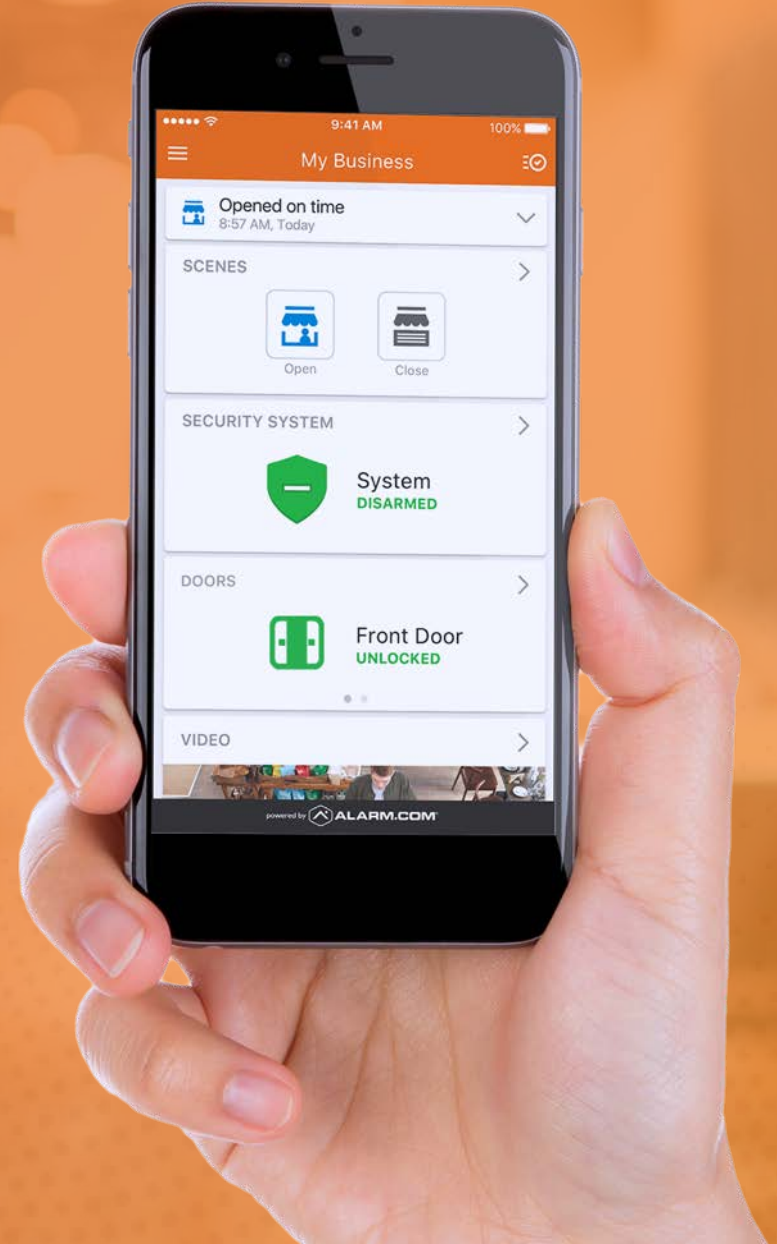




The Platform for the Connected Home and Business

| AUGUST 2020



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 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 COVID-19 and the related global economic uncertainty, please refer to the reports we file with the Securities and Exchange Commission (the “SEC”) from time to time, including our most recent Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, filed with the SEC on August 5, 2020, and our subsequent filings with the SEC. 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 August 5, 2020 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

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

9,000+
service provider
partners

6.8 million+
subscribers¹

1,317
employees

Note: Data as of June 30, 2020

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



**Large &
Growing Market**



**Market Leader
& Innovator**



**SaaS Recurring
Revenue Model**



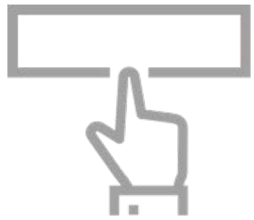
**Strong Growth
& Profitable**

Leading Platform For

INTELLIGENTLY CONNECTED PROPERTIES

6.8+
MILLION

Subscribers



200+
BILLION

Data Points

In the last year alone

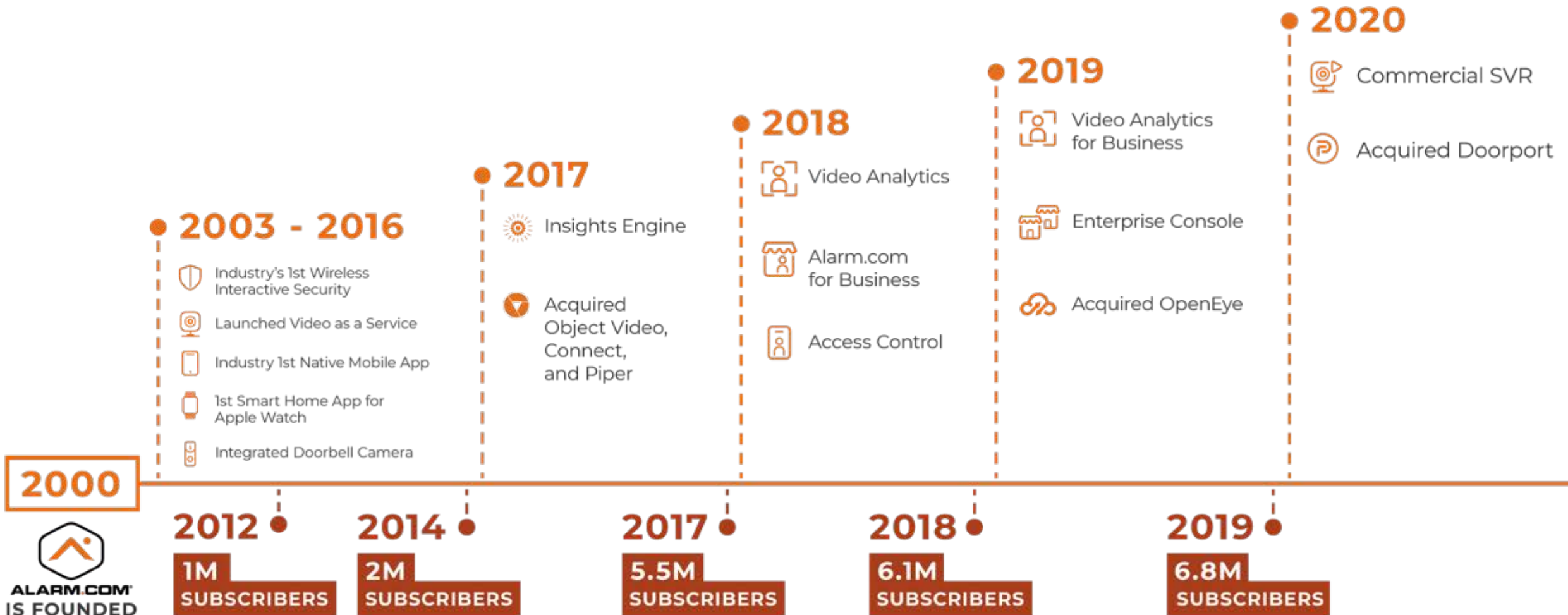


100+
MILLION

Connected Devices



Market Leading Innovation





SECURITY SYSTEMS NEWS

THE HIGHLIGHTS OF SECURITY AND THE SECURITY SYSTEM INTEGRATOR & INSTALLER

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

SECURITY SALES & INTEGRATION

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

gb gearbrain

"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."

Security InfoWatch

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

The Washington Post

"We are making the video camera **smarter**"

engadget

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

WIRED

"One of the **coolest integrations** we saw was all the smart home stuff you can control through Alarm.com."

FEATURED IN:



The New York Times



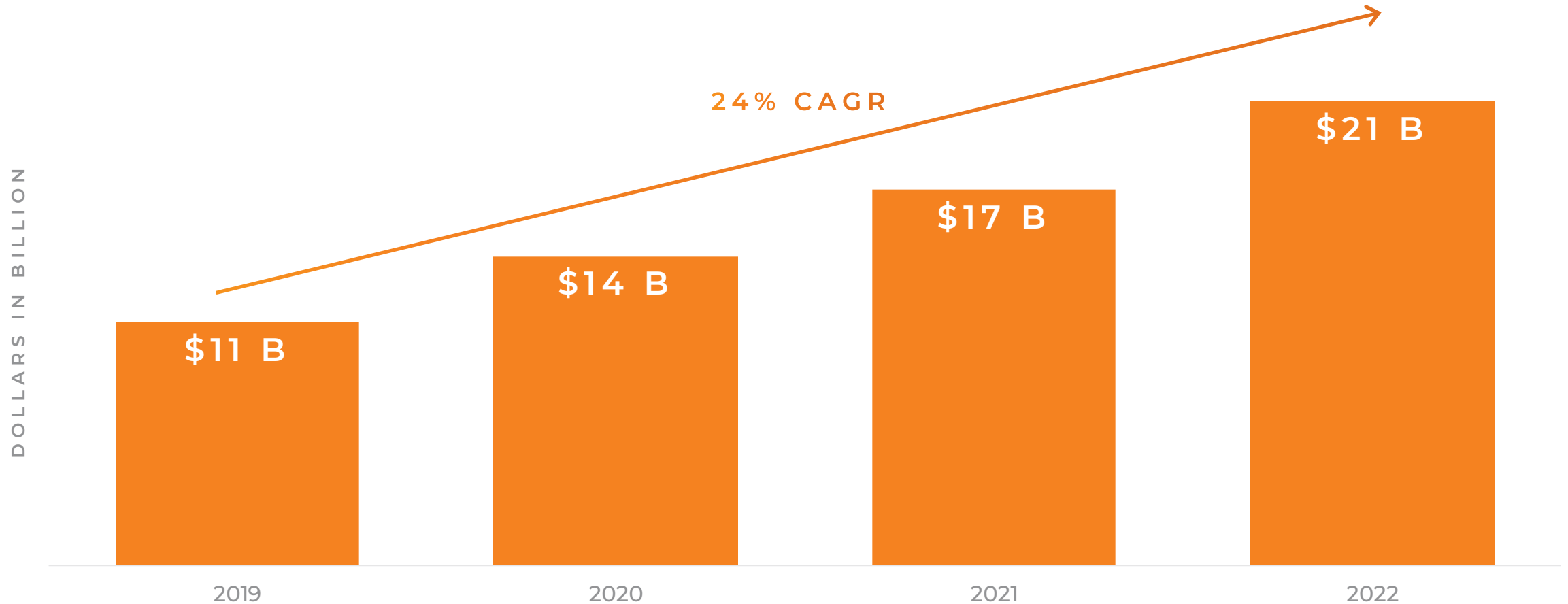
THE WALL STREET JOURNAL.

WASHINGTON
BUSINESS JOURNAL

Market Opportunity

Global Smart Security Market

SECURITY AND VIDEO SERVICES REVENUE, RESIDENTIAL AND COMMERCIAL MARKETS



Source: IHS Markit.

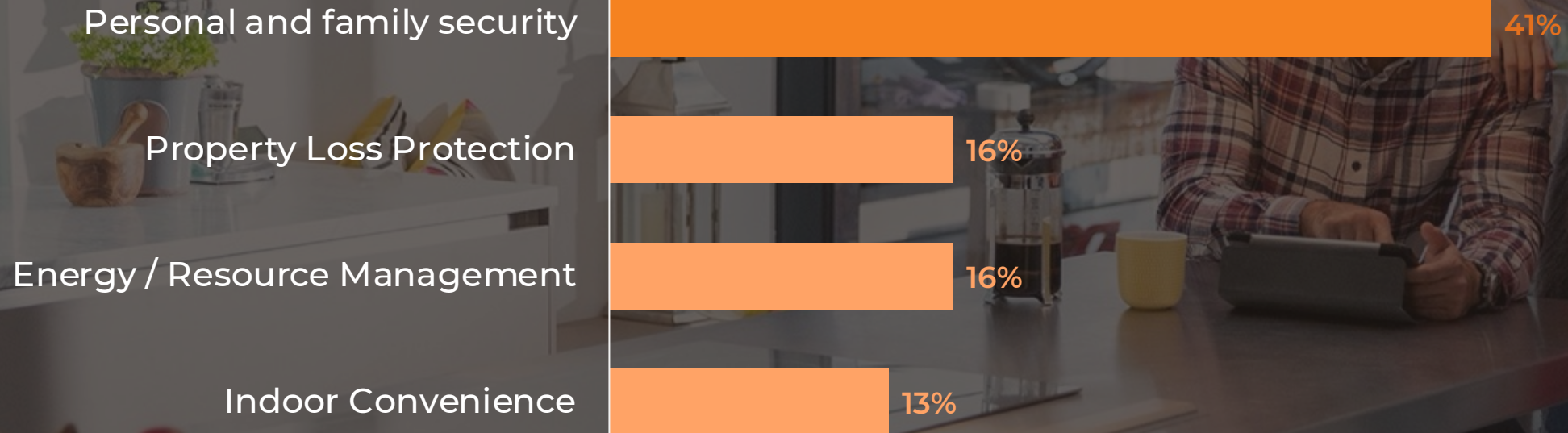
MARKET OPPORTUNITY

Residential



“Security is the primary purchase motivator for smart home.

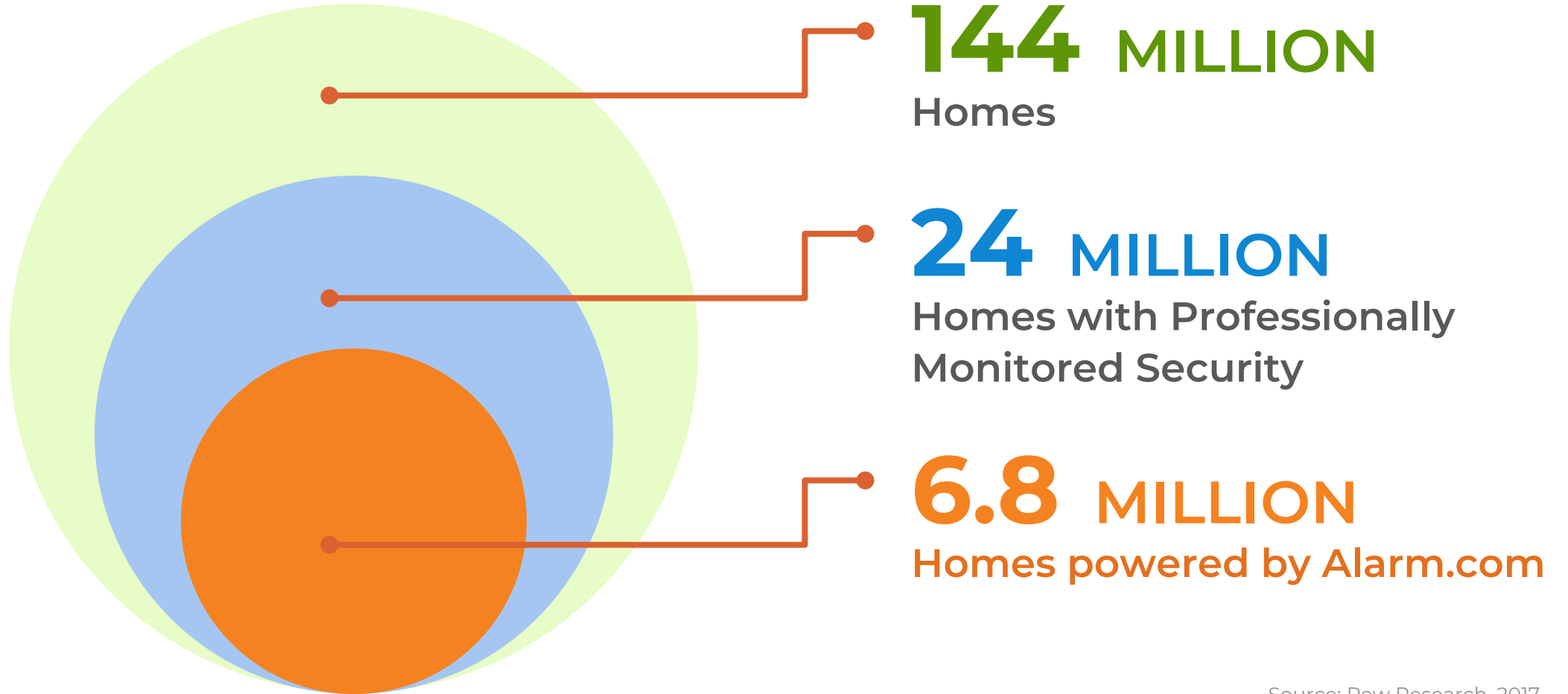
– Consumer Technology Association, 2019



Source: CTA Forecast, 2019 and Business Insider, 2016

Residential Market

US AND CANADA



Source: Pew Research, 2017

MARKET OPPORTUNITY
For Business



North American Commercial Market



SMALL & MEDIUM SIZED BUSINESS MARKET

Opportunity to upgrade to integrated, smart business solutions



~4 million target properties in US



High penetration of traditional services



COMMERCIAL BUSINESS MARKET

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



Video Surveillance TAM \$4.4 billion (Americas)

VSaaS market share forecast to increase from 9% in 2018 to 15% by 2022.

Acquisition of OpenEye

A LEADING PROVIDER OF CLOUD-MANAGED, VIDEO-BASED SECURITY SOLUTIONS FOR THE COMMERCIAL MARKET.



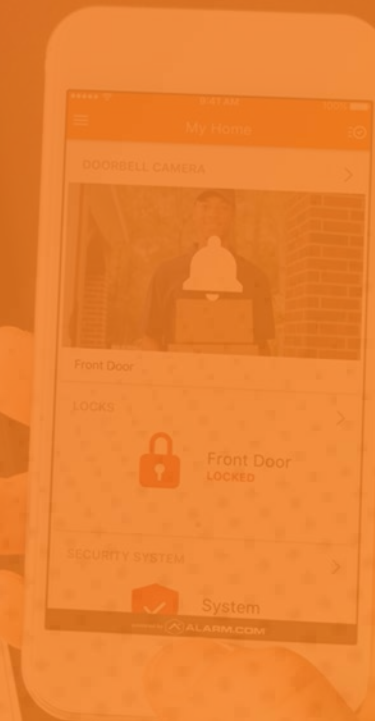
- Acquired in October 2019
- 100+ employees
- A leader in commercial VSaaS market
- Cloud-managed architecture
- Launched OWS 24/7 Lite SaaS application in June 2020
- Deployed to 15,000+ locations
- 400+ active service provider partners



ENGINEERED FOR ENTERPRISE COMMERCIAL AND NATIONAL ACCOUNT CUSTOMERS:

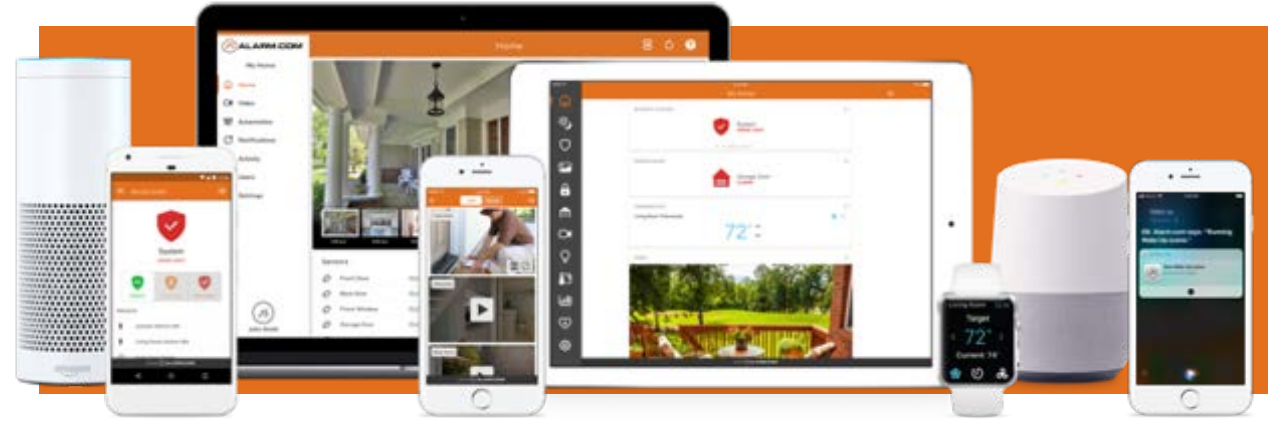


Alarm.com Solutions



Alarm.com Platform

A UNIFIED EXPERIENCE



INTELLIGENT SOLUTIONS



Security



Access



Video



Energy



Lights



Garage



Water



Wellness

INTERNET OF THINGS ECOSYSTEM

Aeotec
BY AECOTEC

SALTO

DSC

EATON

ENPHASE

GE JASCO

Kwikset

legrand

LENNOX

LEVITON

LiftMaster

LUTRON

MERCURY SECURITY
part of HID Global

NORTEK
SECURITY & CONTROL

Qolsys
QUALITY OF LIFE

QUALCOMM

rachio

RAIN BIRD

SCHLAGE

SKYBELL

solar edge

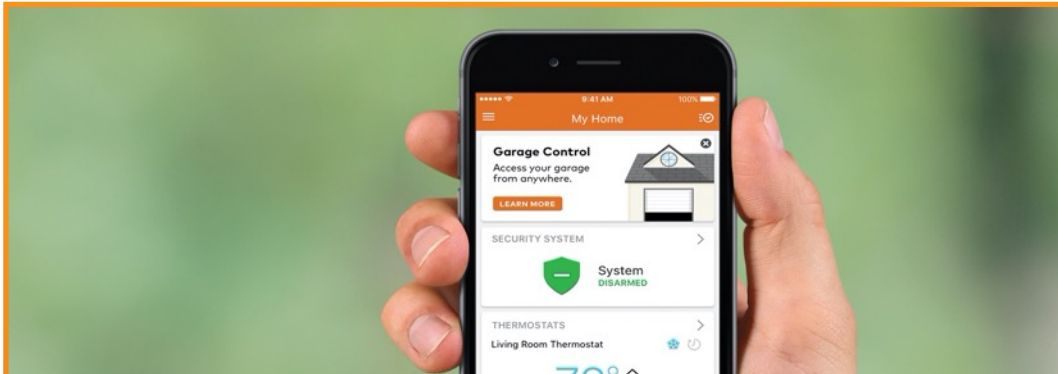
SONOS

Yale

ADVANCED CLOUD PLATFORM

powered by  **ALARM.COM**

Market Leading Solutions and Applications



FOR SUBSCRIBERS



Interactive
Security



Video



Energy
Management



Intelligent
Automation



Wellness
Solutions



FOR SERVICE PROVIDERS



Sales &
Marketing



Installation
& Support



Customer
Engagement



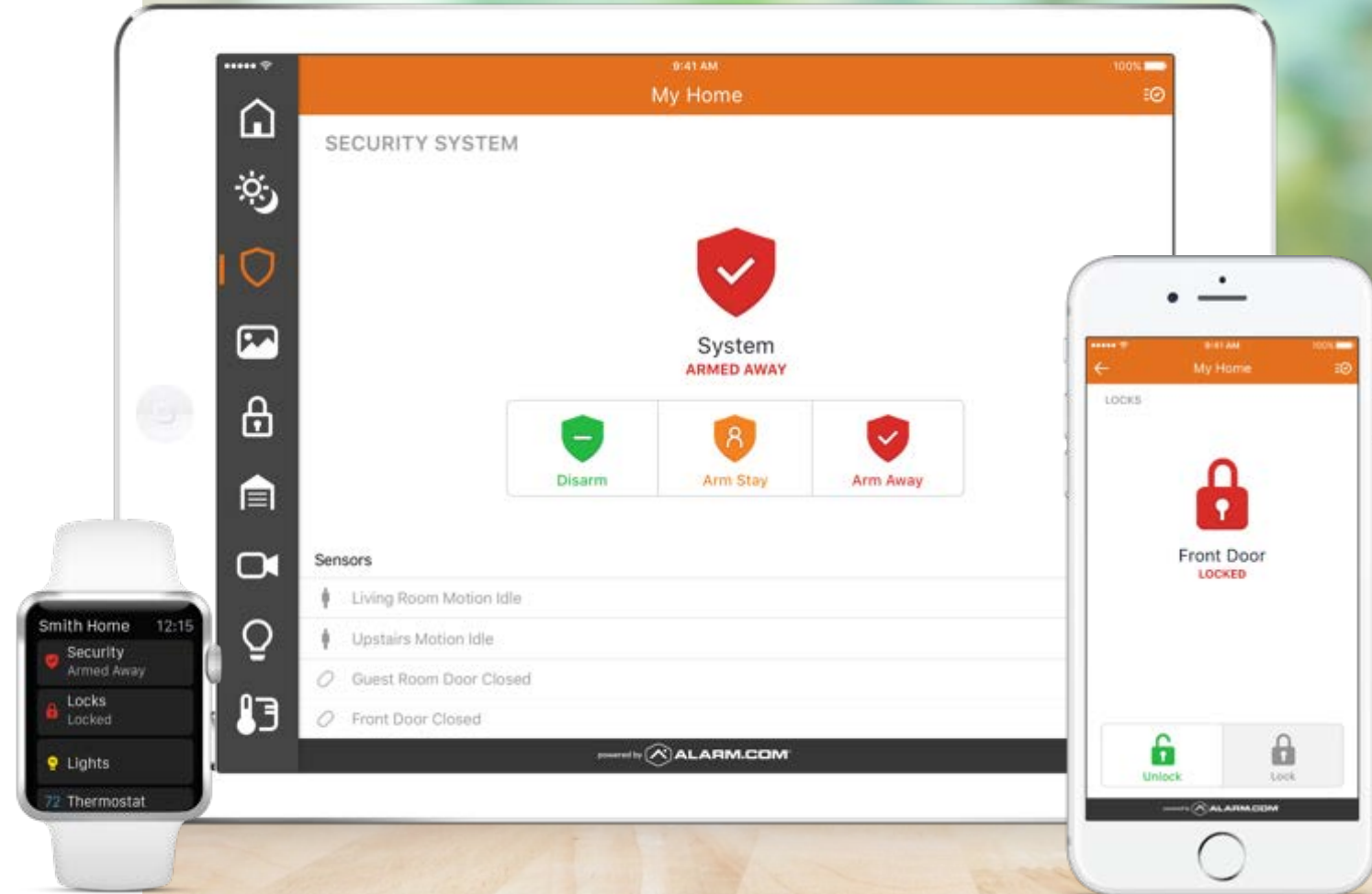
Business
Intelligence



Partner
Connect APIs

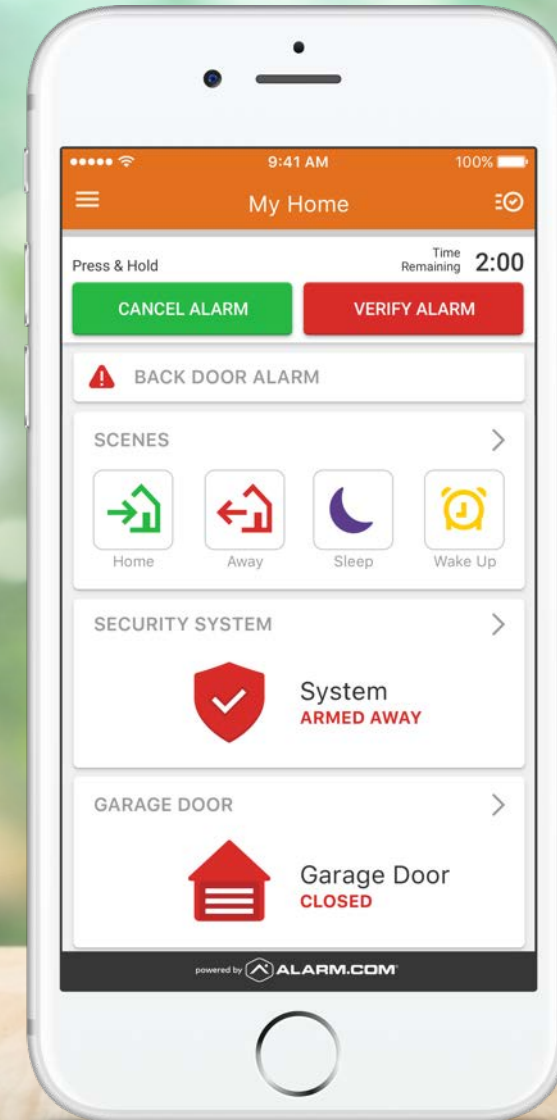
Smarter Security

- Patented protection
- Dedicated cellular connection and broadband dual-path
- Persistent awareness
- AI smart alerts



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



Video Solutions

- Indoor, outdoor, and doorbell cameras
- Live HD streaming
- Video Analytics and smart alerts
- Location-based privacy

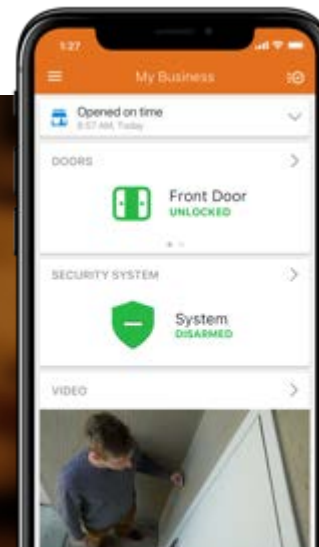
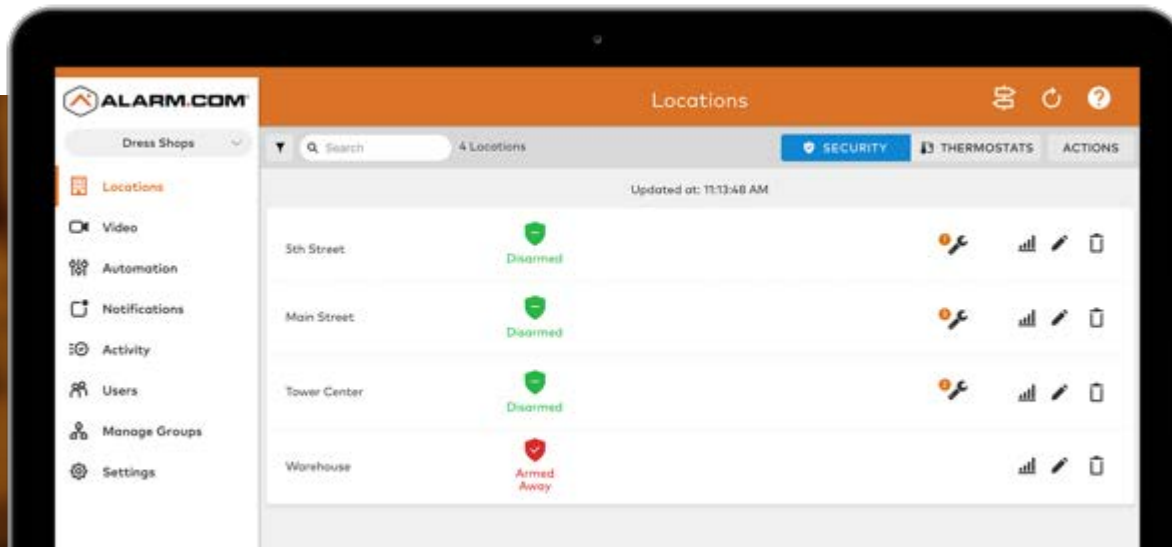
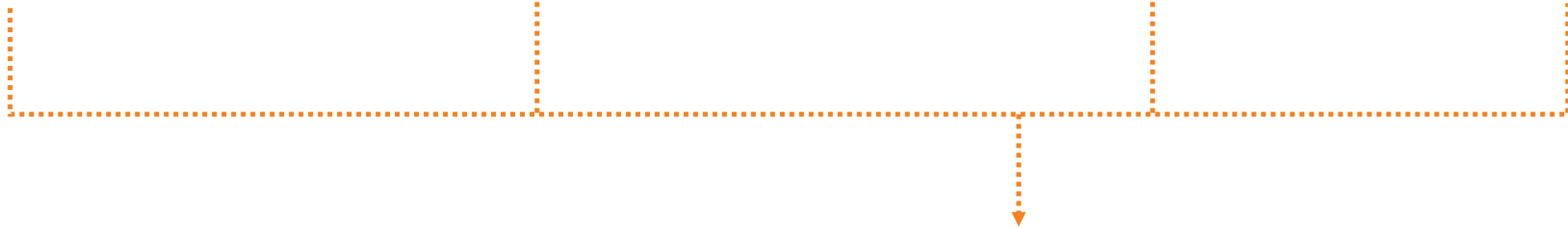


Energy Management

- Intelligent savings and comfort
- Room to room temp control
- Property protection from mold and frozen pipes
- Easily installed and remotely supported



A Unified Commercial Solution



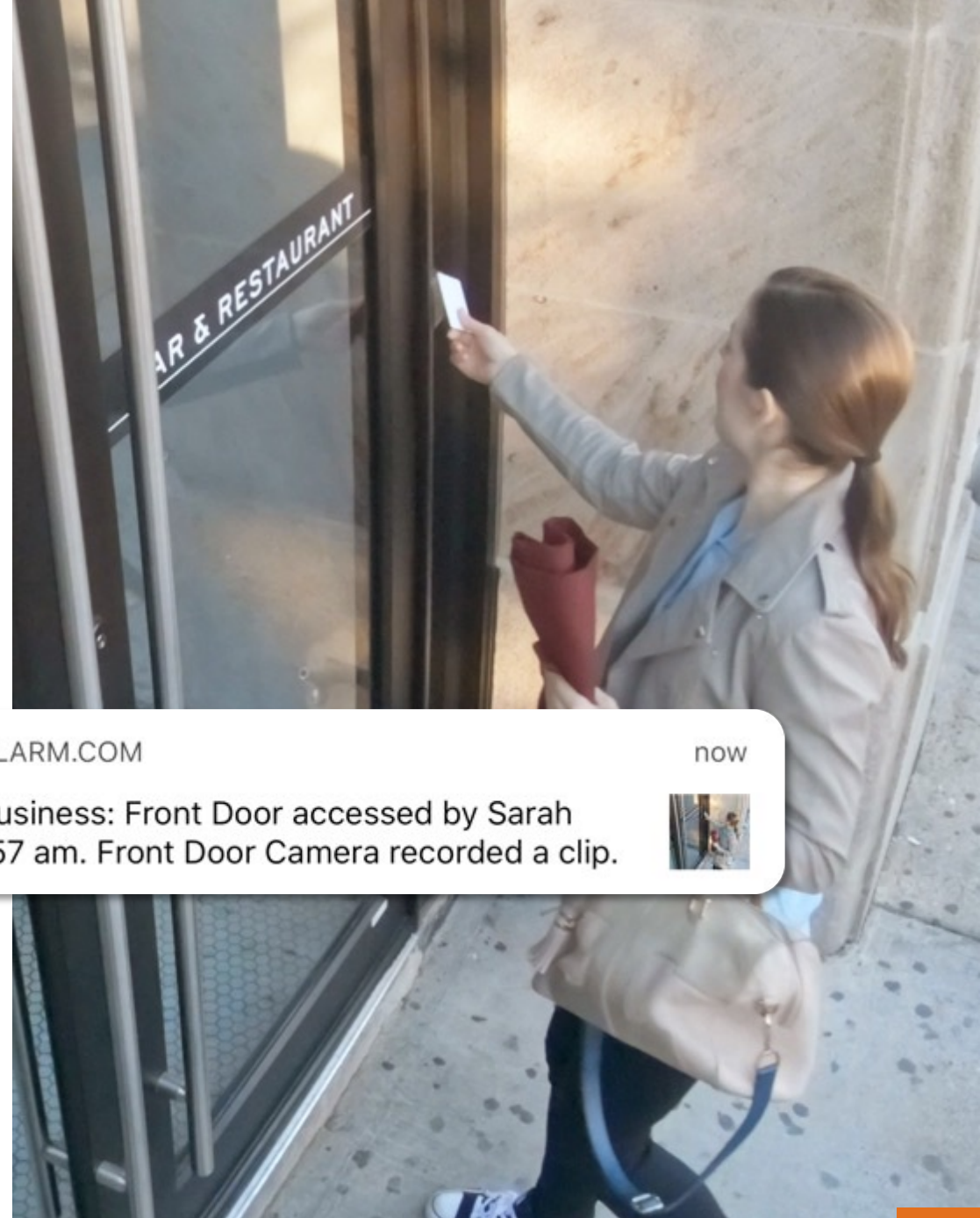


PLAY VIDEO

Commercial-Grade Video Solutions

Flexibly addresses the needs of many types of small and medium sized business

- Broad portfolio of commercial-grade video cameras
- Integrated with intrusion and access control into a single, intelligent solution
- Live streaming HD video and recorded clips of important activity
- Video analytics detects important activity and alerts subscribers



Smarter Access Control

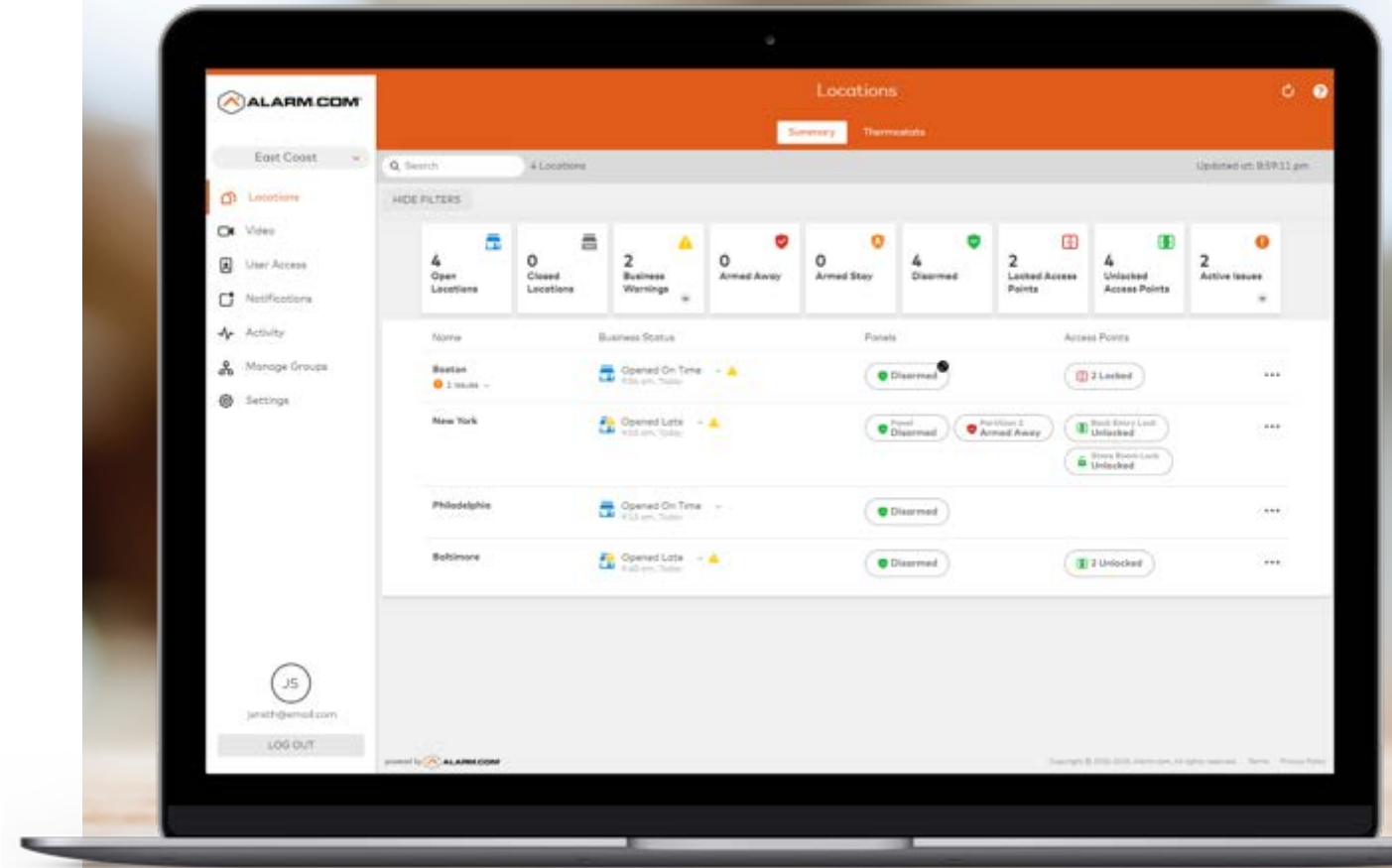
Securely manage access to assets and facilities ranging from storefronts to entire offices

- Intuitive, cloud-based user management software
- Enterprise console centralizes permission management across access points, locations, and users
- Retrofit friendly and minimal on-site hardware for competitive price point
- Automatically spots unusual access activity and alerts subscriber



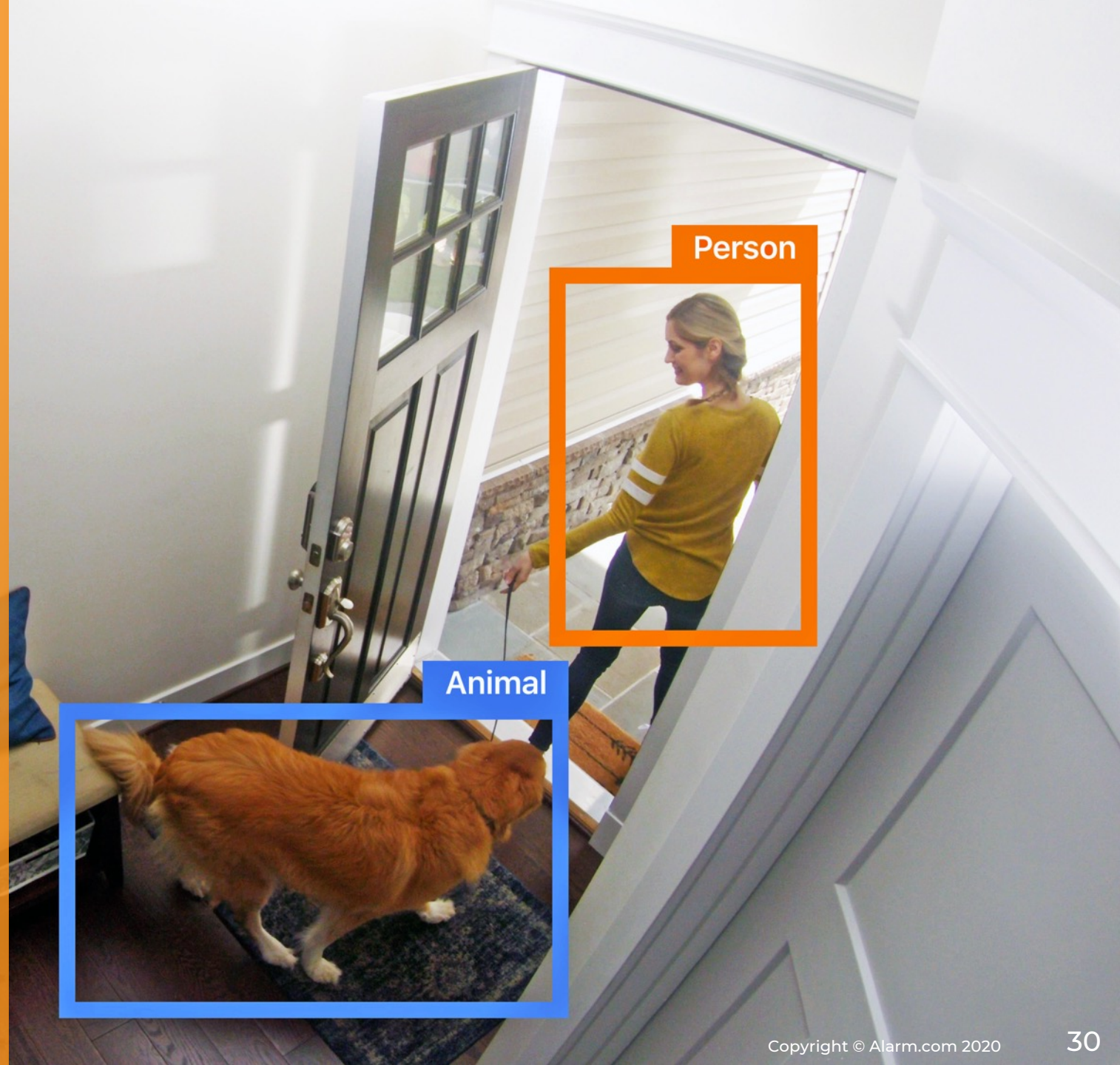
Enterprise Console

- Efficiently manage multiple business locations from a single console
- Integrated view of security, video, access control, and energy solutions
- Create and assign enterprise access plans and schedules
- Assign Role-Based Permissions to more efficiently manage user access, reduce errors, and improve property security and control.



ALARM.COM SOLUTIONS

Alarm AI



Person

Animal



Video Analytics

Service Provider Analytics

HVAC Analytics

Quality Engineering Analytics

Unexpected Activity

Wellness

Business Intelligence

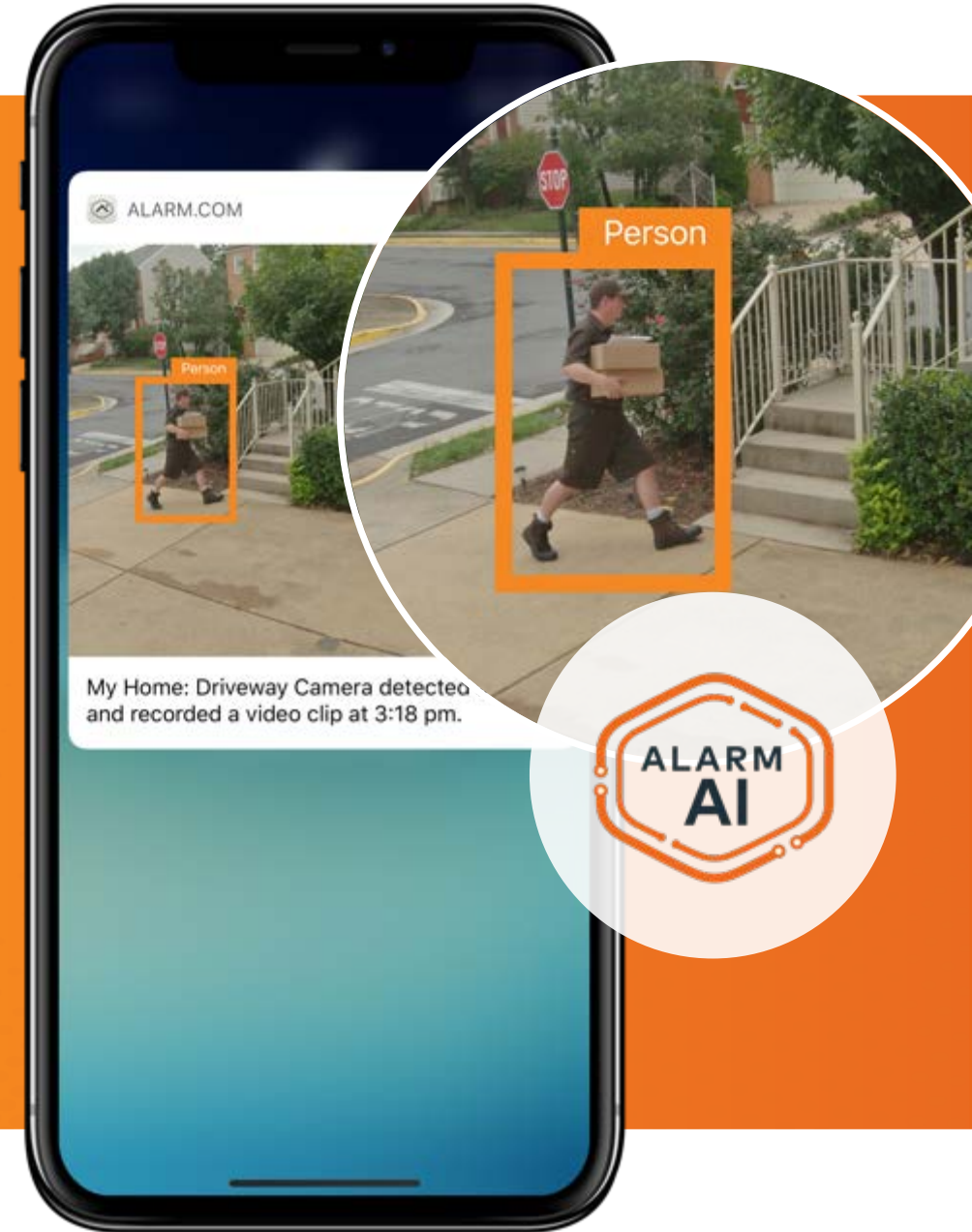
PLAY VIDEO

Video Analytics

Enhanced service plans for both residential and commercial-grade cameras

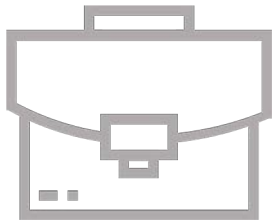
ALERTS THAT MATTER

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



Competitive Advantages

Go to Market Strategy



9,000+

Service Provider
Partners



Residential



Commercial

- Small & Medium Sized Business
- Enterprise

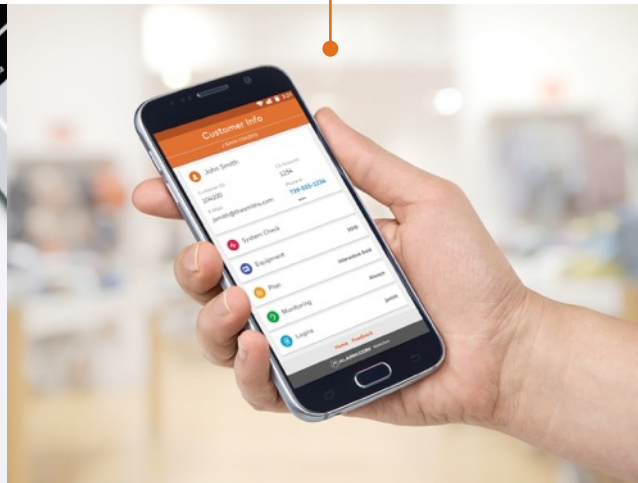
Partner Productivity Solutions

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

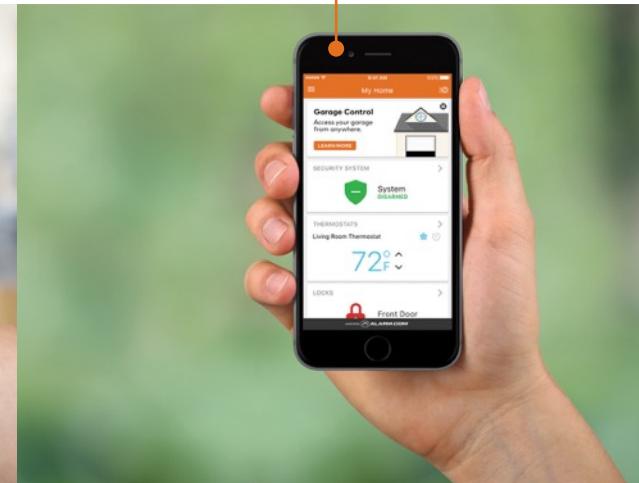
Accelerate Sales



Avoid Truck Rolls



Maximize Customer Lifetime Value



Optimize Business 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

Typically standalone devices with limited capability; added devices require separate apps and limited 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, purchase triggered by life event (family expansion, new home, etc.), but they also value home automation

Professional installation ensures reliable performance

Ongoing tech support delivers long-term value

Professionally-monitored

Growth Drivers

Compelling Growth Drivers



Add more subscribers

Currently 6.8 million+



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

Currently 9,000+

Global Market



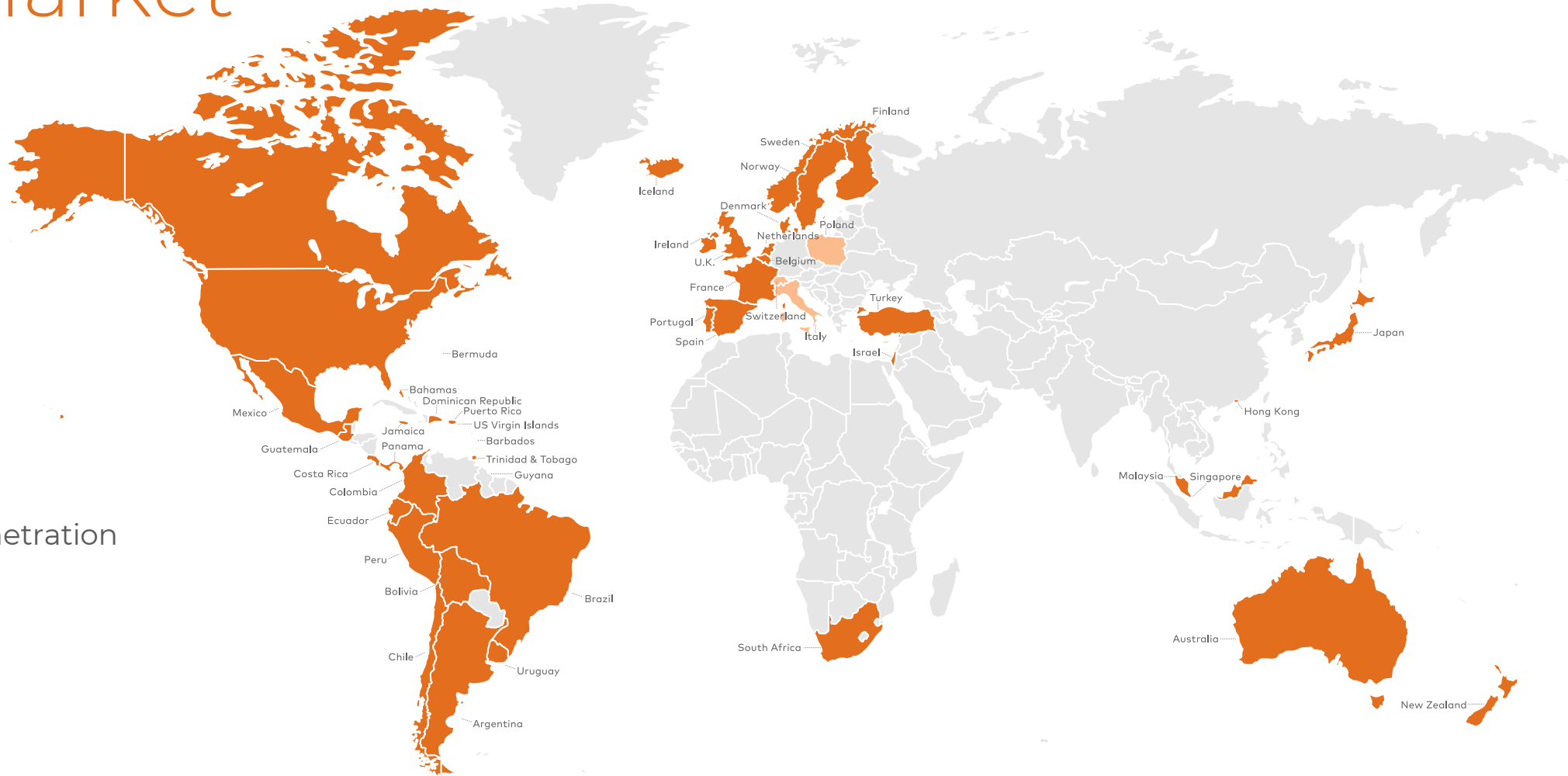
Delivering solutions in
40+ countries



5.3%
Global smart home penetration



1.4B – 1.5B
Households worldwide

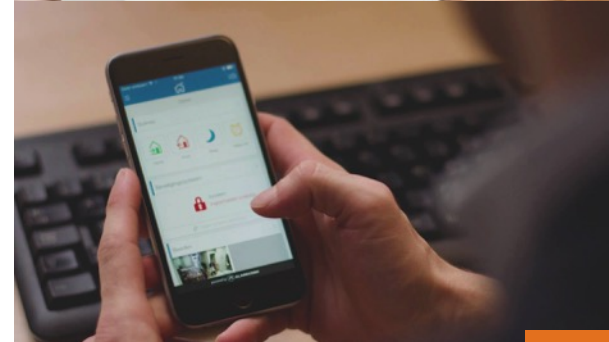


■ Alarm.com services are available ■ Targeted future expansion



Global Service Provider Partners

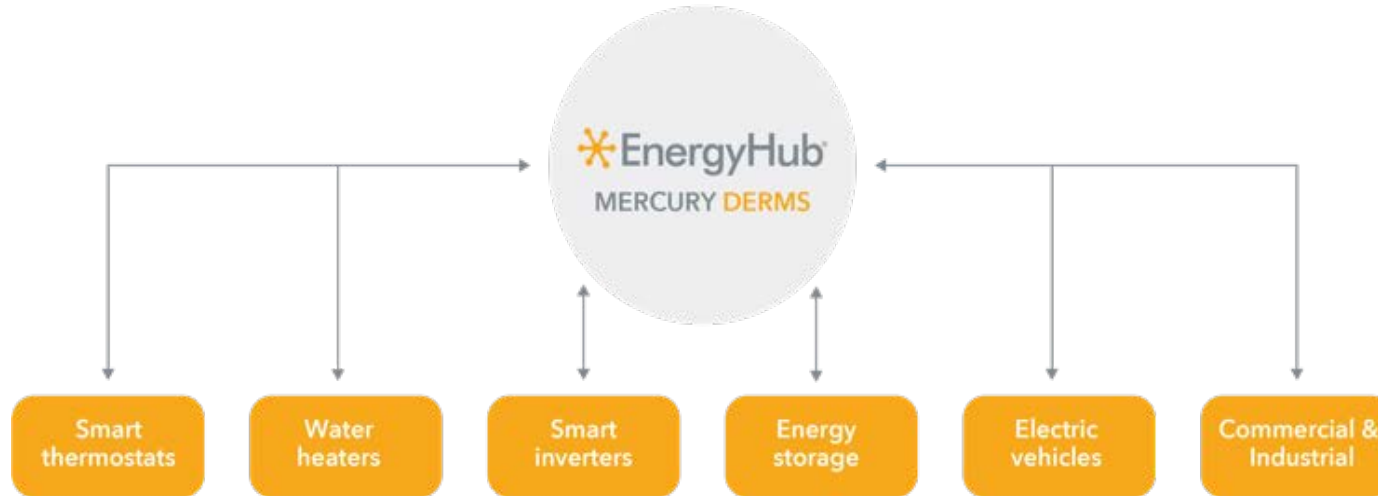
Some examples of our international partners:



Energy Utilities

ENTERPRISE SOFTWARE SOLUTIONS FOR ENERGY UTILITIES

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



PARTNERS:



45 utility clients,
including 15 of the top-50 in the US



Programs available to 25 percent
of U.S homes



Largest connected device
manufacturer ecosystem

2012

Pioneered Bring Your Own Thermostat®
program delivery model

Property Management



Enterprise smart home automation services for property management of single-family and multi-family dwellings

ADVANTAGES

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

MARKET OPPORTUNITY



27 MILLION
Multi-family
units

16 MILLION
Single-family
rental households



~1 MILLION
Vacation rental properties

Source: National Multifamily Housing Council, Urban Institute, and Wall Street Journal

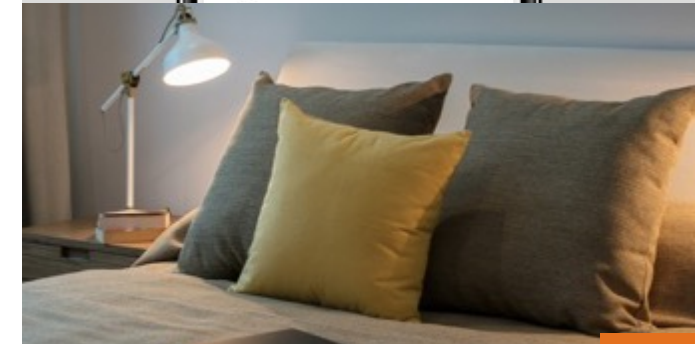
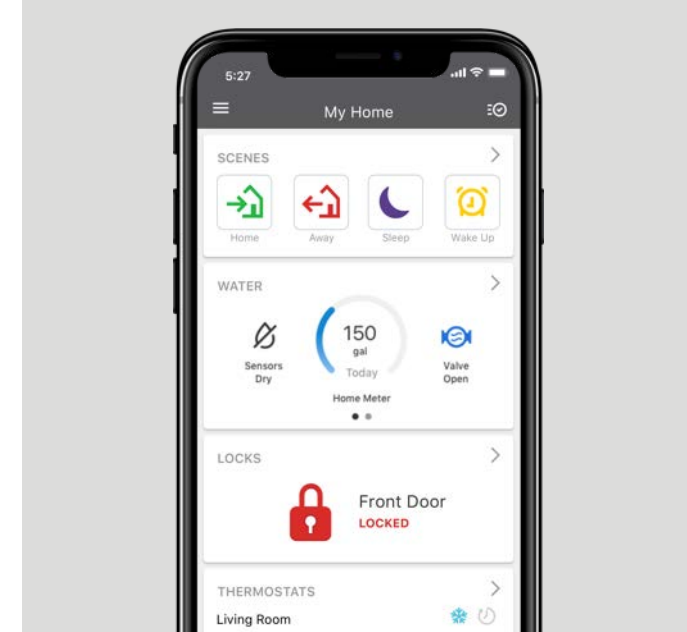


Building36®

AN ALARM.COM COMPANY

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



PARTNERS:



Financial Overview

2Q20 Snapshot – Continued Strong Execution

Year-over-Year Growth



16%

\$95.7 M

SaaS &
LICENSE
REVENUE



16%

\$141.6 M

TOTAL
REVENUE

\$29.2 M

ADJUSTED
EBITDA
(NON-GAAP)

65.4%

TOTAL
GROSS
MARGIN

\$205.8 M

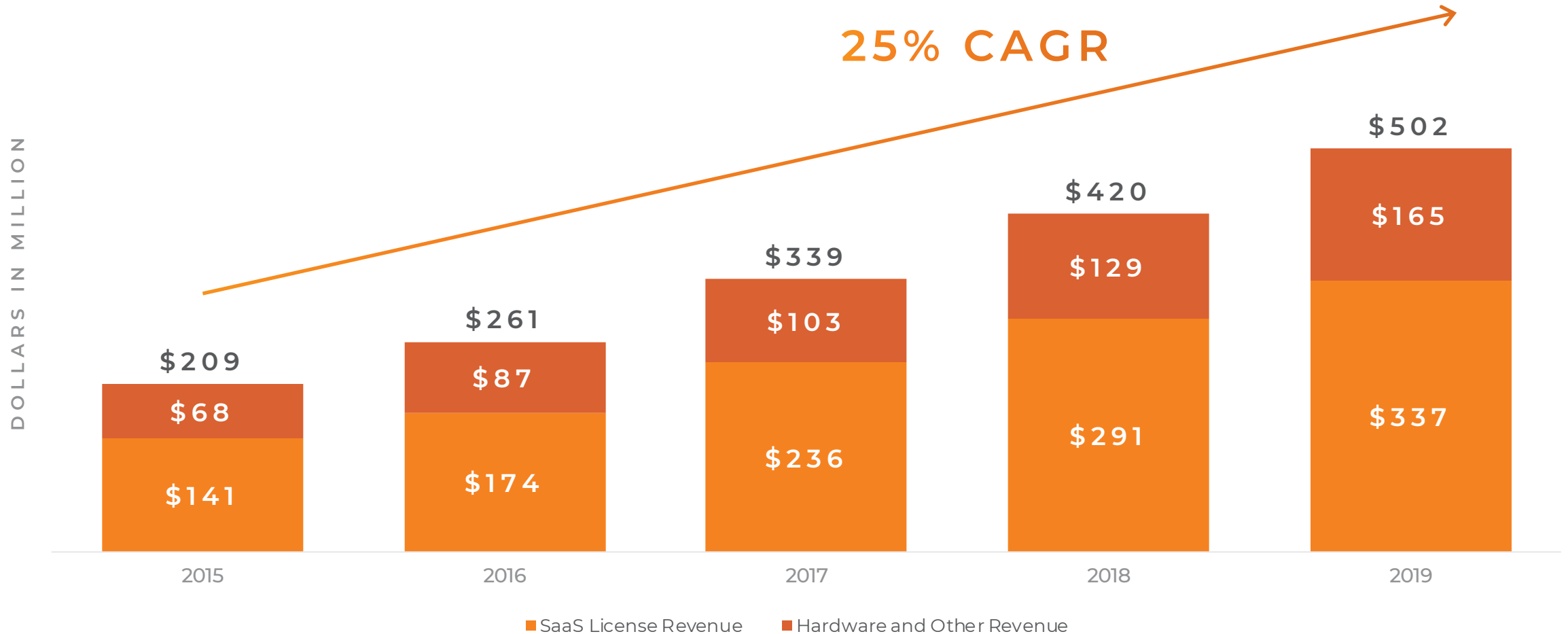
ENDING CASH
BALANCE

\$31.8 M

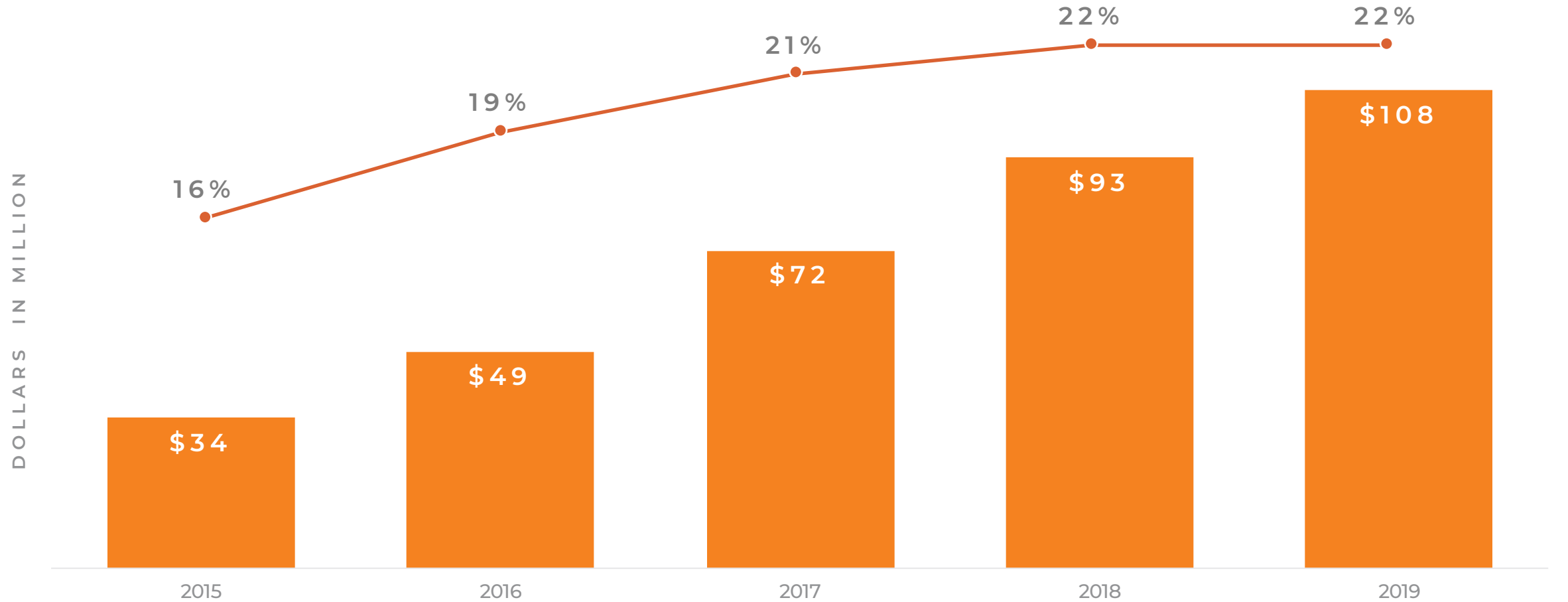
FREE CASH
FLOW

Current data represents results as of fiscal quarter ended June 30, 2020. We define Adjusted EBITDA as net income before interest expense, interest income, other income, net, (benefit from) / provision for income taxes, amortization and depreciation expense, stock-based compensation expense, secondary offering expense, acquisition-related (benefit) / expense and legal costs and settlement fees incurred in connection with non-ordinary course litigation and other disputes, particularly costs involved in ongoing intellectual property litigation. We define Free Cash Flow as cash flows from operating activities less purchases of property and equipment. Adjusted EBITDA and Free Cash Flow are non-GAAP measures - see Appendix for a reconciliation of these non-GAAP measures to their most directly comparable GAAP measures.

Consistent Revenue Growth



Track Record of Profitability



Note: We define Adjusted EBITDA as net income before interest expense, interest income, other income, net, (benefit from) / provision for income taxes, amortization and depreciation expense, stock-based compensation expense, secondary offering expense, acquisition-related (benefit) / expense and legal costs and settlement fees incurred in connection with non-ordinary course litigation and other disputes, particularly costs involved in ongoing intellectual property litigation. We define Free Cash Flow as cash flows from operating activities less purchases of property and equipment. Adjusted EBITDA and Free Cash Flow are non-GAAP measures - see Appendix for a reconciliation of these non-GAAP measures to their most directly comparable GAAP measures.

■ Adj. EBITDA

—●— Adj. EBITDA Margin

Key Financial Highlights

Scale

- Highly scalable platform
- 6.8 million+ subscribers
- 100 million+ connected devices
- 200 billion+ data points processed in 2019



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, payback of S&M in 15 months



Appendix

Investor Data Sheet (1/3)

Alarm.com Holdings, Inc.

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

Statement of Operations Data:	2017	2018	2019	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
SaaS and license revenue ¹	\$236,283	\$291,072	\$337,375	\$74,292	\$77,824	\$80,055	\$82,334	\$84,924	\$90,062	\$91,950	\$95,704
Hardware and other revenue	102,654	129,422	164,988	37,556	33,578	32,280	39,326	42,956	50,426	59,989	45,933
Total revenue	338,937	420,494	502,363	111,848	111,402	112,335	121,660	127,880	140,488	151,939	141,637
Cost of SaaS and license revenue ²	35,610	44,933	50,066	11,501	11,599	12,325	12,665	12,438	12,638	12,328	13,001
Cost of hardware and other revenue	80,578	100,782	133,533	30,491	27,259	26,625	31,891	35,085	39,932	45,652	36,004
Total cost of revenue	116,188	145,715	183,599	41,992	38,858	38,950	44,556	47,523	52,570	57,980	49,005
Net income (loss)	\$29,251	\$21,524	\$53,330	(\$7,652)	\$7,928	\$9,010	\$13,796	\$17,690	\$12,834	\$8,571	\$16,625
Net income (loss) attributable to common stockholders	\$29,238	\$21,521	\$53,531	(\$7,652)	\$7,928	\$9,010	\$13,796	\$17,690	\$13,035	\$8,807	\$16,995
Net income (loss) attributable to common stockholders per share, diluted	\$0.59	\$0.43	\$1.06	(\$0.16)	\$0.16	\$0.18	\$0.27	\$0.35	\$0.26	\$0.18	\$0.34
Weighted-average common shares outstanding - diluted	49,153,948	49,692,184	50,273,889	47,812,642	49,865,890	50,172,818	50,283,990	50,152,807	50,184,451	50,246,987	50,551,632
Balance Sheet Data (as of):											
Cash and cash equivalents	\$96,329	\$146,061	\$119,629	\$124,243	\$146,061	\$122,442	\$150,851	\$164,323	\$119,629	\$171,732	\$205,827
Non-GAAP financial measures³:											
Adjusted EBITDA ³	\$71,628	\$93,081	\$108,307	\$25,821	\$20,893	\$24,252	\$27,715	\$26,320	\$30,020	\$29,189	\$29,210
Adjusted net income ³	45,104	66,105	77,051	18,166	14,524	17,170	19,903	18,598	21,380	20,670	20,304
Adjusted net income attributable to common stockholders ³	45,095	66,102	77,210	18,166	14,523	17,170	19,903	18,598	21,539	20,856	20,597

¹ Includes software license revenue of \$9.8 million and \$11.0 million for the three months ended June 30, 2020 and 2019, respectively.

² Includes cost of software license revenue of \$0.3 million for each of the three months ended June 30, 2020 and 2019.

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)

	2017	2018	2019	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Adjusted EBITDA:											
Net income / (loss)	\$29,251	\$21,524	\$53,330	(\$7,652)	\$7,928	\$9,010	\$13,796	\$17,690	\$12,834	\$8,571	\$16,625
Adjustments:											
Interest expense, interest income and other income, net	1,133	503	(8,483)	19	(123)	(31)	(64)	(8,368)	(20)	94	646
(Benefit from) / provision for income taxes	2,990	(9,825)	5,566	(9,061)	588	242	313	2,873	2,138	1,202	(2,277)
Amortization and depreciation expense	17,734	21,721	22,134	5,891	5,567	5,228	5,138	5,467	6,301	6,422	6,723
Stock-based compensation expense	7,413	13,429	20,603	3,457	3,759	4,266	5,420	5,035	5,882	6,358	7,095
Secondary offering expense	—	—	—	—	—	—	—	—	—	—	543
Acquisition-related (benefit) / expense	5,895	—	2,403	—	—	—	—	1,590	813	4,056	(1,708)
Litigation expense	7,212	45,729	12,754	33,167	3,174	5,537	3,112	2,033	2,072	2,486	1,563
Total adjustments	42,377	71,557	54,977	33,473	12,965	15,242	13,919	8,630	17,186	20,618	12,585
Adjusted EBITDA	\$71,628	\$93,081	\$108,307	\$25,821	\$20,893	\$24,252	\$27,715	\$26,320	\$30,020	\$29,189	\$29,210
Adjusted net income:											
Net income / (loss), as reported	\$29,251	\$21,524	\$53,330	(\$7,652)	\$7,928	\$9,010	\$13,796	\$17,690	\$12,834	\$8,571	\$16,625
(Benefit from) / provision for income taxes	2,990	(9,825)	5,566	(9,061)	588	242	313	2,873	2,138	1,202	(2,277)
Income / (loss) before income taxes	32,241	11,699	58,896	(16,713)	8,516	9,252	14,109	20,563	14,972	9,773	14,348
Adjustments:											
Interest income and other income, net	(1,066)	(2,415)	(11,457)	(717)	(882)	(852)	(850)	(9,083)	(672)	(551)	(222)
Amortization expense	12,282	15,235	14,334	3,801	3,817	3,531	3,403	3,404	3,996	4,042	4,083
Stock-based compensation expense	7,413	13,429	20,603	3,457	3,759	4,266	5,420	5,035	5,882	6,358	7,095
Secondary offering expense	—	—	—	—	—	—	—	—	—	—	543
Acquisition-related (benefit) / expense	5,895	—	2,403	—	—	—	—	1,590	813	4,056	(1,708)
Litigation expense	7,212	45,729	12,754	33,167	3,174	5,537	3,112	2,033	2,072	2,486	1,563
Non-GAAP adjusted income before income taxes	63,977	83,677	97,533	22,995	18,384	21,734	25,194	23,542	27,063	26,164	25,702
Income taxes	(18,873)	(17,572)	(20,482)	(4,829)	(3,860)	(4,564)	(5,291)	(4,944)	(5,683)	(5,494)	(5,398)
Non-GAAP adjusted net income	\$45,104	\$66,105	\$77,051	\$18,166	\$14,524	\$17,170	\$19,903	\$18,598	\$21,380	\$20,670	\$20,304

Investor Data Sheet (3/3)

Alarm.com Holdings, Inc.

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

	2017	2018	2019	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Adjusted net income attributable to common stockholders:											
Net income / (loss) attributable to common stockholders, as reported	\$29,238	\$21,521	\$53,531	(\$7,652)	\$7,928	\$9,010	\$13,796	\$17,690	\$13,035	\$8,807	\$16,995
(Benefit from) / provision for income taxes	2,990	(9,825)	5,566	(9,061)	588	242	313	2,873	2,138	1,202	(2,277)
Income / (loss) attributable to common stockholders before taxes	32,228	11,696	59,097	(16,713)	8,516	9,252	14,109	20,563	15,173	10,009	14,718
Adjustments:											
Interest income and other income, net	(1,066)	(2,415)	(11,457)	(717)	(882)	(852)	(850)	(9,083)	(672)	(551)	(222)
Amortization expense	12,282	15,235	14,334	3,801	3,817	3,531	3,403	3,404	3,996	4,042	4,083
Stock-based compensation expense	7,413	13,429	20,603	3,457	3,759	4,266	5,420	5,035	5,882	6,358	7,095
Secondary offering expense	—	—	—	—	—	—	—	—	—	—	543
Acquisition-related (benefit) / expense	5,895	—	2,403	—	—	—	—	1,590	813	4,056	(1,708)
Litigation expense	7,212	45,729	12,754	33,167	3,174	5,537	3,112	2,033	2,072	2,486	1,563
Non-GAAP adjusted income attributable to common stockholders before income taxes	63,964	83,674	97,734	22,995	18,384	21,734	25,194	23,542	27,264	26,400	26,072
Income taxes	(18,869)	(17,572)	(20,524)	(4,829)	(3,860)	(4,564)	(5,291)	(4,944)	(5,725)	(5,544)	(5,475)
Non-GAAP adjusted net income attributable to common stockholders	\$45,095	\$66,102	\$77,210	\$18,166	\$14,524	\$17,170	\$19,903	\$18,598	\$21,539	\$20,856	\$20,597
Non-GAAP adjusted net income attributable to common stockholders per share - diluted¹	\$0.92	\$1.33	\$1.54	\$0.36	\$0.29	\$0.34	\$0.40	\$0.37	\$0.43	\$0.42	\$0.41
Free cash flow:											
Cash flows from / (used in) operating activities	57,187	60,710	47,112	19,774	25,732	(1,187)	24,054	980	23,265	12,900	35,148
Additions to property and equipment	(10,464)	(11,015)	(19,324)	(3,186)	(1,698)	(2,962)	(2,746)	(4,952)	(8,664)	(3,719)	(3,397)
Non-GAAP free cash flow	46,723	49,695	27,788	16,588	24,034	(4,149)	21,308	(3,972)	14,601	9,181	31,751

¹ For periods with GAAP net losses and non-GAAP adjusted net income, the weighted-average outstanding shares used to calculate diluted non-GAAP adjusted net income per share includes potentially dilutive securities that were excluded from the calculation of GAAP net income per share as the effect was anti-dilutive.

Supplemental Financial Data

Alarm.com Holdings, Inc.

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

Supplemental Financial Data:	2017	2018	2019	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
SaaS and license revenue ¹	\$236,283	\$291,072	\$337,375	\$74,292	\$77,824	\$80,055	\$82,334	\$84,924	\$90,062	\$91,950	\$95,704
Hardware and other revenue	102,654	129,422	164,988	37,556	33,578	32,280	39,326	42,956	50,426	59,989	45,933
Total revenue	338,937	420,494	502,363	111,848	111,402	112,335	121,660	127,880	140,488	151,939	141,637
Cost of SaaS and license revenue ²	35,610	44,933	50,066	11,501	11,599	12,325	12,665	12,438	12,638	12,328	13,001
Cost of hardware and other revenue	80,578	100,782	133,533	30,491	27,259	26,625	31,891	35,085	39,932	45,652	36,004
Total cost of revenue	116,188	145,715	183,599	41,992	38,858	38,950	44,556	47,523	52,570	57,980	49,005
Sales and marketing	43,490	55,902	61,815	14,128	16,340	13,228	15,631	14,533	18,423	17,075	16,920
General and administrative	55,396	95,750	69,959	43,662	17,807	19,212	13,872	18,701	18,174	20,865	17,359
Research and development	72,755	89,204	114,443	22,869	24,437	26,496	28,418	29,461	30,068	39,730	36,636
Amorization and depreciation	17,734	21,721	22,134	5,891	5,567	5,228	5,138	5,467	6,301	6,422	6,723
Total operating expenses	189,375	262,577	268,351	86,550	64,151	64,164	63,059	68,162	72,966	84,092	77,638
Operating income / (loss)	33,374	12,202	50,413	(16,694)	8,393	9,221	14,045	12,195	14,952	9,867	14,994
Interest expense	(2,199)	(2,918)	(2,974)	(736)	(759)	(821)	(786)	(715)	(652)	(645)	(868)
Interest income	1,031	2,272	4,922	661	830	808	806	2,703	605	459	157
Other income, net	35	143	6,535	56	52	44	44	6,380	67	92	65
Income / (loss) before income taxes	32,241	11,699	58,896	(16,713)	8,516	9,252	14,109	20,563	14,972	9,773	14,348
(Benefit from) / provision for income taxes	2,990	(9,825)	5,566	(9,061)	588	242	313	2,873	2,138	1,202	(2,277)
Net income (loss)	\$29,251	\$21,524	\$53,330	(\$7,652)	\$7,928	\$9,010	\$13,796	\$17,690	\$12,834	\$8,571	\$16,625
Net income (loss) attributable to common stockholders	\$29,238	\$21,521	\$53,531	(\$7,652)	\$7,928	\$9,010	\$13,796	\$17,690	\$13,035	\$8,807	\$16,995
Stock-based compensation expense data:											
Sales and marketing	\$561	\$1,196	\$2,075	\$301	\$341	\$380	\$471	\$534	\$690	\$757	\$772
General and administrative	2,638	4,901	6,474	1,191	1,201	1,267	1,781	1,714	1,712	1,782	2,097
Research and development	4,214	7,332	12,054	1,965	2,217	2,619	3,168	2,787	3,480	3,819	4,226
Total stock-based compensation expense	\$7,413	\$13,429	\$20,603	\$3,457	\$3,759	\$4,266	\$5,420	\$5,035	\$5,882	\$6,358	\$7,095
As a percent of revenue:											
Cost of SaaS and license revenue as a percentage of SaaS and license revenue	15%	15%	15%	15%	15%	15%	15%	15%	14%	13%	14%
Cost of hardware and other revenue as a percentage of hardware and other revenue	78%	78%	81%	81%	81%	82%	81%	82%	79%	76%	78%
Sales and marketing	13%	13%	12%	13%	14%	12%	13%	11%	13%	11%	12%
General and administrative	16%	23%	14%	39%	16%	17%	12%	15%	13%	14%	12%
Research and development	22%	21%	23%	20%	22%	23%	23%	23%	22%	26%	26%
Amorization and depreciation	5%	5%	4%	5%	5%	5%	4%	4%	4%	4%	5%
Total operating expenses	56%	62%	53%	77%	57%	57%	52%	53%	52%	55%	55%
Operating income / (loss)	10%	3%	10%	-15%	8%	8%	11%	10%	11%	7%	11%
Net income (loss)	9%	5%	11%	-7%	7%	8%	11%	14%	9%	6%	12%
Net income (loss) attributable to common stockholders	9%	5%	11%	-7%	7%	8%	11%	14%	9%	6%	12%

¹ Includes software license revenue of \$9.8 million and \$11.0 million for the three months ended June 30, 2020 and 2019, respectively.

² Includes cost of software license revenue of \$0.3 million for each of the three months ended June 30, 2020 and 2019.



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

 Argus Insights 2016 REPORT