



Leading SaaS platform for the intelligently connected property

| MAY 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, including our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023. 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 May 10, 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

Our 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



1,858
employees

Note: Subscriber and Partner data is as of December 31, 2022, while employee data is as of March 31, 2023.

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

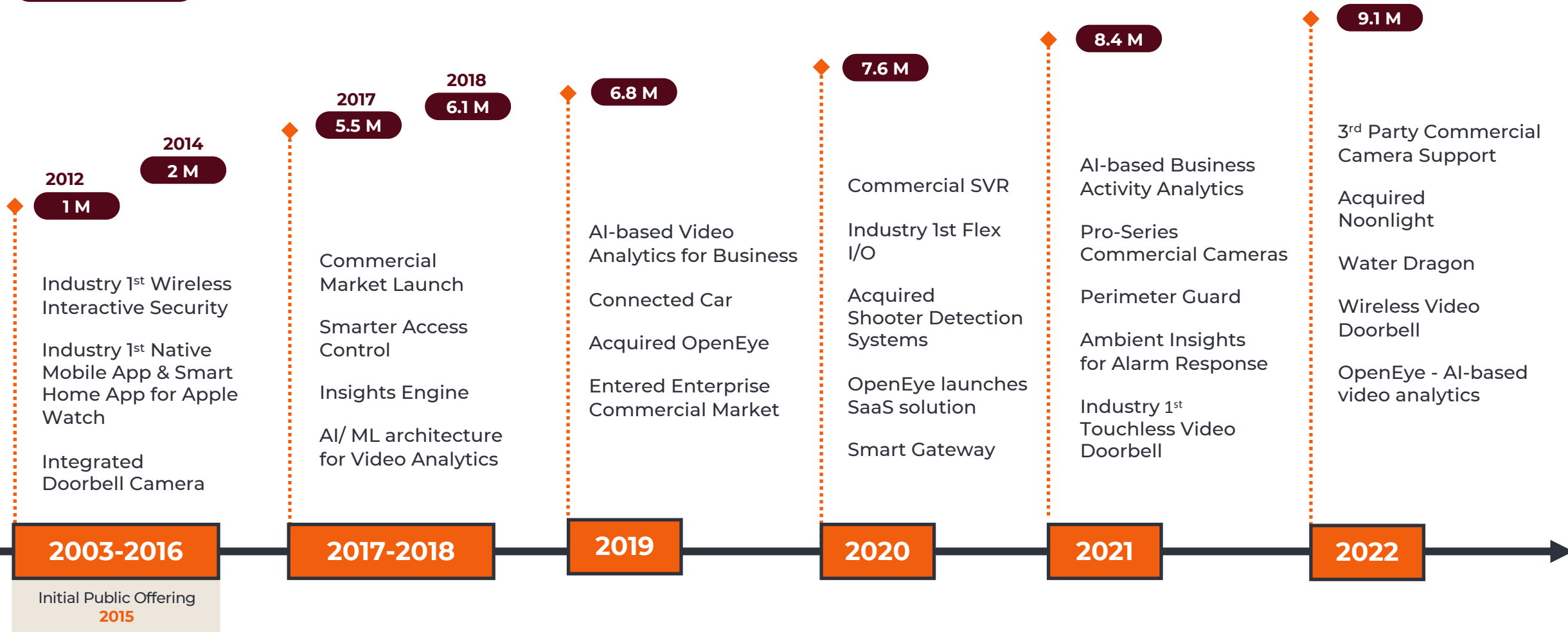


100+
MILLION

Connected Devices

History of Innovation and TAM Expansion

Subscriber Milestones



CEPro

"Energy Management Product of the Year: Water Dragon, Alarm.com."

designwell

"The prominent security manufacturer uses its security system to power the brains of its new thermostat."

SecuritySales & Integration

"The security trade always respects new devices from Alarm.com... It looks like Alarm.com has nailed it."

SDM

"Alarm.com 's new solar service package designed to meet increased demand."

SECURITY SYSTEMS NEWS

"Smart Arming was named a CES 2023 Innovation Awards Honoree by going beyond scheduled arming and disarming and intelligently adapting to daily routine."

AARP®

"Flex IO sensors from Alarm.com .. I found these worked so well that I began wondering what else around my home needed security."

The Verge

"Your home security system may now be a little smarter... A new feature called Smart Arming brings a little flexibility to Alarm.com systems' arm and disarm settings, making you less likely to trip the alarm by mistake..."

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.

42m pounds of CO2 Emissions Reduction

Electric utilities avoided an estimated 42 million pounds of CO2 emissions in 2022 alone using EnergyHub's demand response software.

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

Energy Star rated Smart Thermostat

Our smart thermostats know when the property is empty or if a window or door is left open and automatically adjusts to save energy..

Whole Home Smart Water Solutions

Devices and sensors work together to monitor water flow. When leaks or floods are detected, Alarm.com helps eliminate waste by automatically alerting subscribers and shutting off the water supply. Our solution also provides information about water usage, historical trends, and comparisons with expected usage levels.

HVAC analytics

Machine Learning monitors HVAC system performance and proactively alerts homeowners about inefficient operations and trouble conditions.

Market Opportunity

TAM Expansion

Over 500 million serviceable properties and growing

Leverage our technology leadership and scale in core markets to drive 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.



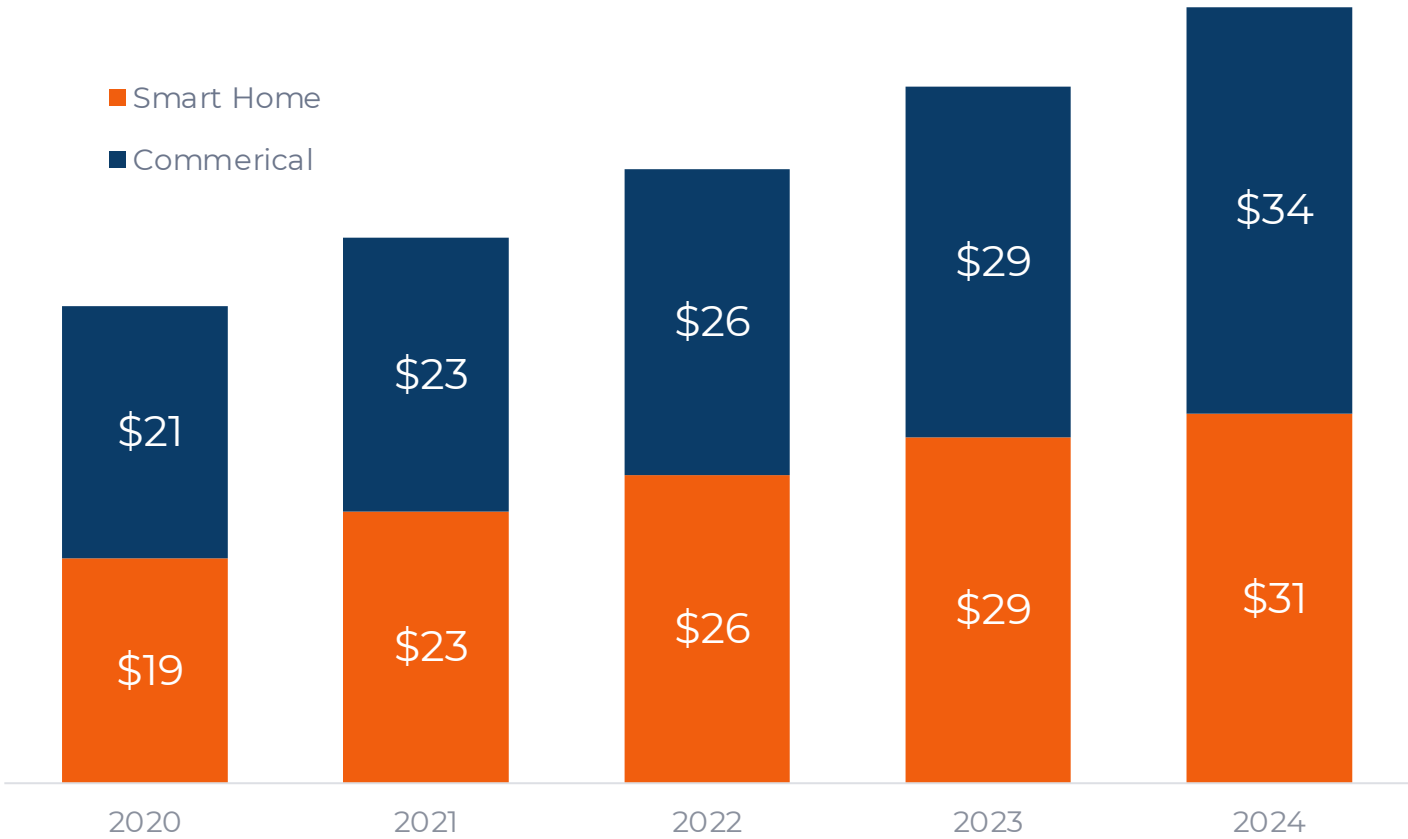
Develop Emerging IoT Opportunities

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

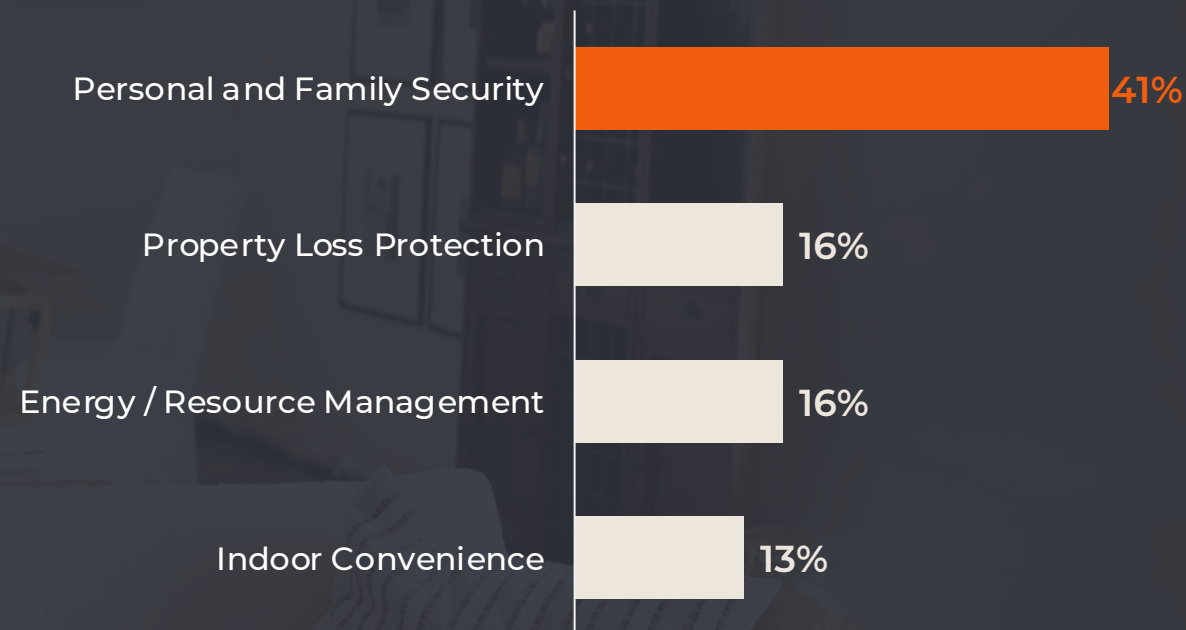
Residential



Security Drives Smart Home Adoption

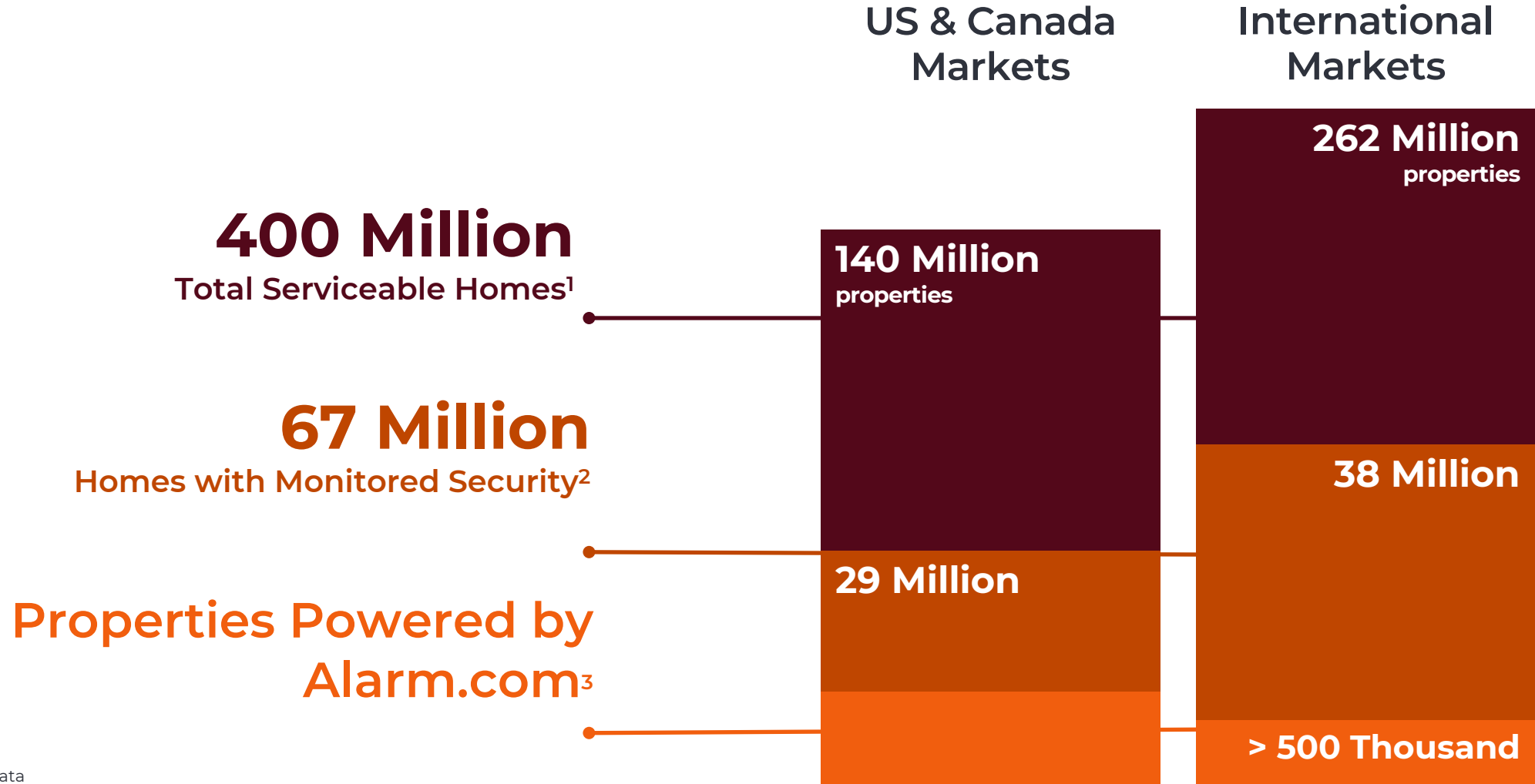
“Most security customers will continue to opt for professionally installed systems, especially as those systems gain more functionality”.

– 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.



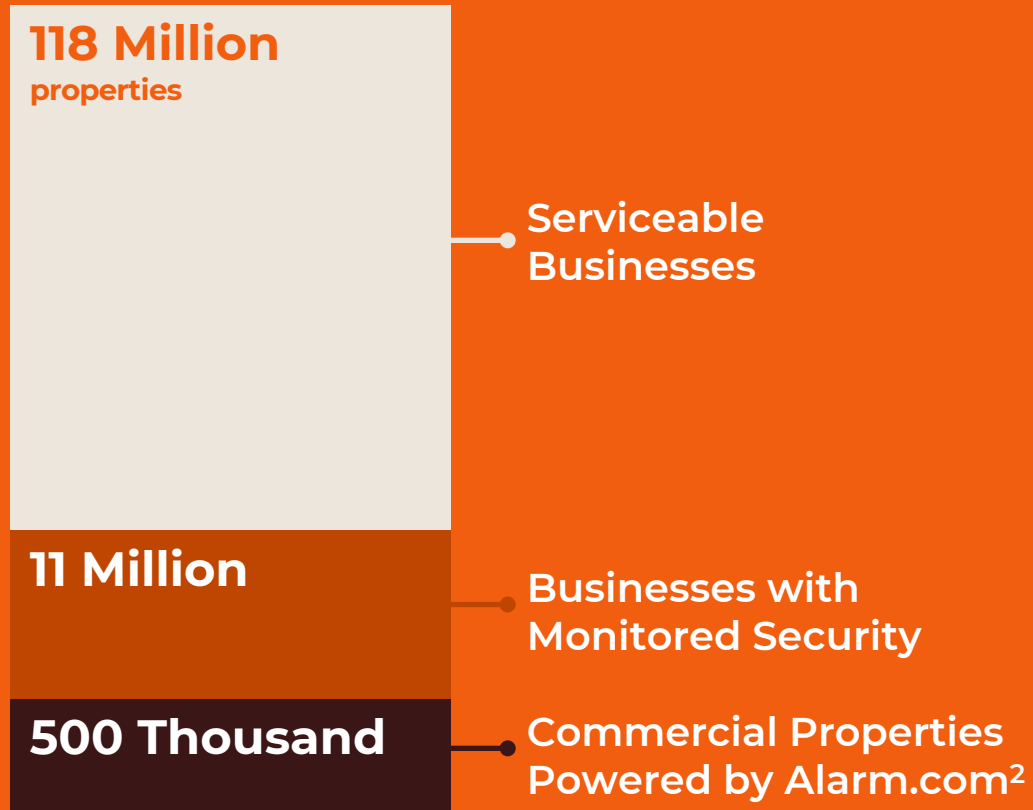
MARKET OPPORTUNITY

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 suite 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 \$8.5b in U.S. in 2022.



VSaaS market to grow to \$21.1 billion from 2022 through 2030 in U.S.

Sources: Memoori Research, 2018. Small Business Administration, 2014. US Energy Information Administration, 2012. Future Market Insights, *VSaaS Market*, 2022

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:

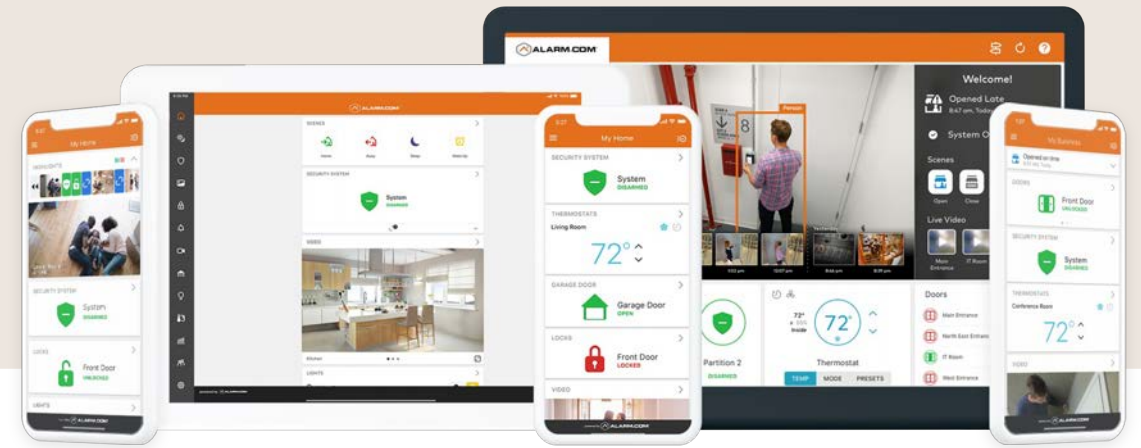




Alarm.com Solutions

Alarm.com Platform

A UNIFIED EXPERIENCE



INTELLIGENT SOLUTIONS



Security



Access



Video



Energy



Lights



Garage



Water



Wellness



Solar

INTERNET OF THINGS ECOSYSTEM

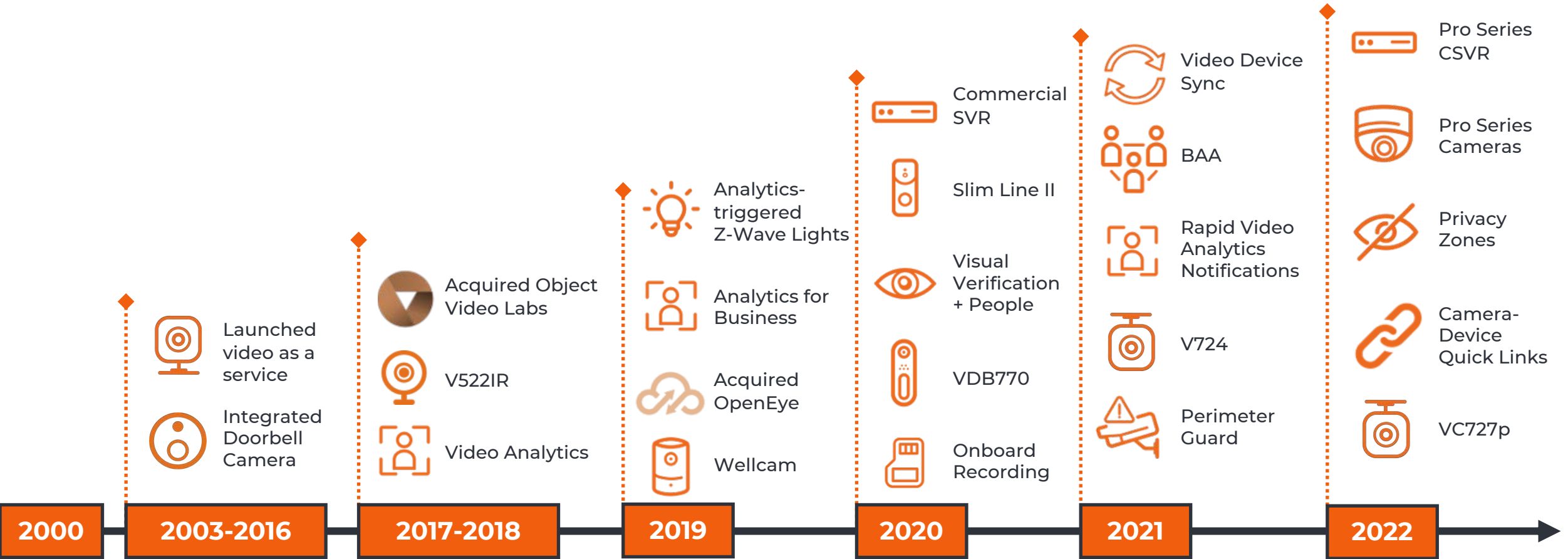


ADVANCED CLOUD PLATFORM

powered by  **ALARM.COM**

www.alarm.com/hardware

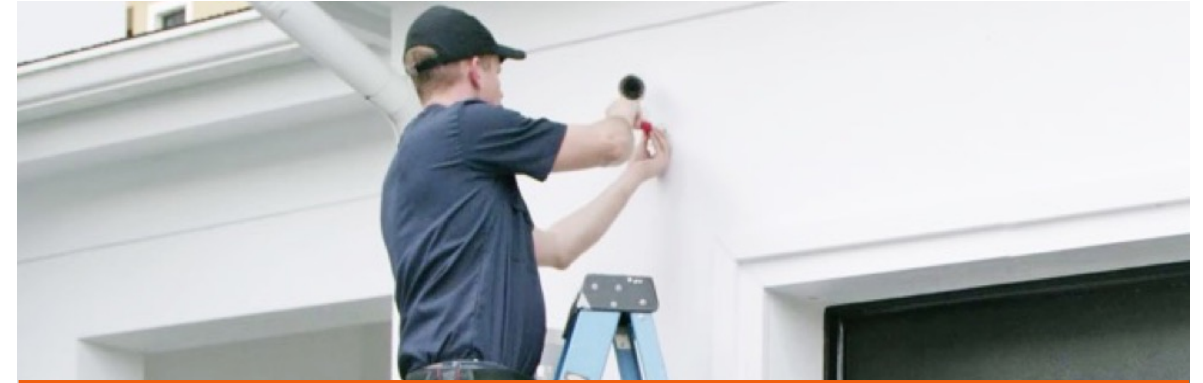
Leading Innovation in Video



Intelligent Cloud-based Platform



FOR SUBSCRIBERS

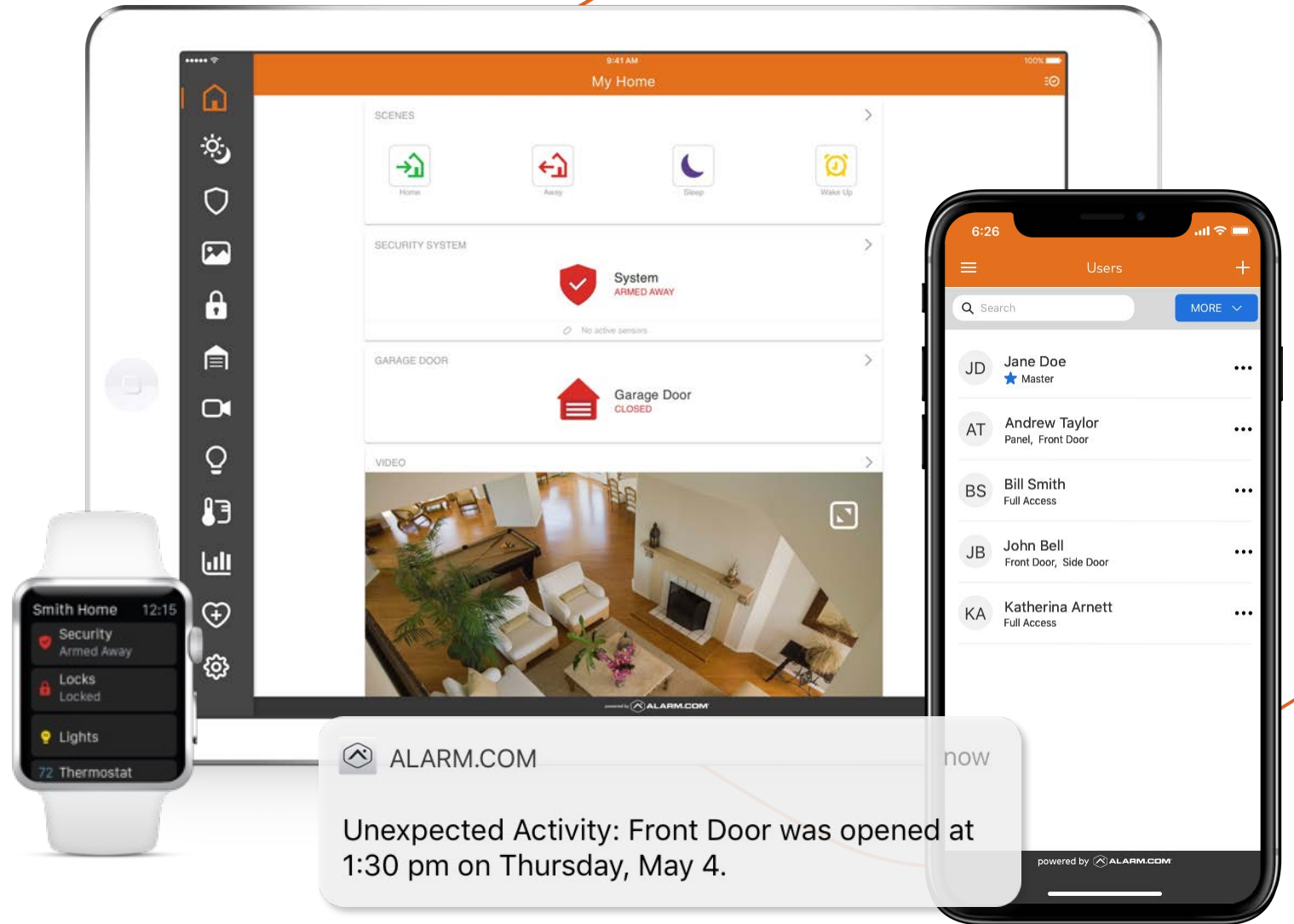


FOR SERVICE PROVIDERS



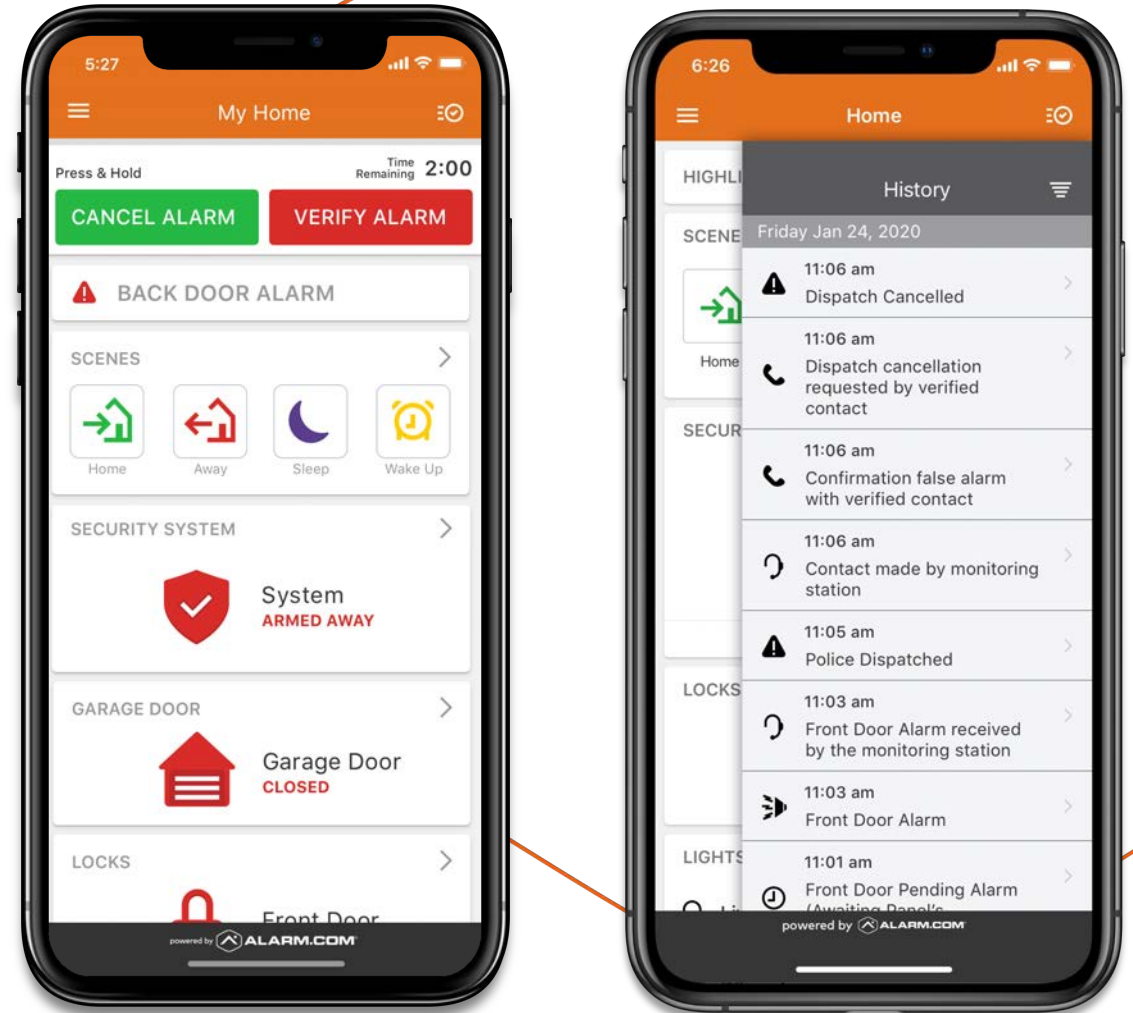
Smarter Security

- 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

AI-based object detection and smart alerts

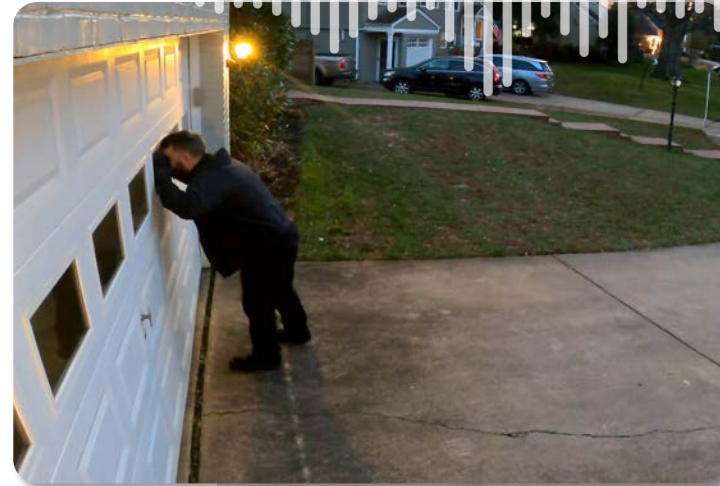
- Rapid person detection for faster, more relevant alerts
- First commercially available touchless doorbell
- 150° vertical field of view make visitors and packages clearly visible



Perimeter Guard™

AI-based object detection and smart alerts

- 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

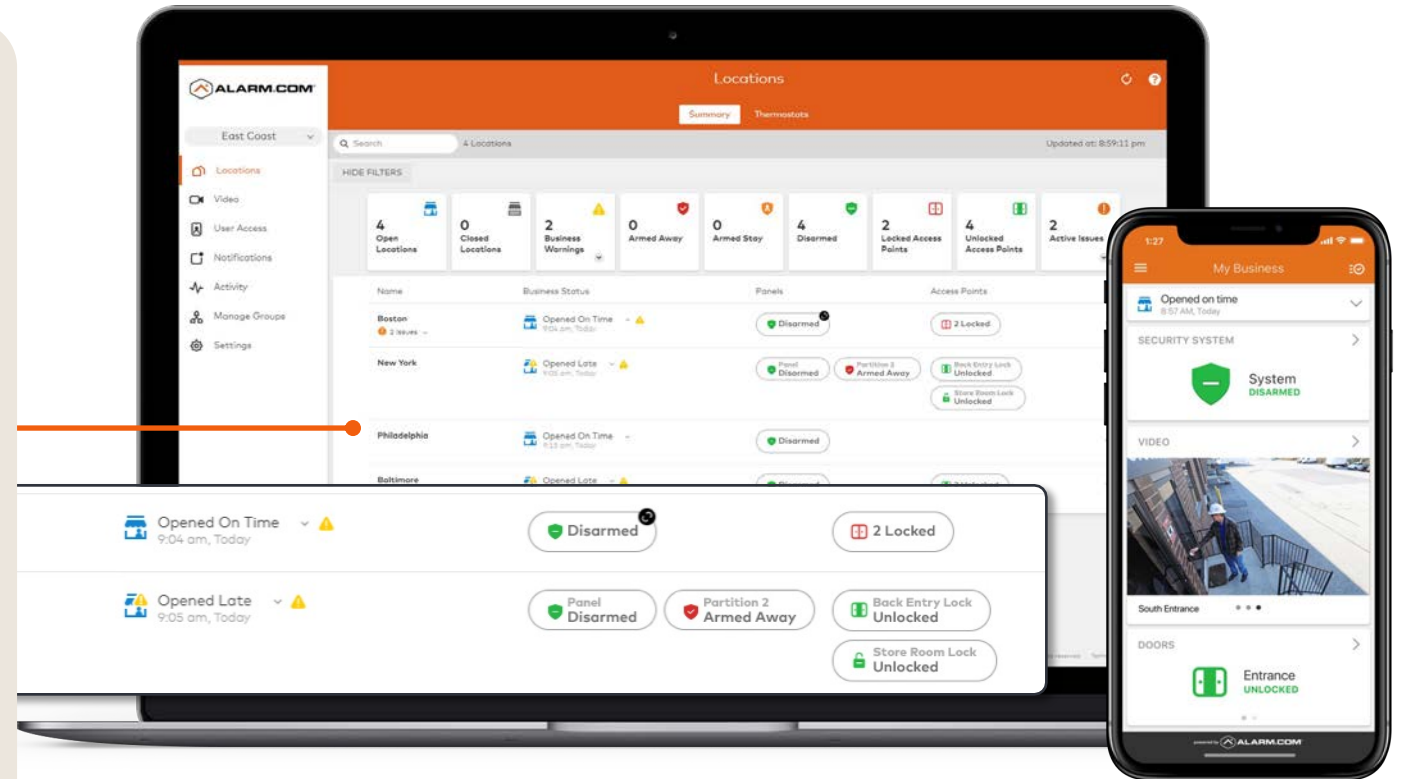
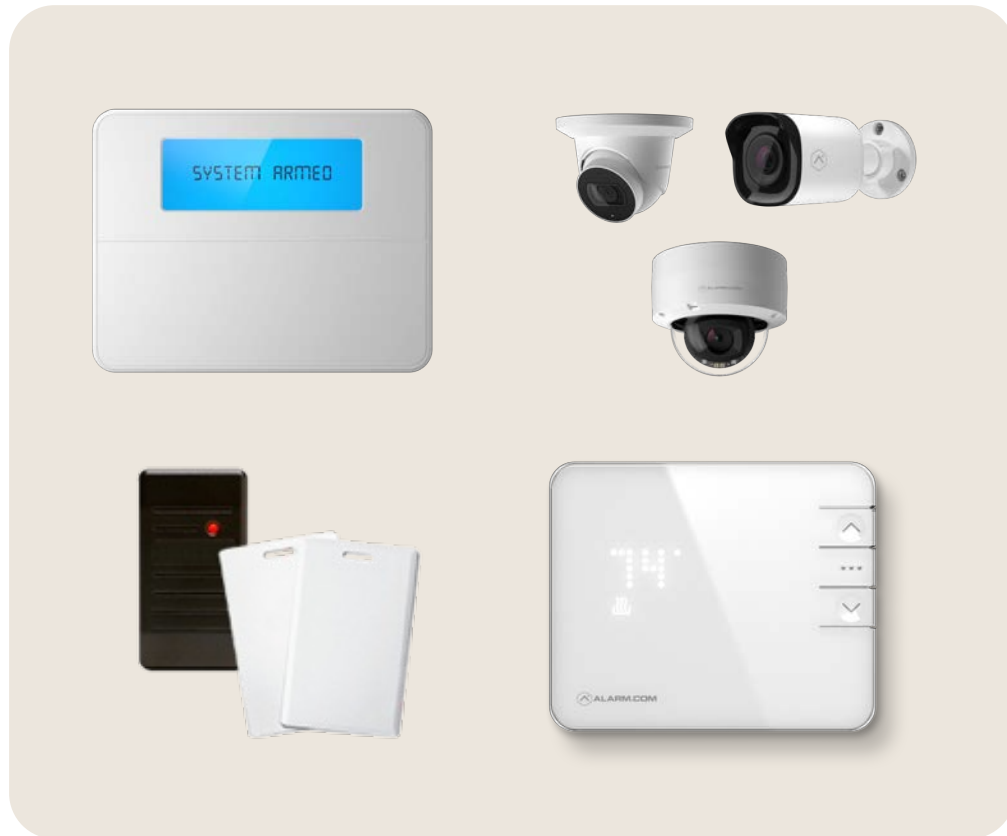
Flex IO™

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

AI Program



Video Analytics



Service Provider Analytics



HVAC Analytics



Quality Engineering Analytics



Unexpected Activity



Wellness



Business Intelligence

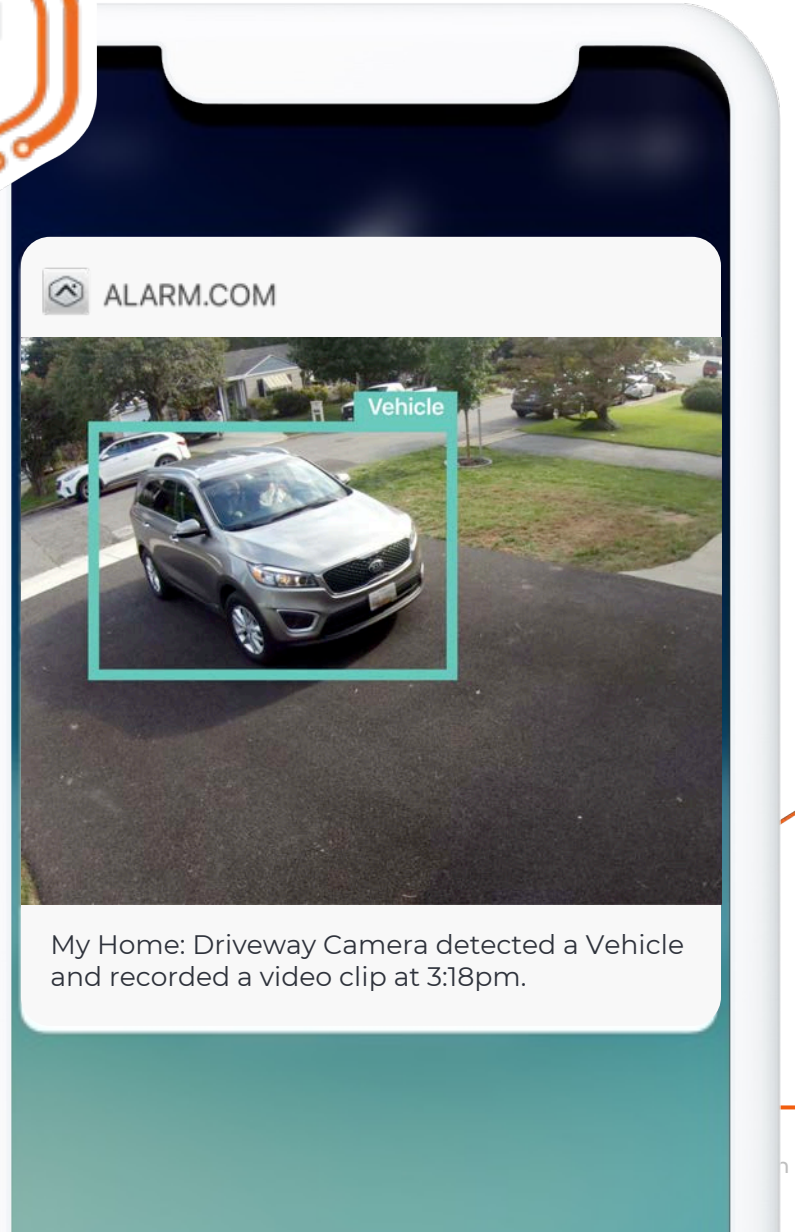
PLAY VIDEO

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



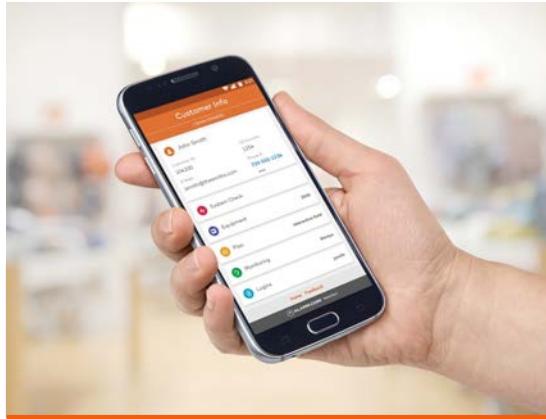
Competitive Advantages

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

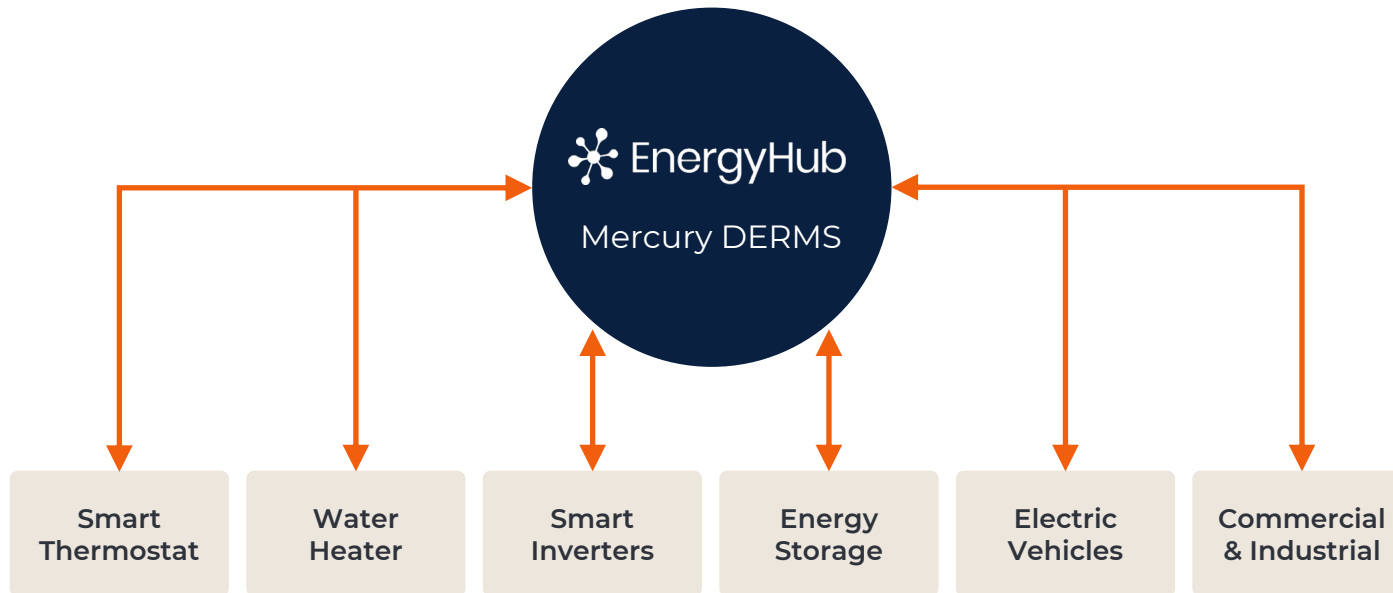
² Source: Memoori, The Physical Security Business 2018 to 2023, Q4 2018

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

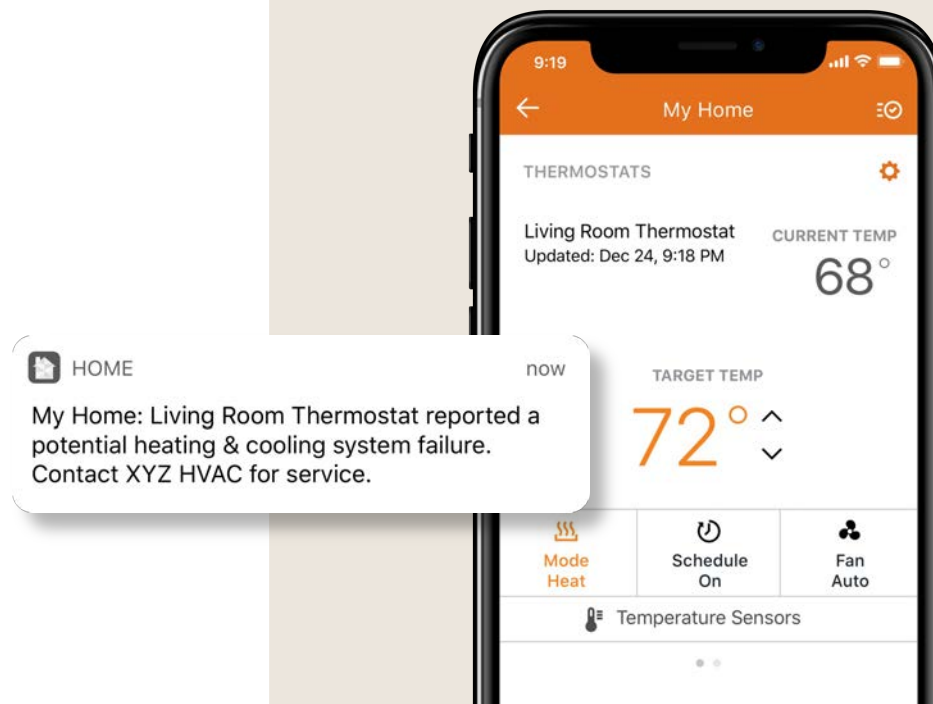


Advanced Home Automation Solutions

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 models monitor 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

2023		AI-based video analytics
		Universal communicator for international markets
2022		Emergency response and personal safety platform
2021		AI software that enables responsive, flexible grid services
		Patented indoor gunshot detection solutions
2020		Robotics engineering company specializing in drone technology
		Smart property intercoms and access systems
2019		Cloud-managed video security and business intelligence
		Video analytics and computer vision
2017		Interactive security and home automation platform

FOCUSED M&A STRATEGY

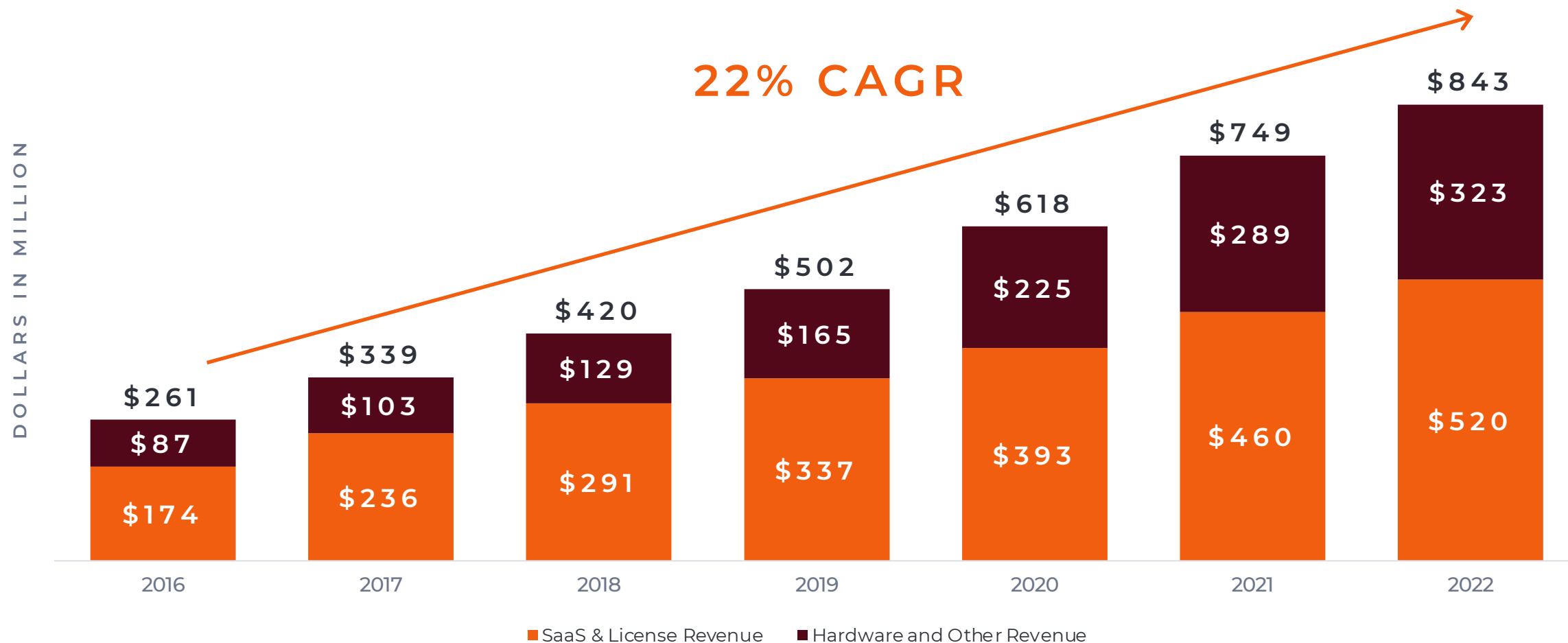
Focused to date on small targets, technology and tuck-in acquisitions

Retained management of acquired businesses

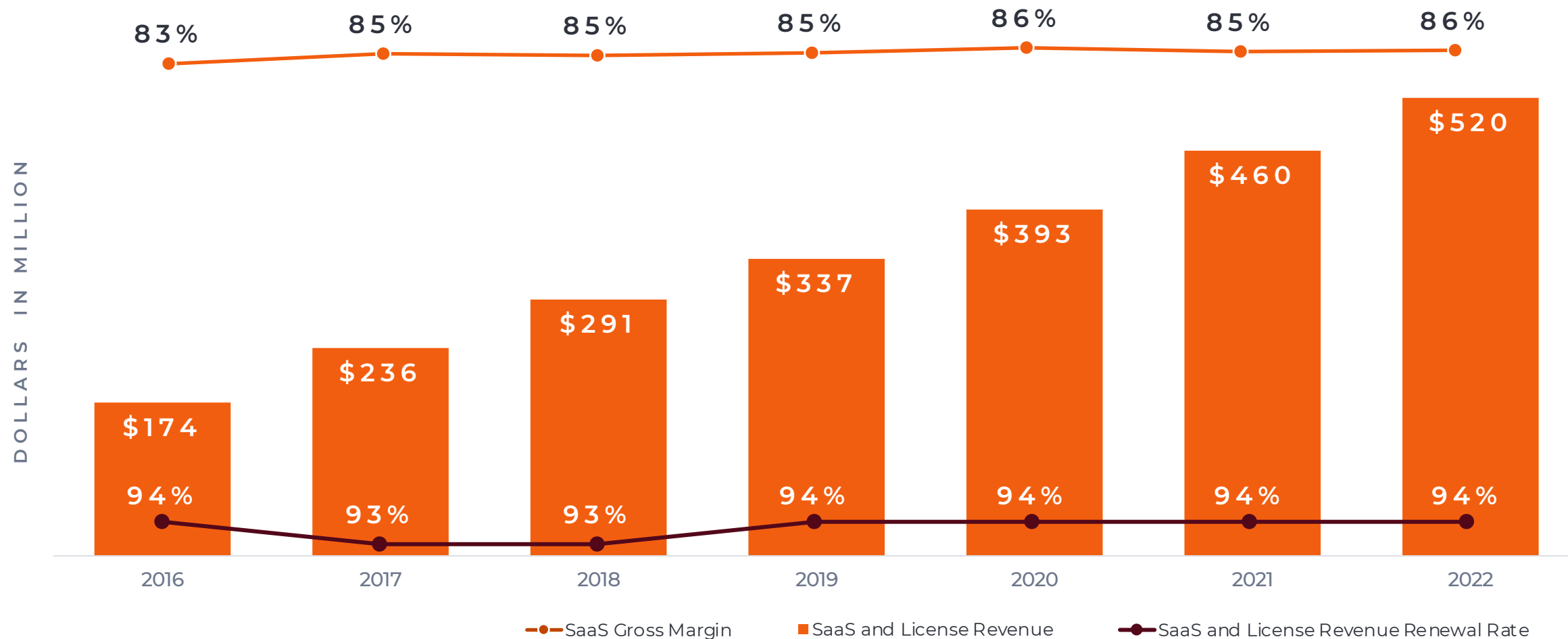
Focus on businesses with strong management and superb customer service

Expanded product offering for end customers

Consistent Revenue Growth

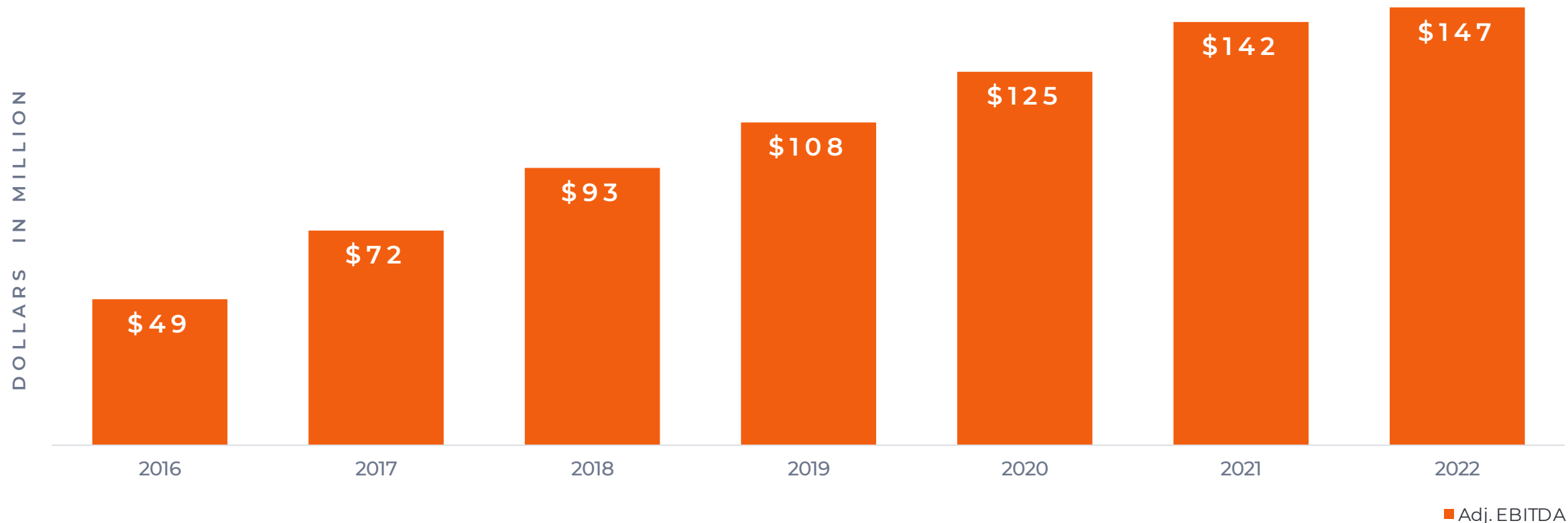


High SaaS Gross Margins and Renewal Rates



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	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
SaaS and license revenue ¹	\$393,257	\$460,372	\$520,377	\$113,186	\$118,059	\$121,744	\$123,225	\$129,475	\$133,126	\$134,551	\$135,394
Hardware and other revenue	224,746	288,597	322,182	75,671	74,265	73,546	82,212	83,370	83,012	73,588	74,322
Total Revenue	\$618,003	\$748,969	\$842,559	\$188,857	\$192,324	\$195,290	\$205,437	\$212,845	\$216,138	\$208,139	\$209,716
Cost of SaaS and license revenue ²	\$53,539	\$66,758	\$73,897	\$17,201	\$17,425	\$16,976	\$16,894	\$18,688	\$18,437	\$19,878	\$19,583
Cost of hardware and other revenue	173,889	239,141	268,684	60,166	62,959	65,410	73,193	68,648	67,149	59,694	56,589
Total Cost of Revenue	\$227,428	\$305,899	\$342,581	\$77,367	\$80,384	\$82,386	\$90,087	\$87,336	\$85,586	\$79,572	\$76,172
Net income	\$76,660	\$51,175	\$55,631	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828	\$18,110	\$17,790	\$14,207
Net income attributable to common stockholders	77,853	52,259	56,338	14,745	13,538	9,146	9,079	10,842	18,332	18,085	14,416
Net income attributable to common stockholders per share, diluted	\$1.53	\$1.01	\$1.07	\$0.28	\$0.26	\$0.18	\$0.18	\$0.21	\$0.35	\$0.34	\$0.28
Weighted-average common shares outstanding - diluted	50,963,190	51,919,902	54,932,757	51,754,392	51,836,239	51,927,073	55,170,781	54,757,020	54,832,528	54,534,956	54,296,321
Balance Sheet Data (as of):											
Cash and cash equivalents	\$253,459	\$710,621	\$622,165	\$662,682	\$700,307	\$710,621	\$671,753	\$643,380	\$621,347	\$622,165	\$606,428
Non-GAAP Financial Measures³:											
Non-GAAP adjusted EBITDA ³	\$125,257	\$142,472	\$146,848	\$38,006	\$37,578	\$31,282	\$29,919	\$37,135	\$40,840	\$38,954	\$30,575
Non-GAAP adjusted net income ³	88,433	102,672	106,386	27,534	27,204	22,317	21,169	26,852	29,937	28,428	21,848
Non-GAAP adjusted net income attributable to common stockholders ³	89,375	103,529	106,945	27,736	27,396	22,559	21,308	26,863	30,112	28,662	22,013

¹ Includes software license revenue of \$6.2 million and \$7.1 million for the three months ended March 31, 2023 and 2022, respectively.

² Includes cost of software license revenue of \$0.1 million and \$0.2 million for the three months ended March 31, 2023 and 2022, respectively.

³ Non-GAAP 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	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Non-GAAP Adjusted EBITDA:											
Net income	\$76,660	\$51,175	\$55,631	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828	\$18,110	\$17,790	\$14,207
Adjustments:											
Interest expense, interest income and certain activity within other income / (expense), net	(23,862)	15,503	(5,768)	3,973	4,003	4,161	628	(371)	(2,116)	(3,909)	(4,314)
Provision for / (benefit from) income taxes	3,500	(5,106)	962	(1,738)	1,787	(2,242)	(618)	844	246	490	(1,222)
Amortization and depreciation expense	27,520	29,715	30,870	7,477	7,467	7,386	7,761	7,775	7,587	7,747	7,673
Stock-based compensation expense	29,176	38,694	52,654	10,056	9,418	11,332	12,110	12,789	13,154	14,601	12,686
Secondary offering expense	543	—	—	—	—	—	—	—	—	—	—
Acquisition-related expense	2,732	29	1,059	—	—	—	—	—	728	331	779
Litigation expense	8,988	12,462	11,440	3,748	1,609	1,804	1,135	5,270	3,131	1,904	766
Total adjustments	48,597	91,297	91,217	23,516	24,284	22,441	21,016	26,307	22,730	21,164	16,368
Non-GAAP Adjusted EBITDA	\$125,257	\$142,472	\$146,848	\$38,006	\$37,578	\$31,282	\$29,919	\$37,135	\$40,840	\$38,954	\$30,575
Net Income Margin	12%	7%	7%	8%	7%	5%	4%	5%	8%	9%	7%
Non-GAAP Adjusted EBITDA Margin	20%	19%	17%	20%	20%	16%	15%	17%	19%	19%	15%

Non-GAAP Adjusted Net Income:

Net income, as reported	\$76,660	\$51,175	\$55,631	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828	\$18,110	\$17,790	\$14,207
Provision for / (benefit from) income taxes	3,500	(5,106)	962	(1,738)	1,787	(2,242)	(618)	844	246	490	(1,222)
Income before income taxes	80,160	46,069	56,593	12,752	15,081	6,599	8,285	11,672	18,356	18,280	12,985
Adjustments:											
Less: interest income and certain activity within other income / (expense), net	(26,458)	(453)	(8,912)	(181)	(193)	(77)	(156)	(1,156)	(2,903)	(4,697)	(5,182)
Amortization expense	16,799	17,347	18,706	4,329	4,329	4,360	4,642	4,635	4,647	4,782	4,838
Amortization of debt discount and debt issuance costs	—	15,817	3,126	4,150	4,191	4,232	780	780	782	784	784
Stock-based compensation expense	29,176	38,694	52,654	10,056	9,418	11,332	12,110	12,789	13,154	14,601	12,686
Secondary offering expense	543	—	—	—	—	—	—	—	—	—	—
Acquisition-related expense	2,732	29	1,059	—	—	—	—	—	728	331	779
Litigation expense	8,988	12,462	11,440	3,748	1,609	1,804	1,135	5,270	3,131	1,904	766
Non-GAAP adjusted income before income taxes	111,940	129,965	134,666	34,854	34,435	28,250	26,796	33,990	37,895	35,985	27,656
Income taxes	(23,507)	(27,293)	(28,280)	(7,320)	(7,231)	(5,933)	(5,627)	(7,138)	(7,958)	(7,557)	(5,808)
Non-GAAP Adjusted Net Income	\$88,433	\$102,672	\$106,386	\$27,534	\$27,204	\$22,317	\$21,169	\$26,852	\$29,937	\$28,428	\$21,848

Investor Data Sheet (3/3)

Alarm.com Holdings, Inc.

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

	2020	2021	2022	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Non-GAAP Adjusted Net Income Attributable to Common Stockholders:											
Net income attributable to common stockholders, as reported	\$77,853	\$52,259	\$56,338	\$14,745	\$13,538	\$9,146	\$9,079	\$10,842	\$18,332	\$18,085	\$14,416
Provision for / (benefit from) income taxes	3,500	(5,106)	962	(1,738)	1,787	(2,242)	(618)	844	246	490	(1,222)
Income attributable to common stockholders before taxes	81,353	47,153	57,300	13,007	15,325	6,904	8,461	11,686	18,578	18,575	13,194
Adjustments:											
Less: interest income and certain activity within other income / (expense), net	(26,458)	(453)	(\$8,912)	(181)	(193)	(77)	(156)	(1,156)	(2,903)	(4,697)	(5,182)
Amortization expense	16,799	17,347	18,706	4,329	4,329	4,360	4,642	4,635	4,647	4,782	4,838
Amortization of debt discount and debt issuance costs	—	15,817	3,126	4,150	4,191	4,232	780	780	782	784	784
Stock-based compensation expense	29,176	38,694	52,654	10,056	9,418	11,332	12,110	12,789	13,154	14,601	12,686
Secondary offering expense	543	—	—	—	—	—	—	—	—	—	—
Acquisition-related expense	2,732	29	1,059	—	—	—	—	—	728	331	779
Litigation expense	8,988	12,462	11,440	3,748	1,609	1,804	1,135	5,270	3,131	1,904	766
Non-GAAP adjusted income attributable to common stockholders before income taxes	113,133	131,049	135,373	35,109	34,679	28,555	26,972	34,004	38,117	36,280	27,865
Income taxes	(23,758)	(27,520)	(28,428)	(7,373)	(7,283)	(5,996)	(5,664)	(7,141)	(8,005)	(7,618)	(5,852)
Non-GAAP Adjusted Net Income Attributable to Common Stockholders	\$89,375	\$103,529	\$106,945	\$27,736	\$27,396	\$22,559	\$21,308	\$26,863	\$30,112	\$28,662	\$22,013
Non-GAAP Adjusted Net Income Attributable to Common Stockholders per Share - Diluted	\$1.75	\$1.99	\$1.95	\$0.54	\$0.53	\$0.43	\$0.39	\$0.49	\$0.55	\$0.53	\$0.41
Non-GAAP Free Cash Flow:											
Cash flows from / (used in) operating activities	\$102,080	\$103,157	\$56,901	\$24,076	\$37,886	\$19,963	(\$13,961)	\$26,219	\$10,197	\$34,446	(\$3,521)
Additions to property and equipment	(16,141)	(11,062)	(28,640)	(3,312)	(1,558)	(2,123)	(2,171)	(24,131)	(1,782)	(556)	(2,398)
Non-GAAP Free Cash Flow	\$85,939	\$92,095	\$28,261	\$20,764	\$36,328	\$17,840	(\$16,132)	\$2,088	\$8,415	\$33,890	(\$5,919)

Supplemental Financial Data

Alarm.com Holdings, Inc.

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

Supplemental Financial Data:	2020	2021	2022	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
SaaS and license revenue ¹	\$393,257	\$460,372	\$520,377	\$113,186	\$118,059	\$121,744	\$123,225	\$129,475	\$133,126	\$134,551	\$135,394
Hardware and other revenue	224,746	288,597	322,182	75,671	74,265	73,546	82,212	83,370	83,012	73,588	74,322
Total revenue	618,003	748,969	842,559	188,857	192,324	195,290	205,437	212,845	216,138	208,139	209,716
Cost of SaaS and license revenue ²	53,539	66,758	73,897	17,201	17,425	16,976	16,894	18,688	18,437	19,878	19,583
Cost of hardware and other revenue	173,889	239,141	268,684	60,166	62,959	65,410	73,193	68,648	67,149	59,694	56,589
Total cost of revenue	227,428	305,899	342,581	77,367	80,384	82,386	90,087	87,336	85,586	79,572	76,172
Sales and marketing	75,967	86,664	92,748	20,529	22,557	24,579	23,192	22,933	23,057	23,566	26,645
General and administrative	78,643	87,406	106,688	23,268	18,689	22,567	23,994	29,309	28,011	25,374	28,499
Research and development	152,147	177,713	218,635	43,491	44,143	47,612	51,490	54,156	55,581	57,408	61,908
Amortization and depreciation	27,520	29,715	30,870	7,477	7,467	7,386	7,761	7,775	7,587	7,747	7,673
Total operating expenses	334,277	381,498	448,941	94,765	92,856	102,144	106,437	114,173	114,236	114,095	124,725
Operating income	56,298	61,572	51,037	16,725	19,084	10,760	8,913	11,336	16,316	14,472	8,819
Interest expense	(2,596)	(15,956)	(3,144)	(4,154)	(4,196)	(4,238)	(784)	(785)	(787)	(788)	(868)
Interest income	870	587	8,759	149	140	141	143	1,016	2,903	4,697	5,182
Other income / (expense), net	25,588	(134)	(59)	32	53	(64)	13	105	(76)	(101)	(148)
Income before income taxes	80,160	46,069	56,593	12,752	15,081	6,599	8,285	11,672	18,356	18,280	12,985
Provision for / (benefit from) income taxes	3,500	(5,106)	962	(1,738)	1,787	(2,242)	(618)	844	246	490	(1,222)
Net Income	\$76,660	\$51,175	\$55,631	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828	\$18,110	\$17,790	\$14,207
Net Income Attributable to Common Stockholders	\$77,853	\$52,259	\$56,338	\$14,745	\$13,538	\$9,146	\$9,079	\$10,842	\$18,332	\$18,085	\$14,416
Stock-based Compensation Expense Data:											
Sales and marketing	\$3,025	\$4,432	4,342	\$1,235	\$1,189	\$1,200	\$1,058	\$1,440	\$983	\$861	\$1,032
General and administrative	7,996	9,941	15,037	3,163	1,974	2,724	3,235	3,947	3,953	3,902	3,145
Research and development	18,155	24,321	33,275	5,658	6,255	7,408	7,817	7,402	8,218	9,838	8,509
Total Stock-based Compensation Expense	\$29,176	\$38,694	\$52,654	\$10,056	\$9,418	\$11,332	\$12,110	\$12,789	\$13,154	\$14,601	\$12,686
As a Percent of Revenue:											
Cost of SaaS and license revenue as a percentage of SaaS and license revenue	14%	15%	14%	15%	15%	14%	14%	14%	14%	15%	14%
Cost of hardware and other revenue as a percentage of hardware and other revenue	77%	83%	83%	80%	85%	89%	89%	82%	81%	81%	76%
Sales and marketing	12%	11%	11%	11%	12%	13%	11%	11%	11%	11%	13%
General and administrative	13%	12%	13%	12%	9%	11%	12%	14%	13%	12%	14%
Research and development	25%	24%	26%	23%	23%	24%	25%	25%	26%	28%	29%
Amortization and depreciation	4%	4%	3%	4%	4%	4%	4%	4%	3%	4%	4%
Total operating expenses	54%	51%	53%	50%	48%	52%	52%	54%	53%	55%	60%
Operating income	9%	8%	6%	9%	10%	6%	4%	5%	7%	7%	4%
Net Income	12%	7%	7%	8%	7%	5%	4%	5%	8%	9%	7%
Net Income Attributable to Common Stockholders	13%	7%	7%	8%	7%	5%	4%	5%	8%	9%	7%

1 Includes software license revenue of \$6.2 million and \$7.1 million for the three months ended March 31, 2023 and 2022, respectively.

2 Includes cost of software license revenue of \$0.1 million and \$0.2 million for the three months ended March 31, 2023 and 2022, respectively.



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

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