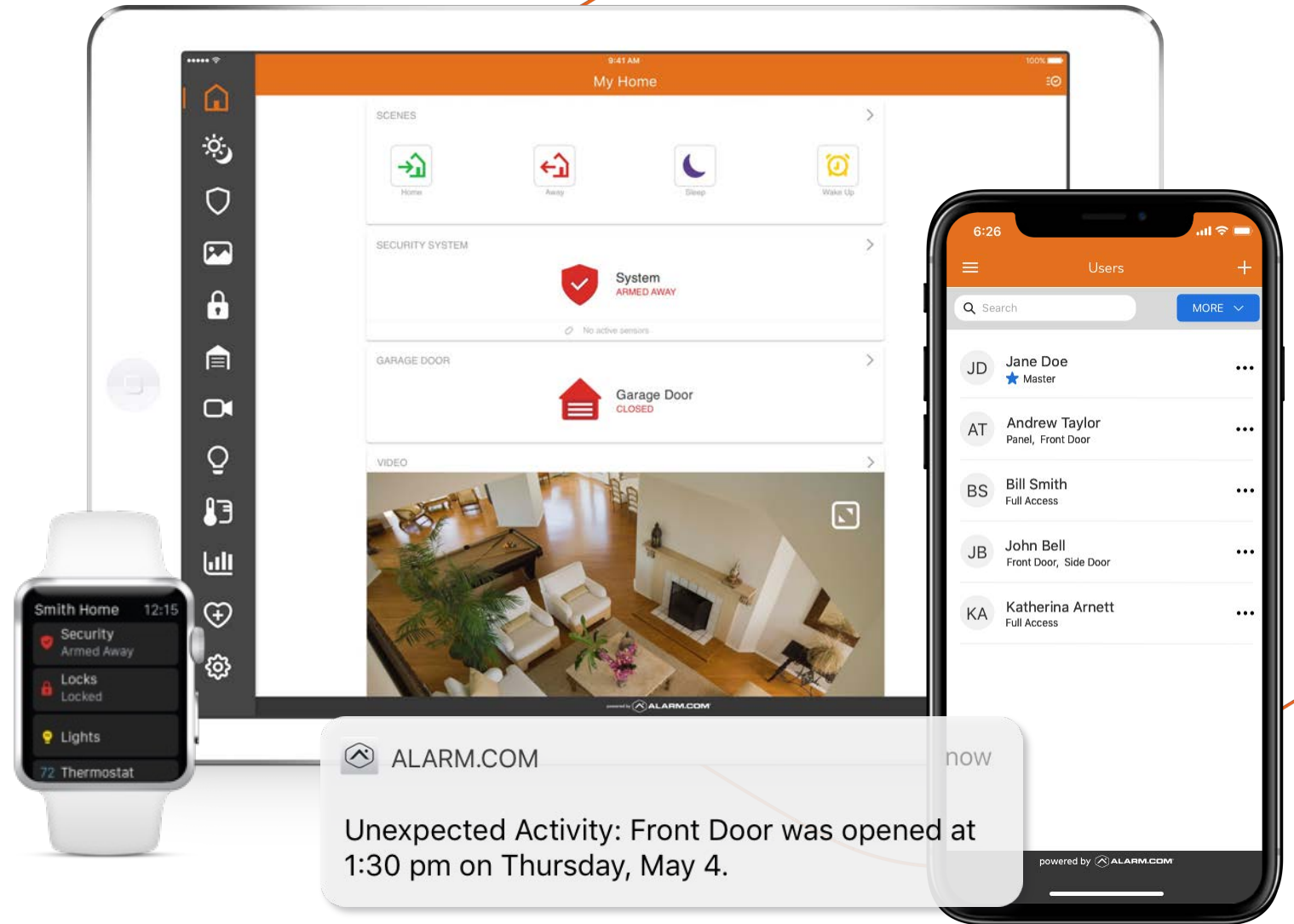


FOR SERVICE PROVIDERS



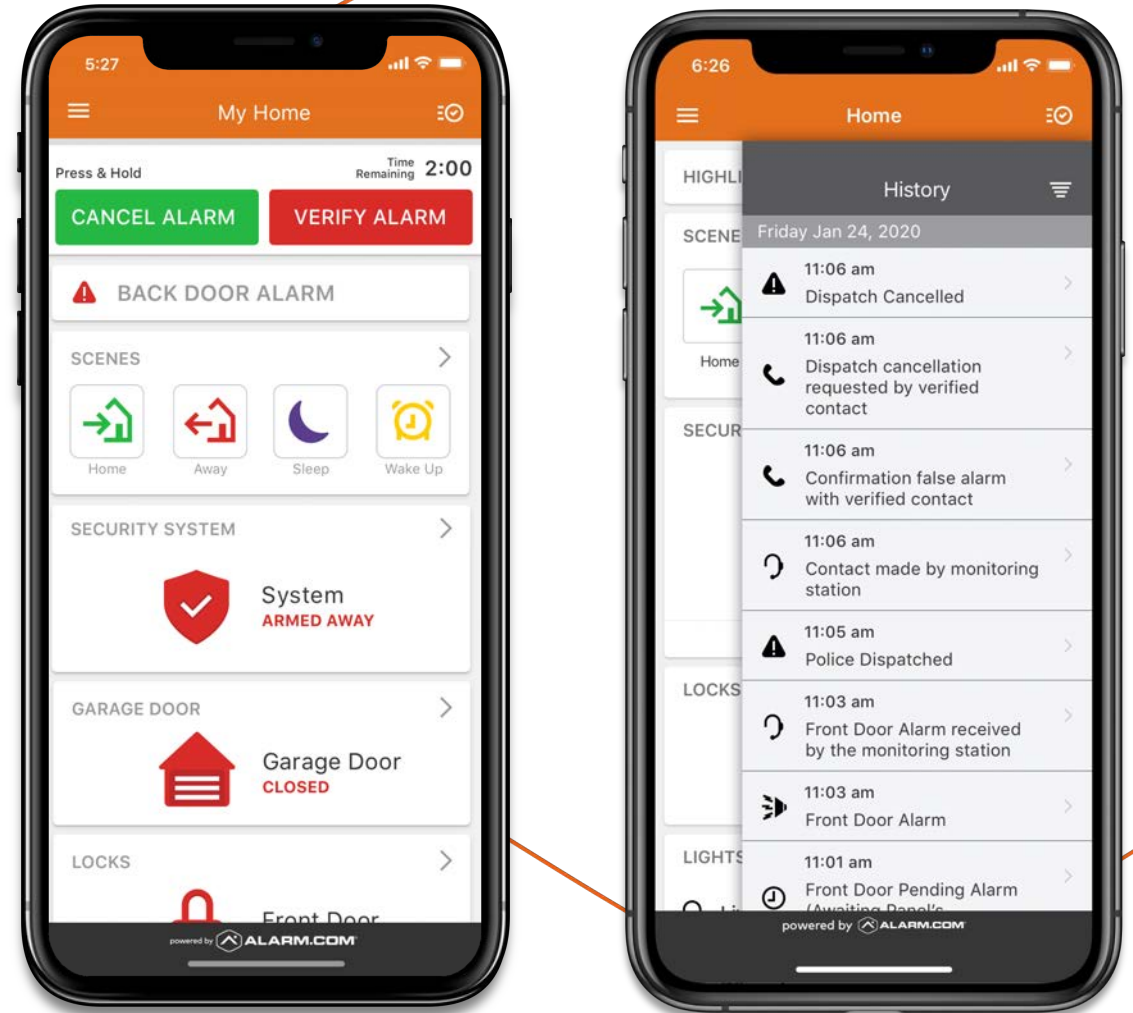
Smarter Security

- Reinvented home security
- Proactive protection and AI smart alerts
- Securely manage property access with multi-device user codes and schedules
- Patented security capabilities



Smart Signal

- Easily cancel false alarms from anywhere
- Verify emergencies to expedite emergency response
- Send a panic alert to dispatch emergency response to the property
- Awarded "Security Product of the Year" during CES 2019



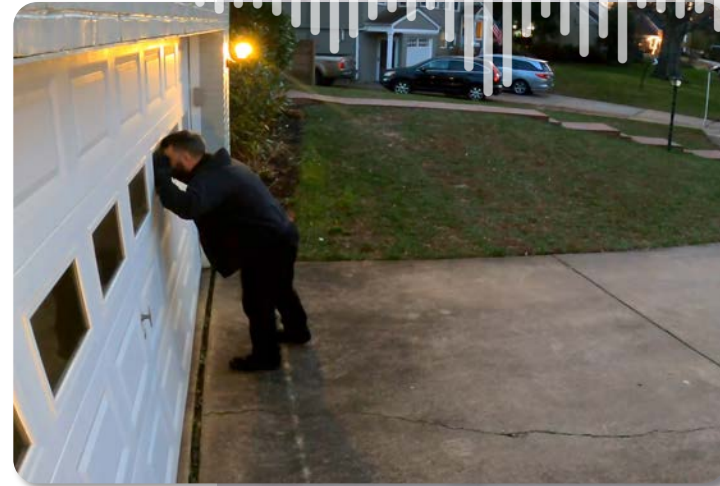
Touchless Doorbell

- Rapid person detection for faster, more relevant alerts
- First commercially available touchless doorbell
- 150° vertical field of view make visitors and packages clearly visible



Perimeter Guard™

- Feature specifically reacts to individuals entering your property
- Attention-grabbing audio alerts and blinking red LED ensure people are fully aware of camera's presence – deterring intrusion
- Easily configure as part of a Video Analytics rule



Activates

Camera
Status LED



Camera
Audio Alert



Duration

10 seconds

Audio Sound

Short Beep

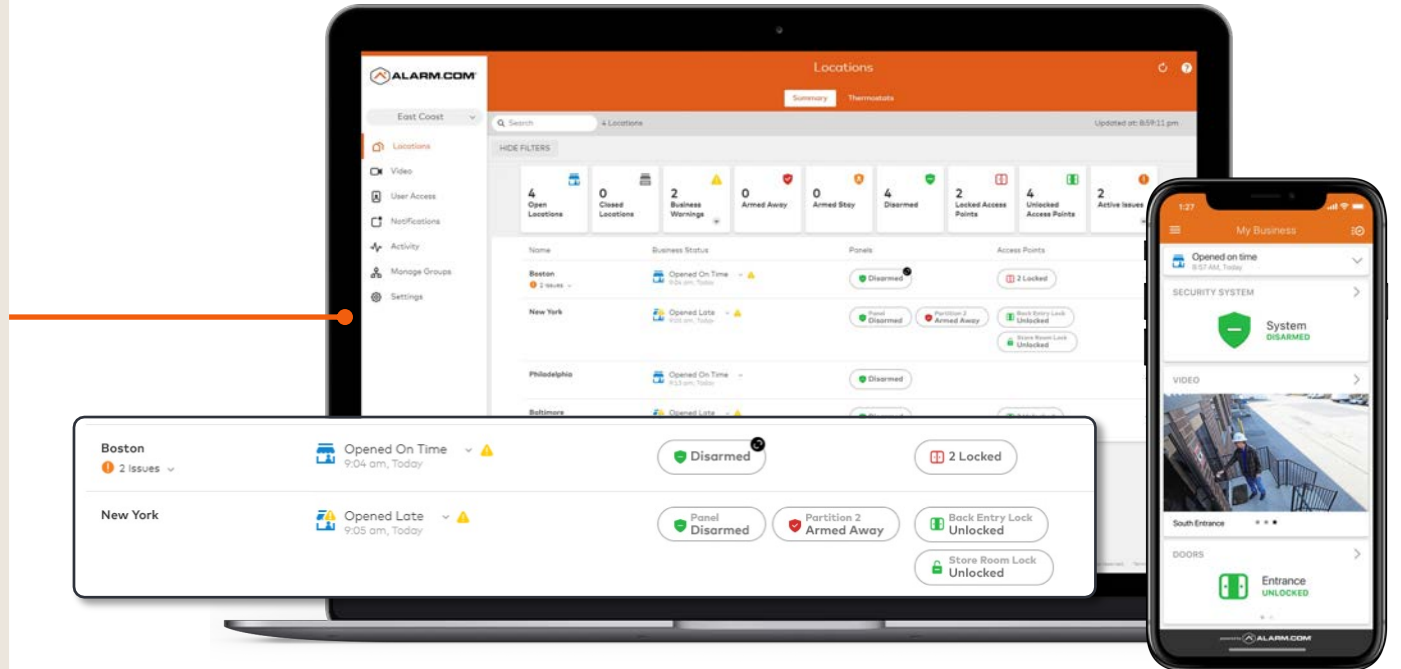
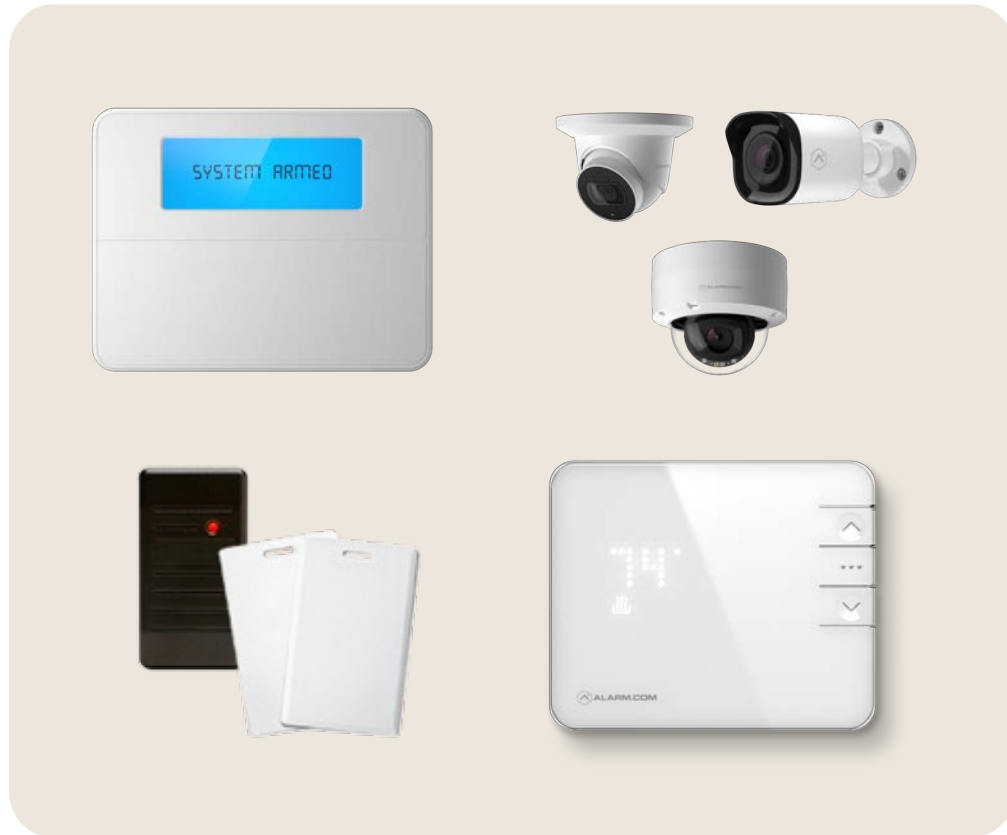
Flex IO™

Monitor more of what matters—
without boundaries

- Next-generation sensor for monitoring property and assets anywhere there's cellular coverage - panel, hub, or Wi-Fi not required
- LTE CAT-M cellular communications, battery-operated, and rugged, weather-proof design
- Addresses unique use cases in any location where existing sensors and devices are not enough



A Unified Commercial Solution



PLAY VIDEO



-  Video Analytics
-  Service Provider Analytics
-  HVAC Analytics
-  Quality Engineering Analytics
-  Unexpected Activity
-  Wellness
-  Business Intelligence

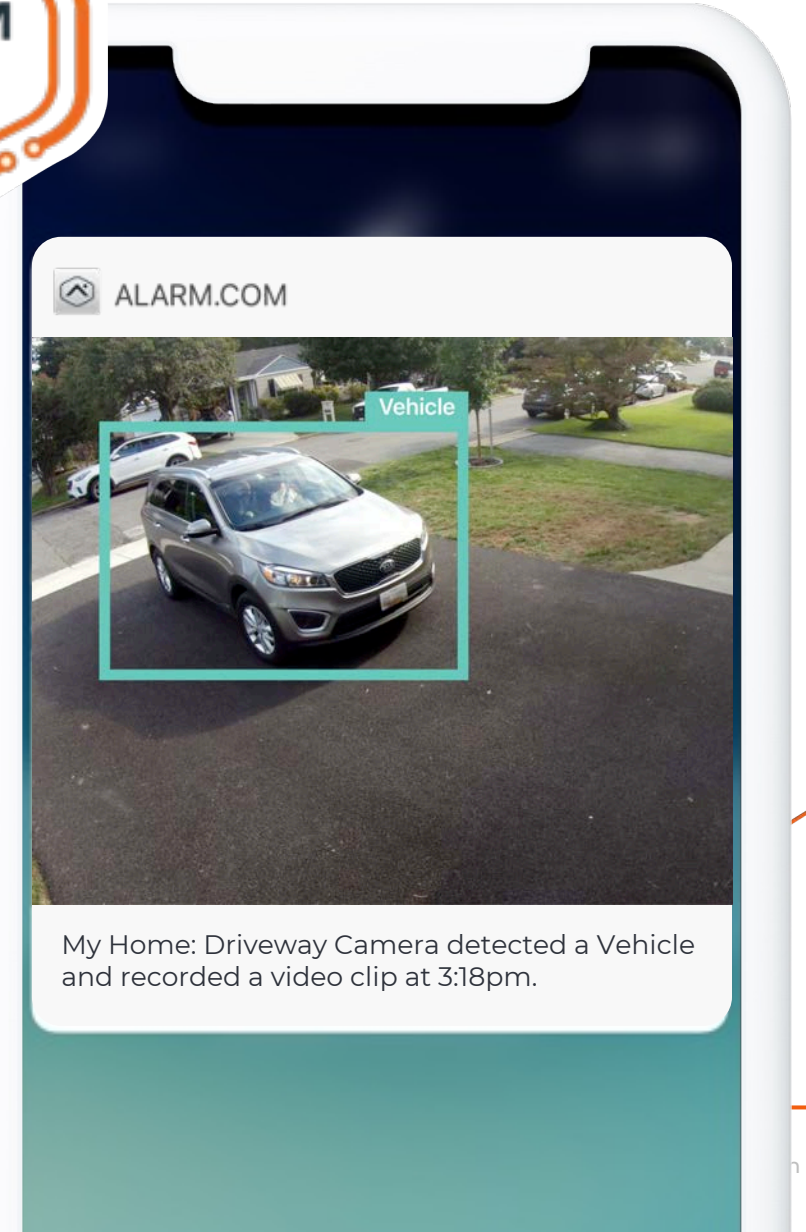
PLAY VIDEO

Video Analytics

Enhanced service plans for both residential and commercial-grade cameras

ALERTS THAT MATTER

- Advanced security and awareness
- Easily customized to identify highly specific activity
- Catch the unexpected



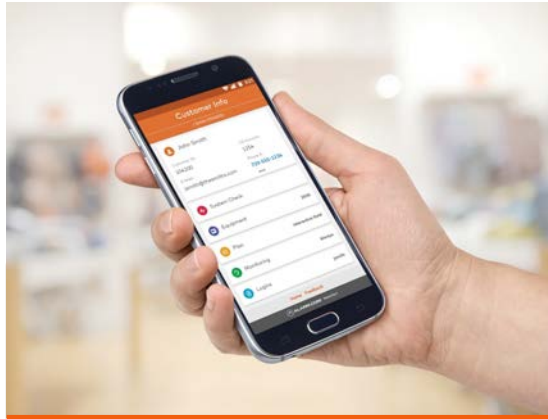
Competitive Advantages

Partner Productivity Solutions

A full suite of installation, support, and business management services that help service providers efficiently install and support Alarm.com's solutions



Accelerate
Sales



Reduce
Cost to Serve



Maximize
Customer LTV



Optimize
Operations

How We're Different

Alarm.com has continued to achieve strong growth even as the DIY/Retail market segment has attracted more entrants, thanks to several key distinctions:

DIY / RETAIL PRODUCTS

Standalone devices offer limited capability; each device requires a separate app with only basic integration

Primarily home automation devices that narrowly address convenience use cases

User-installed

Self-supported

Typically self-monitored

ALARM.COM

Broad system of multiple devices enhanced with proactive capabilities driven by analytics

Security first with video and home automation add-ons. Purchase triggered by life event (family expansion, new home, etc.)

Professional installation ensures reliable performance

Ongoing tech support delivers long-term value

Professional monitoring, the gold standard for security

Growth Drivers

Compelling Growth Drivers



Add more subscribers

9.1million+

As of Dec 31, 2022



Upsell and cross sell existing subscribers

In-App Promotions
and Upsell Engine



Grow Commercial

Expand in SMB and
enterprise markets, grow
adoption of video and
access control services



Grow International

Add new markets and
strategic partners



Grow Verticals

Energy Utilities, Property
Mgmt., HVAC channel,
water, Wellness



Add more Service Provider Partners

11,000+

As of Dec 31, 2022

Global Market

Alarm.com services are available



2B

Households worldwide¹



\$32B

Global commercial market²



Delivering solutions in

~60 countries³



Select International Partners:



¹ Source: Strategy Analytics, 2020 Global Smart Home Forecast

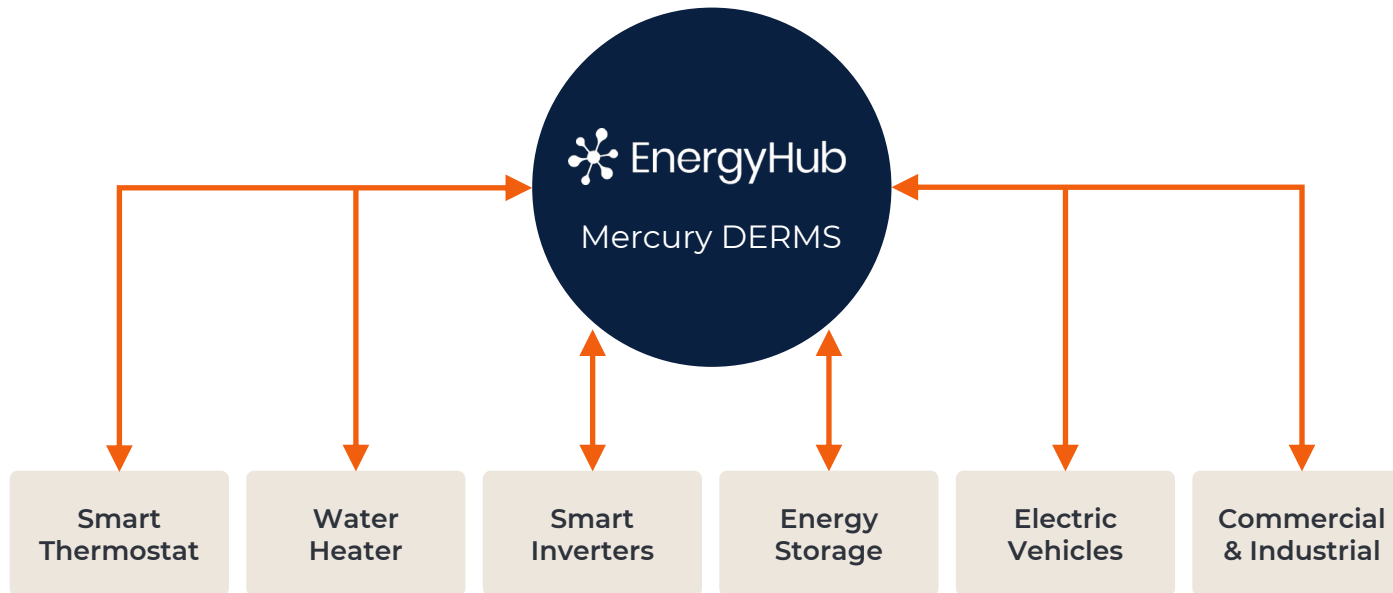
² Source: Memoori, The Physical Security Business 2018 to 2023, Q4 2018

³ As of Dec. 31, 2022

Energy Management

ENTERPRISE SOFTWARE SOLUTIONS FOR ENERGY UTILITIES

Optimizes distributed energy resources to reduce usage during periods of peak demand



MARKET LEADER



Over 60 utility clients, including 16 of the top-50 in the US



1.3 gigawatts of dispatchable flexible capacity.



Largest connected device manufacturer ecosystem



Programs available to 50 percent of U.S. demand-response-eligible households

2012

Pioneered Bring Your Own Thermostat® program delivery model

Select Partners:



EVERSOURCE



nationalgrid



Property Management

Enterprise smart home automation services for property management of single-family homes, multi-family dwellings, and vacation rentals.

ADVANTAGES

- Operational efficiencies for operators
- Asset protection for owners
- In-demand amenity for residents

MARKET OPPORTUNITY



27 MILLION
Multi-family units



~2 MILLION
Vacation rental properties

Sources: National Multifamily Housing Council, Urban Institute, Wall Street Journal, and Hostfully industry report, 2021

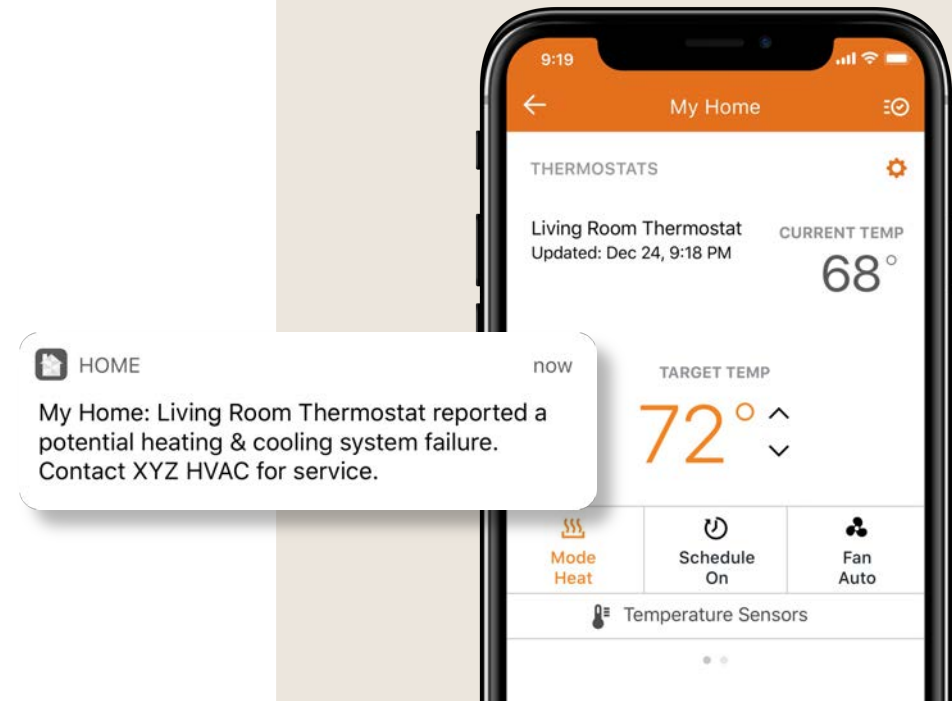


Advanced Home Automation Solutions

Enabling the HVAC channel to deliver advanced smart home automation solutions

- Integrated home energy management, automation, and video services
- Service revenue opportunity for HVAC channel
- AI monitors HVAC and proactively detects trouble conditions before escalating into higher cost repairs or failures

Building36®
AN ALARM.COM COMPANY



Select Partners:



Financial Overview

Proven M&A Execution

 NOONLIGHT	2022	Emergency response and personal safety platform
 PACKETIZED ENERGY	2021	Software systems that enable responsive, flexible grid services
 SHOOTER DETECTION SYSTEMS	2020	Patented indoor gunshot detection solutions
 AIRDOG	2020	Robotics engineering company specializing in drone technology
 doorport	2020	Smart property intercoms and access systems
 OpenEye <small>The Cloud Video Platform</small>	2019	Cloud-managed video security and business intelligence
 ObjectVideo LABS	2017	Video analytics and computer vision
 icontrol NETWORKS	2017	Interactive security and home automation platform

FOCUSED M&A STRATEGY

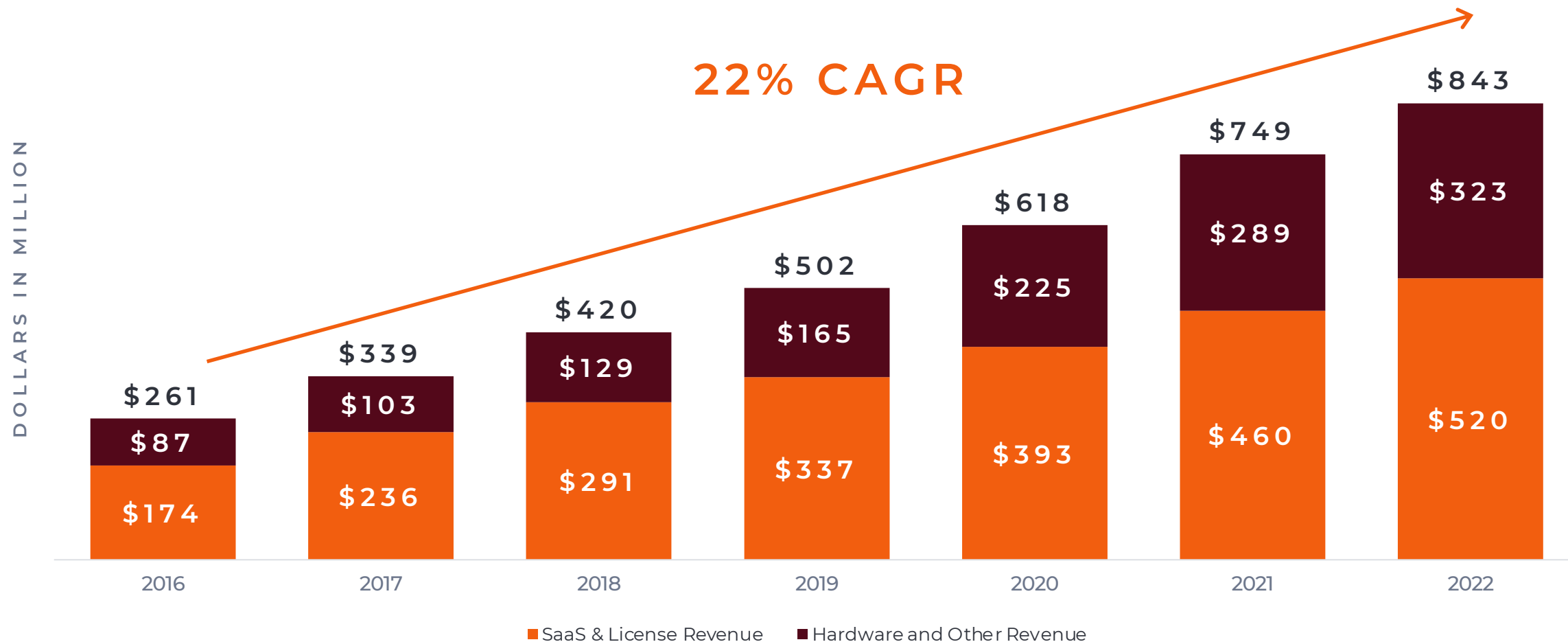
Focused to date on small targets, technology and tuck-in acquisitions

Retained management of acquired businesses

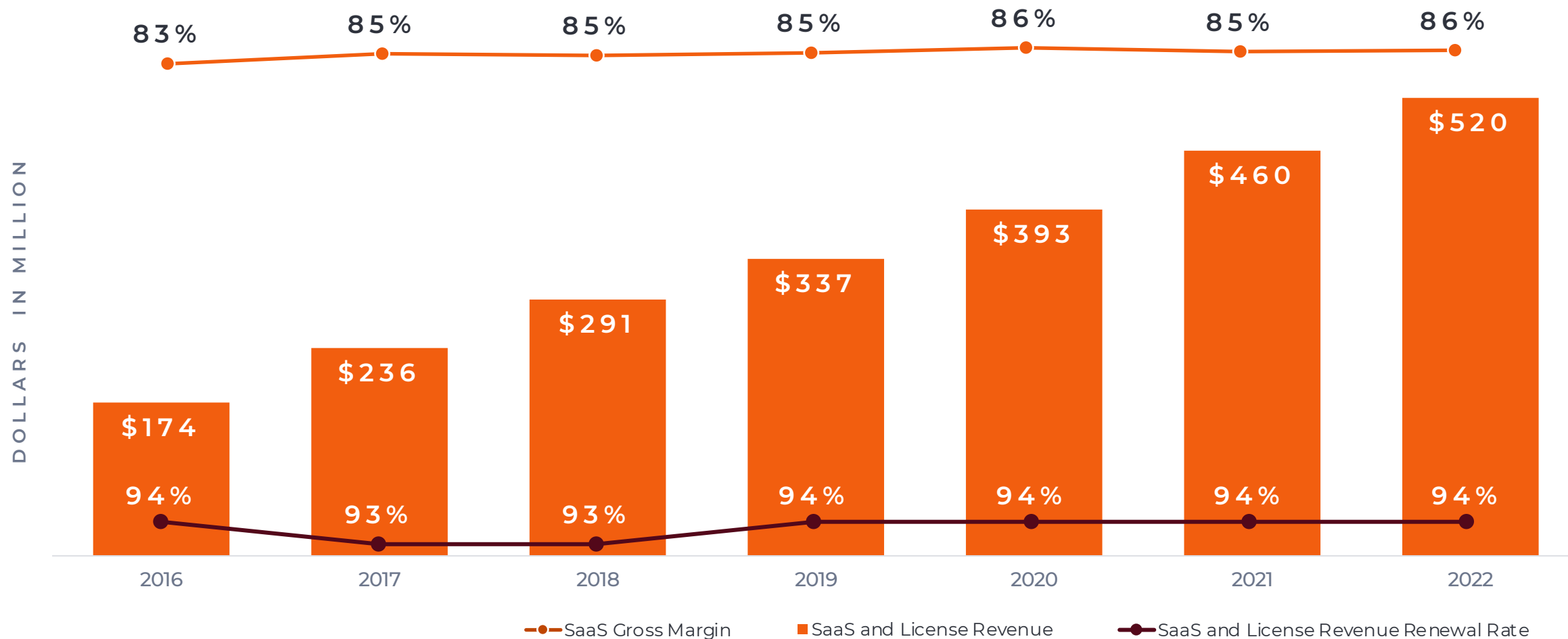
Focus on businesses with strong management and superb customer service

Expanded product offering for end customers

Consistent Revenue Growth

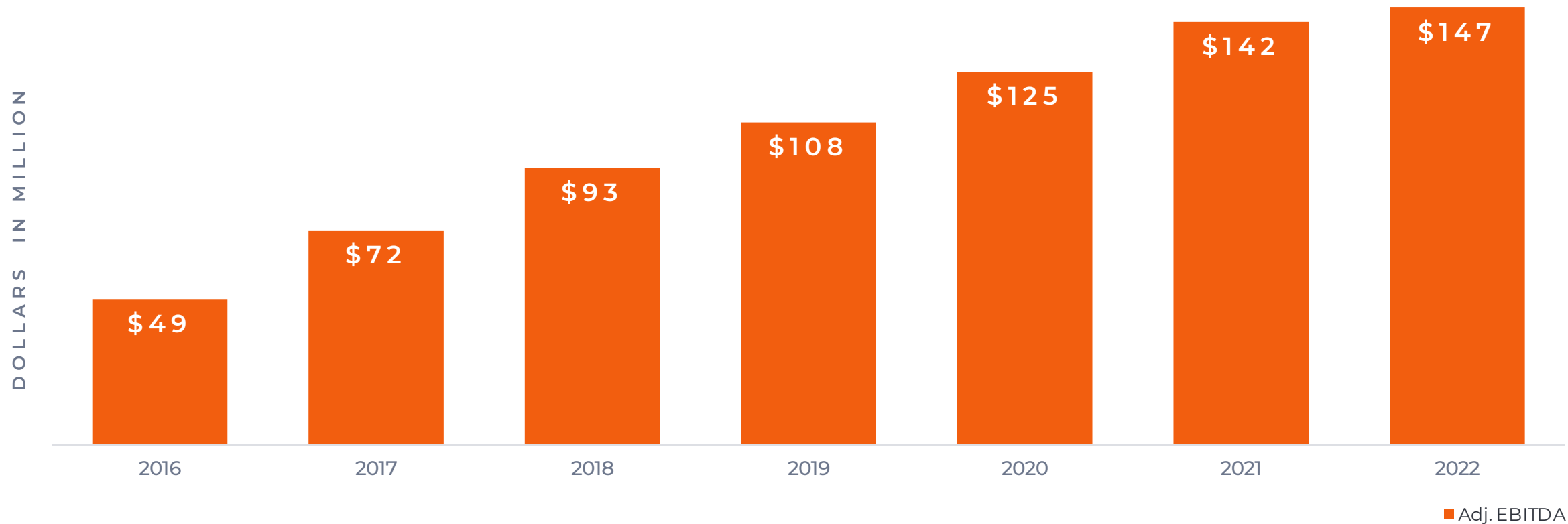


High SaaS Gross Margins and Renewal Rates



Track Record of Profitability

Strong track record of profits while investing > 25% of revenue in R&D in 2021 to drive future growth



¹ Adjusted EBITDA is a non-GAAP metric. See Appendix for GAAP to non-GAAP reconciliation.

Key Financial Highlights

Market Leader

- Highly scalable platform
- 9.1 million+ subscribers
- 100 million+ connected devices
- 300 billion+ data points processed in 2022



Growing

- Strong compound annual revenue growth
- TAM expanding with IoT applications for commercial and residential



Recurring

- High SaaS and license recurring revenue model
- SaaS and license revenue renewal rate of 94%



Profitable

- Strong cash flow and profitable
- Increased operating leverage as business scales
- Favorable unit economics



Appendix

Investor Data Sheet (1/3)

Alarm.com Holdings, Inc.

Select Financial Data | Fiscal Year End December 31 | (\$ in thousands)

Statement of Operations Data:	2020	2021	2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
SaaS and license revenue ¹	\$393,257	\$460,372	\$520,377	\$107,383	\$113,186	\$118,059	\$121,744	\$123,225	\$129,475	\$133,126	\$134,551
Hardware and other revenue	224,746	288,597	322,182	65,115	75,671	74,265	73,546	82,212	83,370	83,012	73,588
Total revenue	\$618,003	\$748,969	\$842,559	\$172,498	\$188,857	\$192,324	\$195,290	\$205,437	\$212,845	\$216,138	\$208,139
Cost of SaaS and license revenue ²	\$53,539	\$66,758	\$73,897	\$15,156	\$17,201	\$17,425	\$16,976	\$16,894	\$18,688	\$18,437	\$19,878
Cost of hardware and other revenue	173,889	239,141	268,684	50,606	60,166	62,959	65,410	73,193	68,648	67,149	59,694
Total cost of revenue	\$227,428	\$305,899	\$342,581	\$65,762	\$77,367	\$80,384	\$82,386	\$90,087	\$87,336	\$85,586	\$79,572
Net income	\$76,660	\$51,175	\$55,631	\$14,550	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828	\$18,110	\$17,790
Net income attributable to common stockholders	77,853	52,259	56,338	14,830	14,745	13,538	9,146	9,079	10,842	18,332	18,085
Net income attributable to common stockholders per share, diluted	\$1.53	\$1.01	\$1.07	\$0.29	\$0.28	\$0.26	\$0.18	\$0.18	\$0.21	\$0.35	\$0.34
Weighted-average common shares outstanding - diluted	50,963,190	51,919,902	54,932,757	51,739,461	51,754,392	51,836,239	51,927,073	55,170,781	54,757,020	54,832,528	54,534,956
Balance Sheet Data (as of):											
Cash and cash equivalents	\$253,459	\$710,621	\$622,165	\$642,172	\$662,682	\$700,307	\$710,621	\$671,753	\$643,380	\$621,347	\$622,165
Non-GAAP financial measures³:											
Adjusted EBITDA ³	\$125,257	\$142,472	\$146,848	\$35,606	\$38,006	\$37,578	\$31,282	\$29,919	\$37,135	\$40,840	\$38,954
Adjusted net income ³	88,433	102,672	106,386	25,617	27,534	27,204	22,317	21,169	26,852	29,937	28,428
Adjusted net income attributable to common stockholders ³	89,375	103,529	106,945	25,838	27,736	27,396	22,559	21,308	26,863	30,112	28,662

¹ Includes software license revenue of \$6.3 million and \$7.4 million for the three months ended December 31, 2022 and 2021, and \$26.8 million and \$32.3 million for the years ended December 31, 2022 and 2021, respectively.

² Includes cost of software license revenue of \$0.1 million for the three months ended December 31, 2022 and 2021, and \$0.5 million and \$1.1 million for the years ended December 31, 2022 and 2021, respectively.

³ Adjusted EBITDA, adjusted net income and adjusted net income attributable to common stockholders are non-GAAP financial measures - see next page for reconciliation to GAAP.

Investor Data Sheet (2/3)

Alarm.com Holdings, Inc.

Non-GAAP Reconciliations | Fiscal Year Ended December 31 | (\$ in thousands)

	2020	2021	2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Adjusted EBITDA:											
Net income	\$76,660	\$51,175	\$55,631	\$14,550	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828	\$18,110	\$17,790
Adjustments:											
Interest expense, interest income and certain activity within other (expense) / income, net	(23,862)	15,503	(5,768)	3,366	3,973	4,003	4,161	628	(371)	(2,116)	(3,909)
Provision for / (benefit from) income taxes	3,500	(5,106)	962	(2,913)	(1,738)	1,787	(2,242)	(618)	844	246	490
Amortization and depreciation expense	27,520	29,715	30,870	7,385	7,477	7,467	7,386	7,761	7,775	7,587	7,747
Stock-based compensation expense	29,176	38,694	52,654	7,888	10,056	9,418	11,332	12,110	12,789	13,154	14,601
Secondary offering expense	543	—	—	—	—	—	—	—	—	—	—
Acquisition-related expense	2,732	29	1,059	29	—	—	—	—	—	728	331
Litigation expense	8,988	12,462	11,440	5,301	3,748	1,609	1,804	1,135	5,270	3,131	1,904
Total adjustments	48,597	91,297	91,217	21,056	23,516	24,284	22,441	21,016	26,307	22,730	21,164
Adjusted EBITDA	\$125,257	\$142,472	\$146,848	\$35,606	\$38,006	\$37,578	\$31,282	\$29,919	\$37,135	\$40,840	\$38,954
Net Income Margin	12%	7%	7%	8%	8%	7%	5%	4%	5%	8%	9%
Adjusted EBITDA Margin	20%	19%	17%	21%	20%	20%	16%	15%	17%	19%	19%

Adjusted net income:											
Net income, as reported	\$76,660	\$51,175	\$55,631	\$14,550	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828	\$18,110	\$17,790
Provision for / (benefit from) income taxes	3,500	(5,106)	962	(2,913)	(1,738)	1,787	(2,242)	(618)	844	246	490
Income before income taxes	80,160	46,069	56,593	11,637	12,752	15,081	6,599	8,285	11,672	18,356	18,280
Adjustments:											
Interest income and certain activity within other (expense) / income, net	(26,458)	(453)	(8,912)	(2)	(181)	(193)	(77)	(156)	(1,156)	(2,903)	(4,697)
Amortization expense	16,799	17,347	18,706	4,329	4,329	4,329	4,360	4,642	4,635	4,647	4,782
Amortization of debt discount and debt issuance costs	—	15,817	3,126	3,244	4,150	4,191	4,232	780	780	782	784
Stock-based compensation expense	29,176	38,694	52,654	7,888	10,056	9,418	11,332	12,110	12,789	13,154	14,601
Secondary offering expense	543	—	—	—	—	—	—	—	—	—	—
Acquisition-related expense	2,732	29	1,059	29	—	—	—	—	—	728	331
Litigation expense	8,988	12,462	11,440	5,301	3,748	1,609	1,804	1,135	5,270	3,131	1,904
Non-GAAP adjusted income before income taxes	111,940	129,965	134,666	32,426	34,854	34,435	28,250	26,796	33,990	37,895	35,985
Income taxes	(23,507)	(27,293)	(28,280)	(6,809)	(7,320)	(7,231)	(5,933)	(5,627)	(7,138)	(7,958)	(7,557)
Non-GAAP adjusted net income	\$88,433	\$102,672	\$106,386	\$25,617	\$27,534	\$27,204	\$22,317	\$21,169	\$26,852	\$29,937	\$28,428

Investor Data Sheet (3/3)

Alarm.com Holdings, Inc.

Non-GAAP Reconciliations | Fiscal Year Ended December 31 | (\$ in thousands)

	2020	2021	2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Adjusted net income attributable to common stockholders:											
Net income attributable to common stockholders, as reported	\$77,853	\$52,259	\$56,338	\$14,830	\$14,745	\$13,538	\$9,146	\$9,079	\$10,842	\$18,332	\$18,085
Provision for / (benefit from) income taxes	3,500	(5,106)	962	(2,913)	(1,738)	1,787	(2,242)	(618)	844	246	490
Income attributable to common stockholders before taxes	81,353	47,153	57,300	11,917	13,007	15,325	6,904	8,461	11,686	18,578	18,575
Adjustments:											
Interest income and certain activity within other (expense) / income, net	(26,458)	(453)	(\$8,912)	(2)	(181)	(193)	(77)	(156)	(1,156)	(2,903)	(4,697)
Amortization expense	16,799	17,347	18,706	4,329	4,329	4,329	4,360	4,642	4,635	4,647	4,782
Amortization of debt discount and debt issuance costs	—	15,817	3,126	3,244	4,150	4,191	4,232	780	780	782	784
Stock-based compensation expense	29,176	38,694	52,654	7,888	10,056	9,418	11,332	12,110	12,789	13,154	14,601
Secondary offering expense	543	—	—	—	—	—	—	—	—	—	—
Acquisition-related expense	2,732	29	1,059	29	—	—	—	—	—	728	331
Litigation expense	8,988	12,462	11,440	5,301	3,748	1,609	1,804	1,135	5,270	3,131	1,904
Non-GAAP adjusted income attributable to common stockholders before income taxes	113,133	131,049	135,373	32,706	35,109	34,679	28,555	26,972	34,004	38,117	36,280
Income taxes	(23,758)	(27,520)	(28,428)	(6,868)	(7,373)	(7,283)	(5,996)	(5,664)	(7,141)	(8,005)	(7,618)
Non-GAAP adjusted net income attributable to common stockholders	\$89,375	\$103,529	\$106,945	\$25,838	\$27,736	\$27,396	\$22,559	\$21,308	\$26,863	\$30,112	\$28,662
Non-GAAP adjusted net income attributable to common stockholders per share - diluted	\$1.75	\$1.99	\$1.95	\$0.50	\$0.54	\$0.53	\$0.43	\$0.39	\$0.49	\$0.55	\$0.53
Free cash flow:											
Cash flows from operating activities	\$102,080	\$103,157	\$56,901	\$21,232	\$24,076	\$37,886	\$19,963	(\$13,961)	\$26,219	\$10,197	\$34,446
Additions to property and equipment	(16,141)	(11,062)	(28,640)	(4,069)	(3,312)	(1,558)	(2,123)	(2,171)	(24,131)	(1,782)	(556)
Non-GAAP free cash flow	\$85,939	\$92,095	\$28,261	\$17,163	\$20,764	\$36,328	\$17,840	(\$16,132)	\$2,088	\$8,415	\$33,890

Alarm.com Holdings, Inc.

Supplemental Financial Data | Fiscal Year Ended December 31 | (\$ in thousands)

Supplemental Financial Data:	2020	2021	2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
SaaS and license revenue ¹	\$393,257	\$460,372	\$520,377	\$107,383	\$113,186	\$118,059	\$121,744	\$123,225	\$129,475	\$133,126	\$134,551
Hardware and other revenue	224,746	288,597	322,182	65,115	75,671	74,265	73,546	82,212	83,370	83,012	73,588
Total revenue	618,003	748,969	842,559	172,498	188,857	192,324	195,290	205,437	212,845	216,138	208,139
Cost of SaaS and license revenue ²	53,539	66,758	73,897	15,156	17,201	17,425	16,976	16,894	18,688	18,437	19,878
Cost of hardware and other revenue	173,889	239,141	268,684	50,606	60,166	62,959	65,410	73,193	68,648	67,149	59,694
Total cost of revenue	227,428	305,899	342,581	65,762	77,367	80,384	82,386	90,087	87,336	85,586	79,572
Sales and marketing	75,967	86,664	92,748	18,999	20,529	22,557	24,579	23,192	22,933	23,057	23,566
General and administrative	78,643	87,406	106,688	22,882	23,268	18,689	22,567	23,994	29,309	28,011	25,374
Research and development	152,147	177,713	218,635	42,467	43,491	44,143	47,612	51,490	54,156	55,581	57,408
Amortization and depreciation	27,520	29,715	30,870	7,385	7,477	7,467	7,386	7,761	7,775	7,587	7,747
Total operating expenses	334,277	381,498	448,941	91,733	94,765	92,856	102,144	106,437	114,173	114,236	114,095
Operating income	56,298	61,572	51,037	15,003	16,725	19,084	10,760	8,913	11,336	16,316	14,472
Interest expense	(2,596)	(15,956)	(3,144)	(3,368)	(4,154)	(4,196)	(4,238)	(784)	(785)	(787)	(788)
Interest income	870	587	8,759	157	149	140	141	143	1,016	2,903	4,697
Other income / (expense), net	25,588	(134)	(59)	(155)	32	53	(64)	13	105	(76)	(101)
Income before income taxes	80,160	46,069	56,593	11,637	12,752	15,081	6,599	8,285	11,672	18,356	18,280
Provision for / (benefit from) income taxes	3,500	(5,106)	962	(2,913)	(1,738)	1,787	(2,242)	(618)	844	246	490
Net income	\$76,660	\$51,175	\$55,631	\$14,550	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828	\$18,110	\$17,790
Net income attributable to common stockholders	\$77,853	\$52,259	\$56,338	\$14,830	\$14,745	\$13,538	\$9,146	\$9,079	\$10,842	\$18,332	\$18,085

Stock-based compensation expense data:

Sales and marketing	\$3,025	\$4,432	4,342	\$808	\$1,235	\$1,189	\$1,200	\$1,058	\$1,440	\$983	\$861
General and administrative	7,996	9,941	15,037	2,080	3,163	1,974	2,724	3,235	3,947	3,953	3,902
Research and development	18,155	24,321	33,275	5,000	5,658	6,255	7,408	7,817	7,402	8,218	9,838
Total stock-based compensation expense	\$29,176	\$38,694	\$52,654	\$7,888	\$10,056	\$9,418	\$11,332	\$12,110	\$12,789	\$13,154	\$14,601

As a percent of revenue:

Cost of SaaS and license revenue as a percentage of SaaS and license revenue	14%	15%	14%	14%	15%	15%	14%	14%	14%	14%	15%
Cost of hardware and other revenue as a percentage of hardware and other revenue	77%	83%	83%	78%	80%	85%	89%	89%	82%	81%	81%
Sales and marketing	12%	11%	11%	11%	11%	12%	13%	11%	11%	11%	11%
General and administrative	13%	12%	13%	13%	12%	9%	11%	12%	14%	13%	12%
Research and development	25%	24%	26%	25%	23%	23%	24%	25%	25%	26%	28%
Amortization and depreciation	4%	4%	3%	4%	4%	4%	4%	4%	4%	3%	4%
Total operating expenses	54%	51%	53%	53%	50%	48%	52%	52%	54%	53%	55%
Operating income	9%	8%	6%	9%	9%	10%	6%	4%	5%	7%	7%
Net income	12%	7%	7%	8%	8%	7%	5%	4%	5%	8%	9%
Net income attributable to common stockholders	13%	7%	7%	9%	8%	7%	5%	4%	5%	8%	9%

1 Includes software license revenue of \$6.3 million and \$7.4 million for the three months ended December 31, 2022 and 2021, and \$26.8 million and \$32.3 million for the years ended December 31, 2022 and 2021, respectively.

2 Includes cost of software license revenue of \$0.1 million for the three months ended December 31, 2022 and 2021, and \$0.5 million and \$1.1 million for the years ended December 31, 2022 and 2021, respectively.



“Users prefer these Smart Home applications over DIY device specific apps”

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