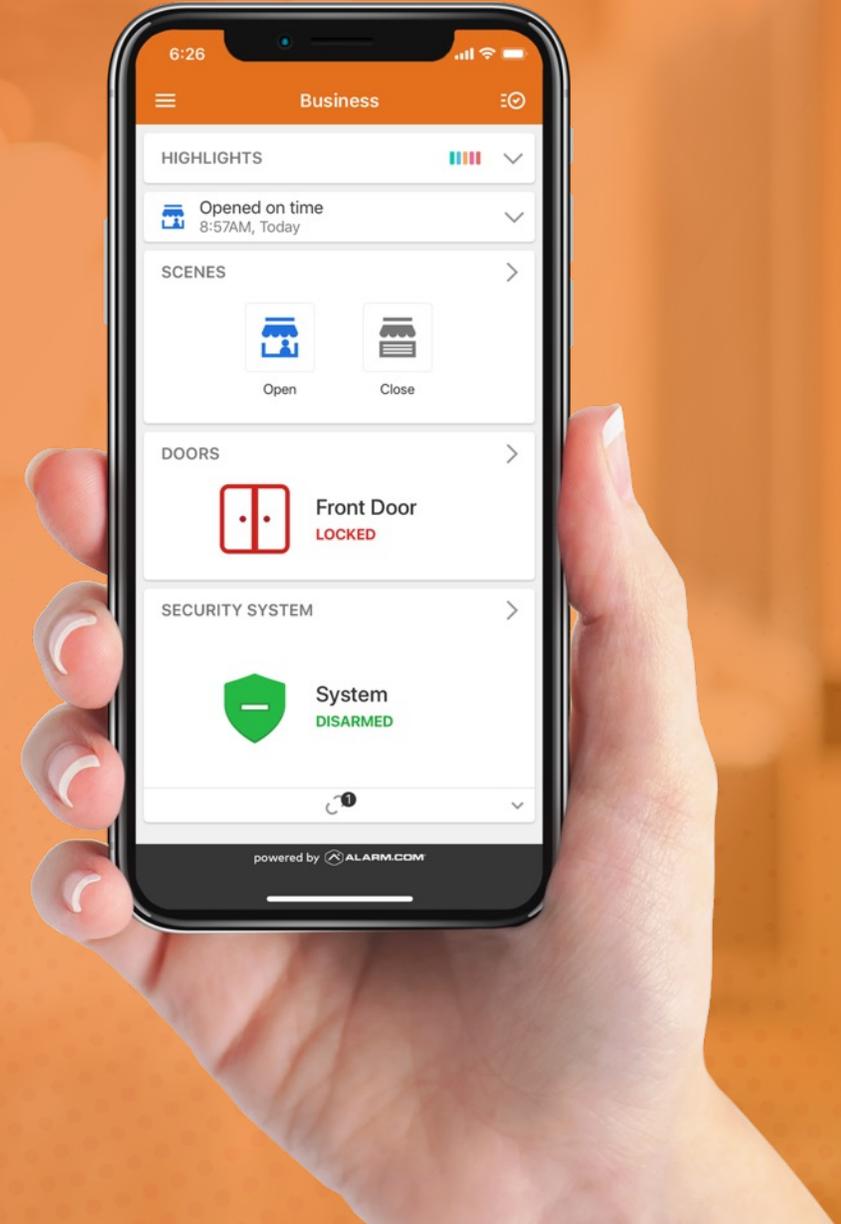




Leading SaaS platform
for the intelligently
connected property

| AUGUST 2022



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 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, please refer to the reports we file with the Securities and Exchange Commission (the "SEC") from time to time, including our most recent Annual Report on Form 10-K, filed with the SEC on February 24, 2022, and other subsequent filings we file with the SEC from time-to-time, including our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022. 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 9, 2022 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

10,900+
service provider
partners

8.4 million+
subscribers¹

1,606
employees

Note: Subscriber and Partner, data is as of December 31, 2021, while Employee data is as of June 30, 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.

Efficient Service Provider Go-to-Market

10,900+
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, 2021

Key Investment Highlights



**Large &
Growing Market**



**Market Leader
& Innovator**



**SaaS Recurring
Revenue Model**



**Strong Growth
& Profitable**

Leading Platform For

INTELLIGENTLY CONNECTED PROPERTIES

8.4+
MILLION

Subscribers



200+
BILLION

Data Points

In the last year alone

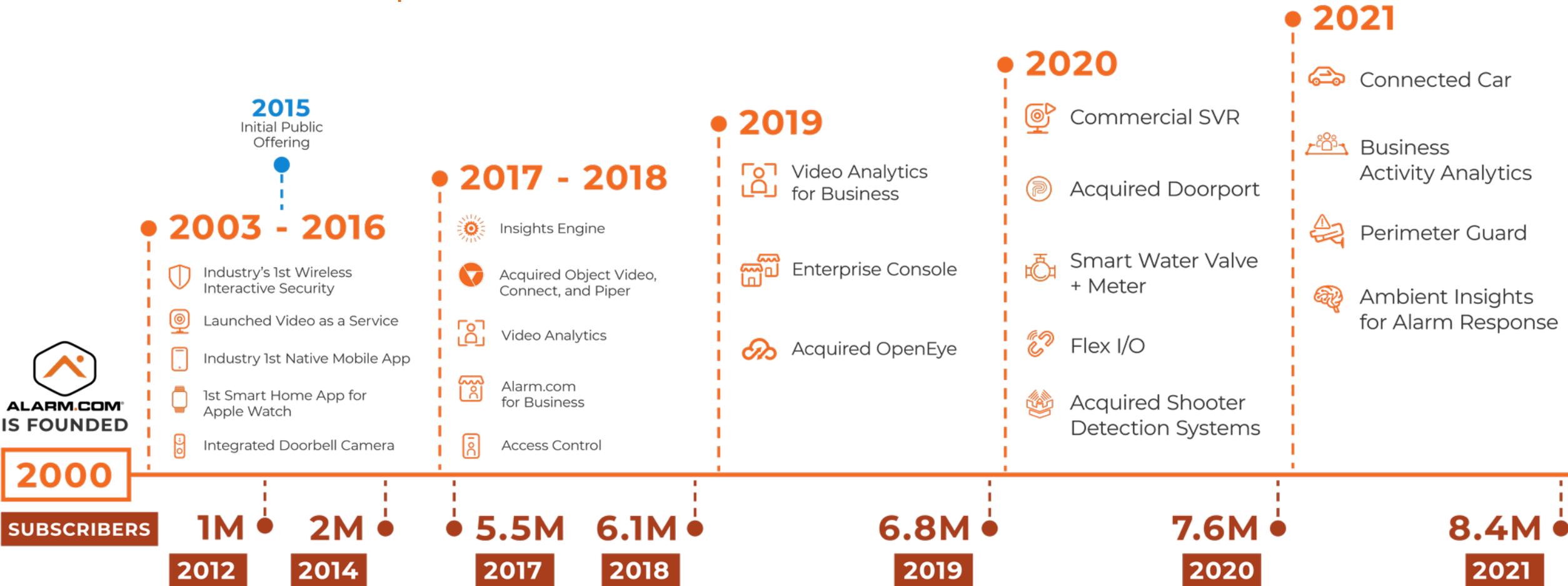


100+
MILLION

Connected Devices



Long History of Innovation and TAM Expansion





SECURITY SYSTEMS NEWS
THE MAGAZINE OF RECORD FOR 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”

TORONTO STAR

“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.



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.

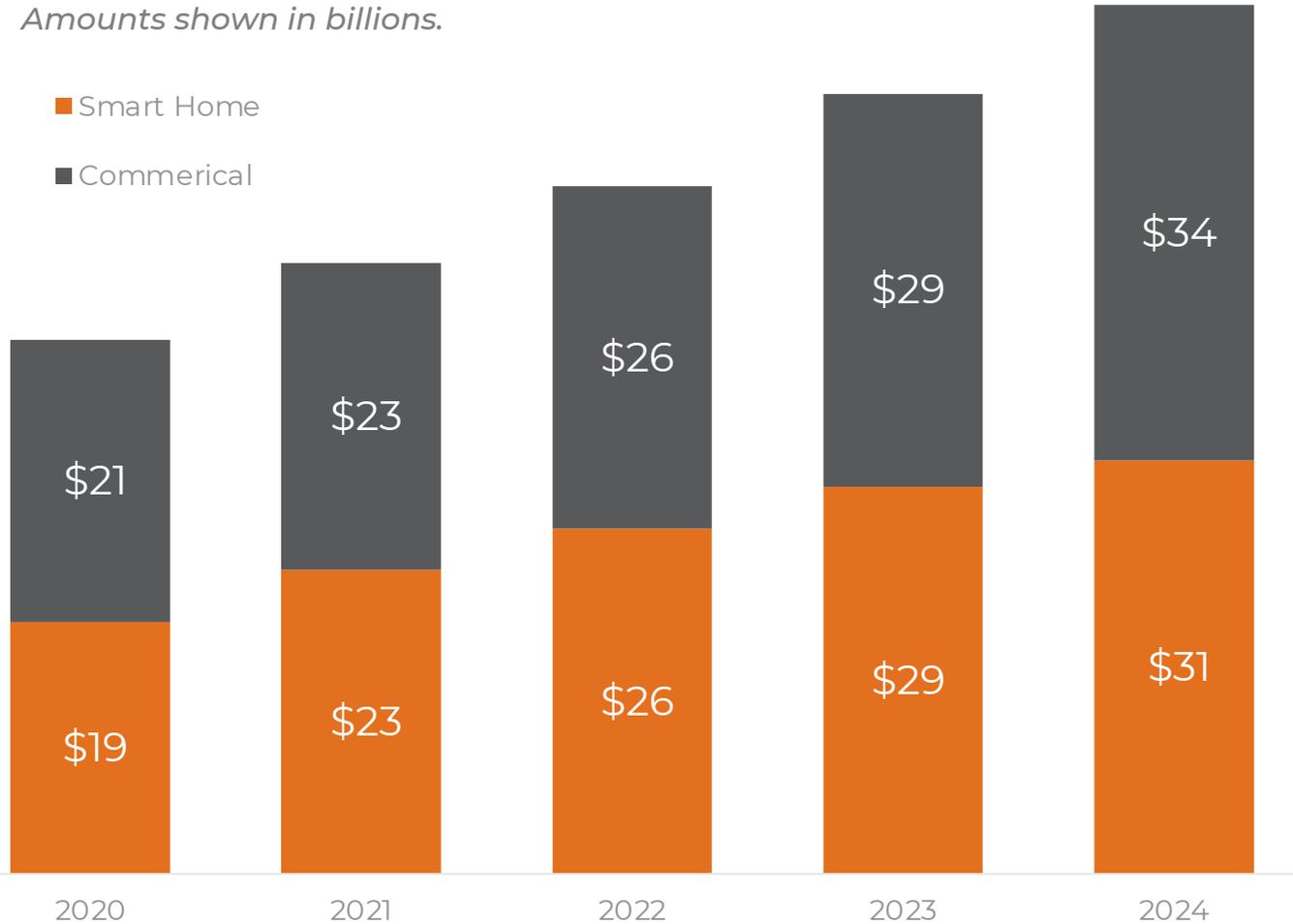
Our **Smart Water Valve+Meter** solution detects leaks through onboard flow sensors and connected devices, automatically alerts the subscriber, and shuts off the water supply to eliminate waste. With the Alarm.com mobile app, subscribers can monitor how much water they use and compare it to past periods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

Market Opportunity

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

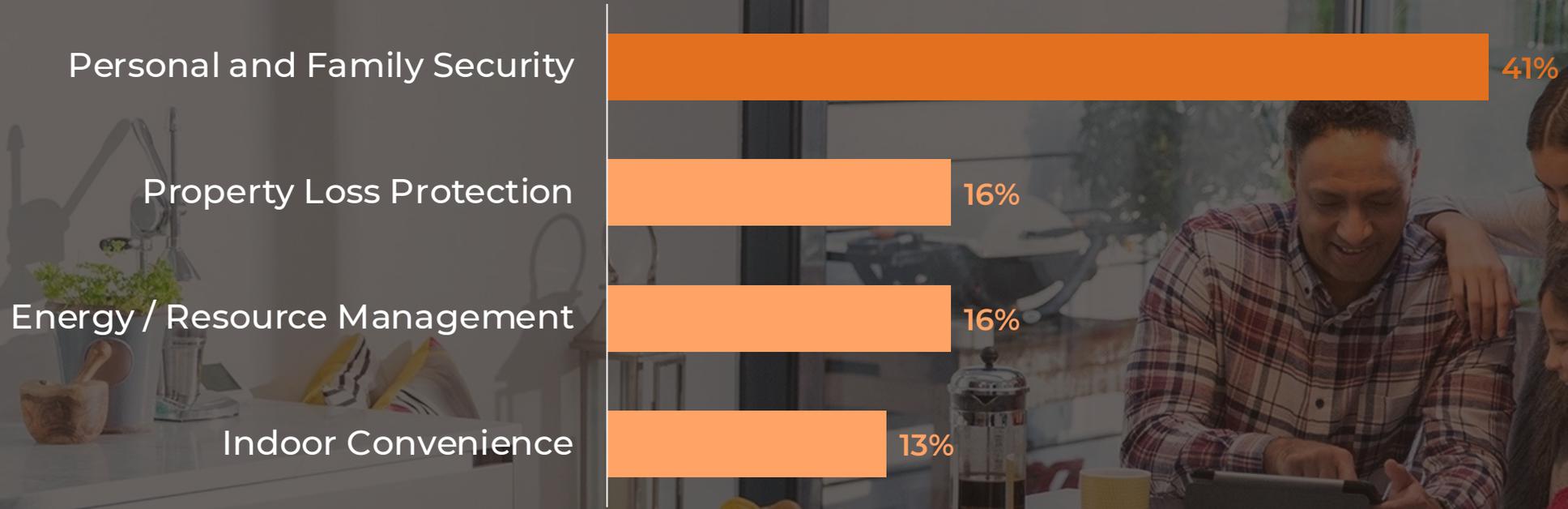
MARKET OPPORTUNITY

Residential



“ Security is the primary purchase motivator for smart home. ”

– Consumer Technology Association, 2019



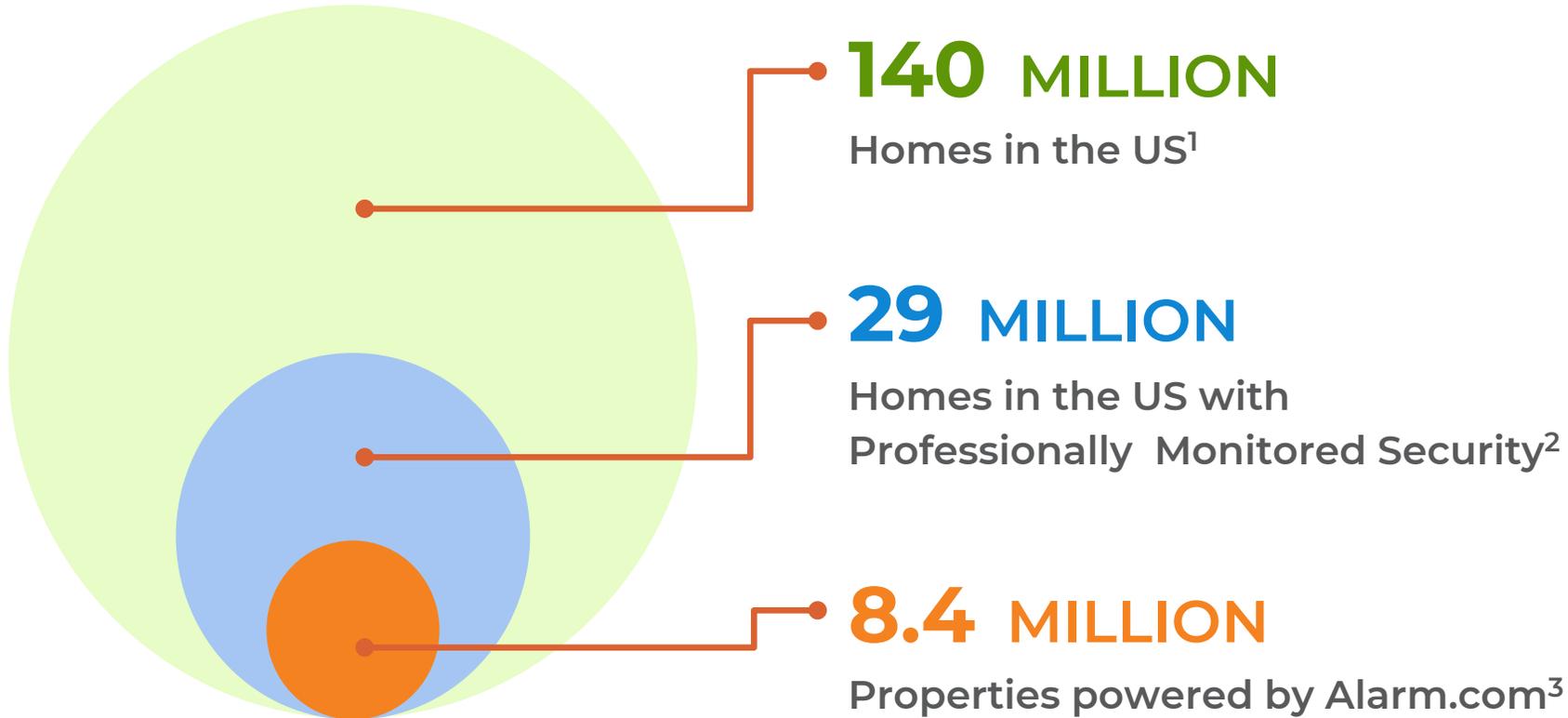
“ Most security customers will continue to opt for professionally installed systems, especially as those systems gain more functionality. ”

– Strategy Analytics, 2021

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

Residential Market

MONITORED SECURITY



PROPERTY MANAGEMENT

27 MILLION
Multi-family units in the US⁴

15 MILLION
Single-family rental households in the US⁴

¹ Source: 2019 U.S. Census Data. ² Source: Parks Associates, Security Customer Acquisition & Retention, 2020. ³ Globally as of Dec 31, 2021. ⁴ Source: 2018 U.S. Census Data

MARKET OPPORTUNITY
For Business



North American Commercial Market



SMALL & MEDIUM SIZED BUSINESS MARKET

Opportunity to upgrade to integrated, smart business solutions



~5.5 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.

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
- Launched OWS 24/7 Lite SaaS application in June 2020
- 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

INTERNET OF THINGS ECOSYSTEM



ADVANCED CLOUD PLATFORM

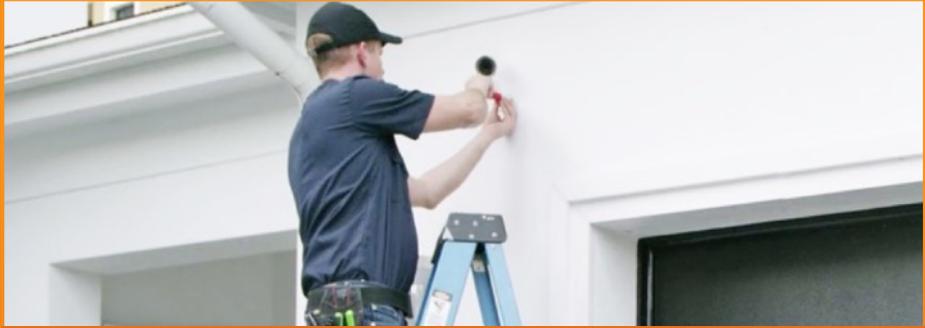
powered by  **ALARM.COM**

Intelligent Cloud-based Platform



FOR SUBSCRIBERS

- Interactive Security
- Video
- Energy Management
- Intelligent Automation
- Wellness Solutions

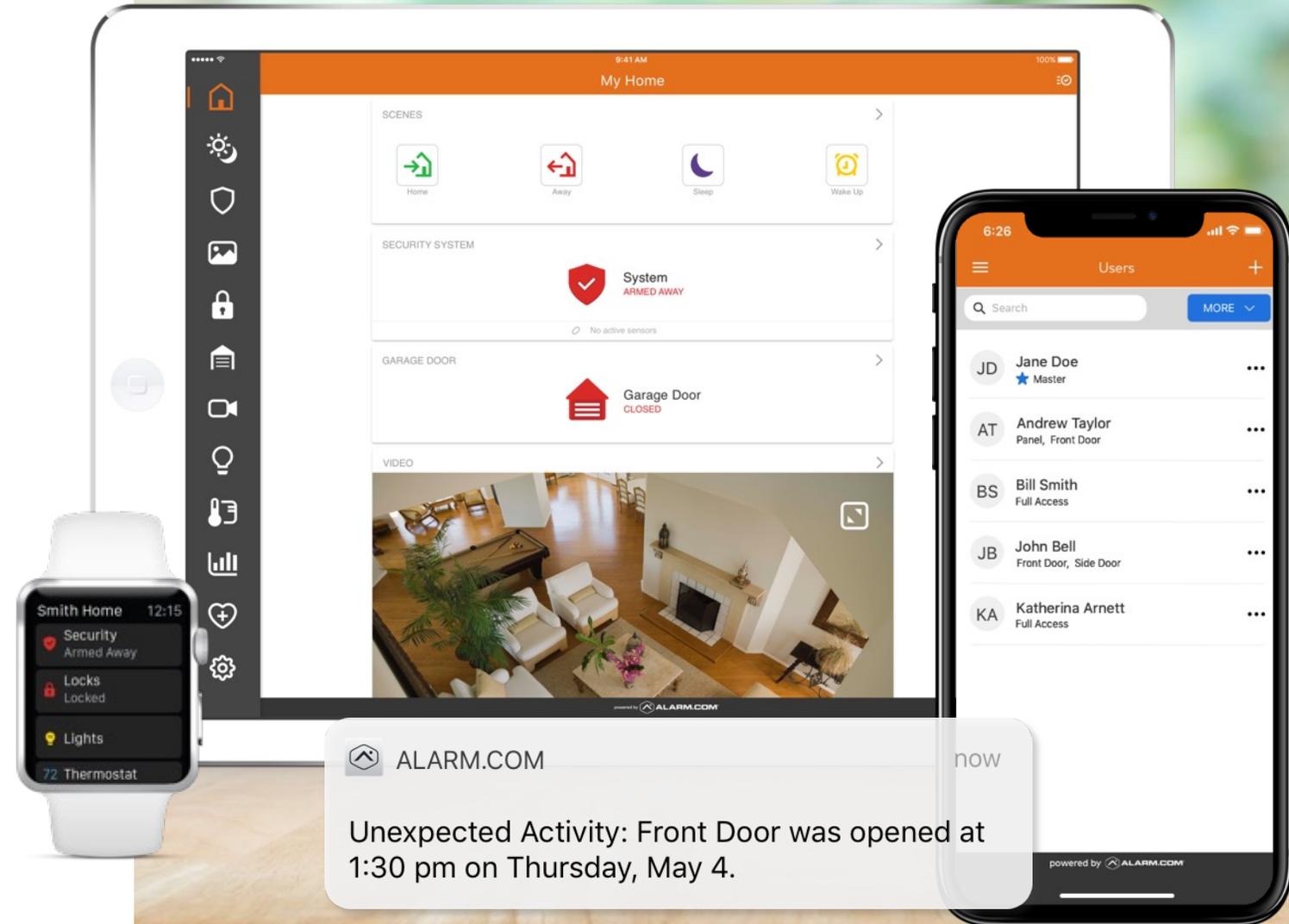


FOR SERVICE PROVIDERS

- Sales & Marketing
- Installation & Support
- Customer Engagement
- Business Intelligence
- Remote Diagnostics and Trouble Shooting

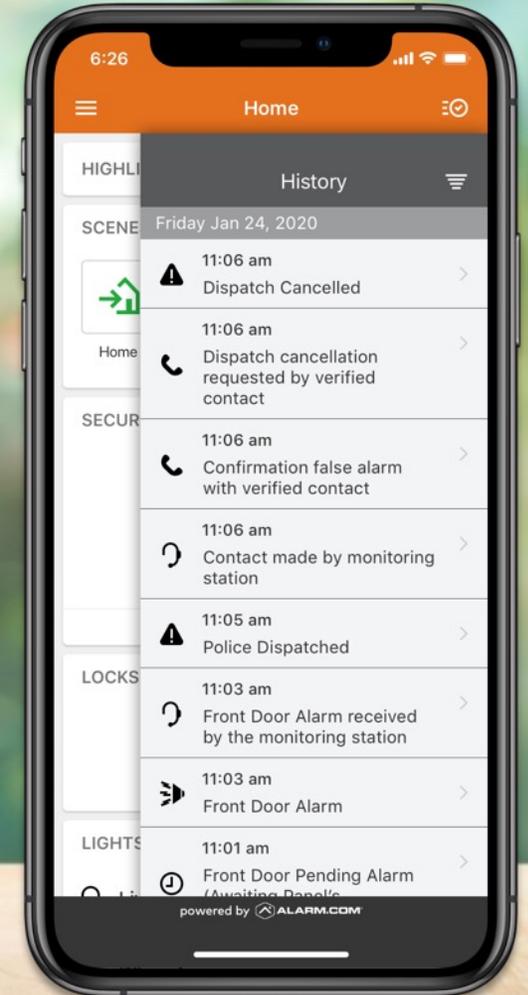
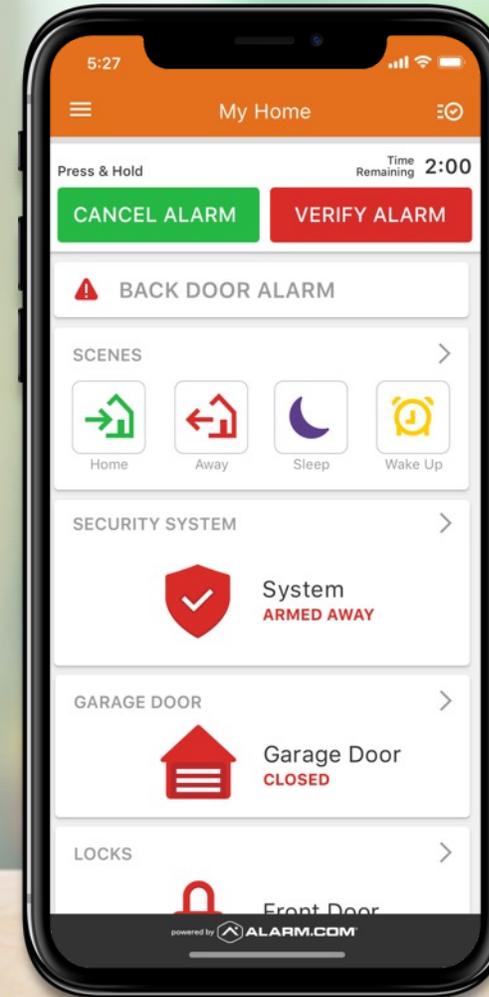
Smarter Security

- Reinvented home security
- Dedicated cellular connection and broadband dual-path
- Persistent awareness and AI smart alerts
- Securely manage property access with multi-device user codes and schedules
- Patented security capabilities



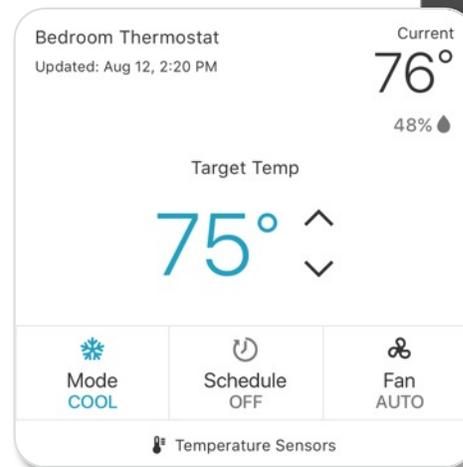
Smart Signal

- 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



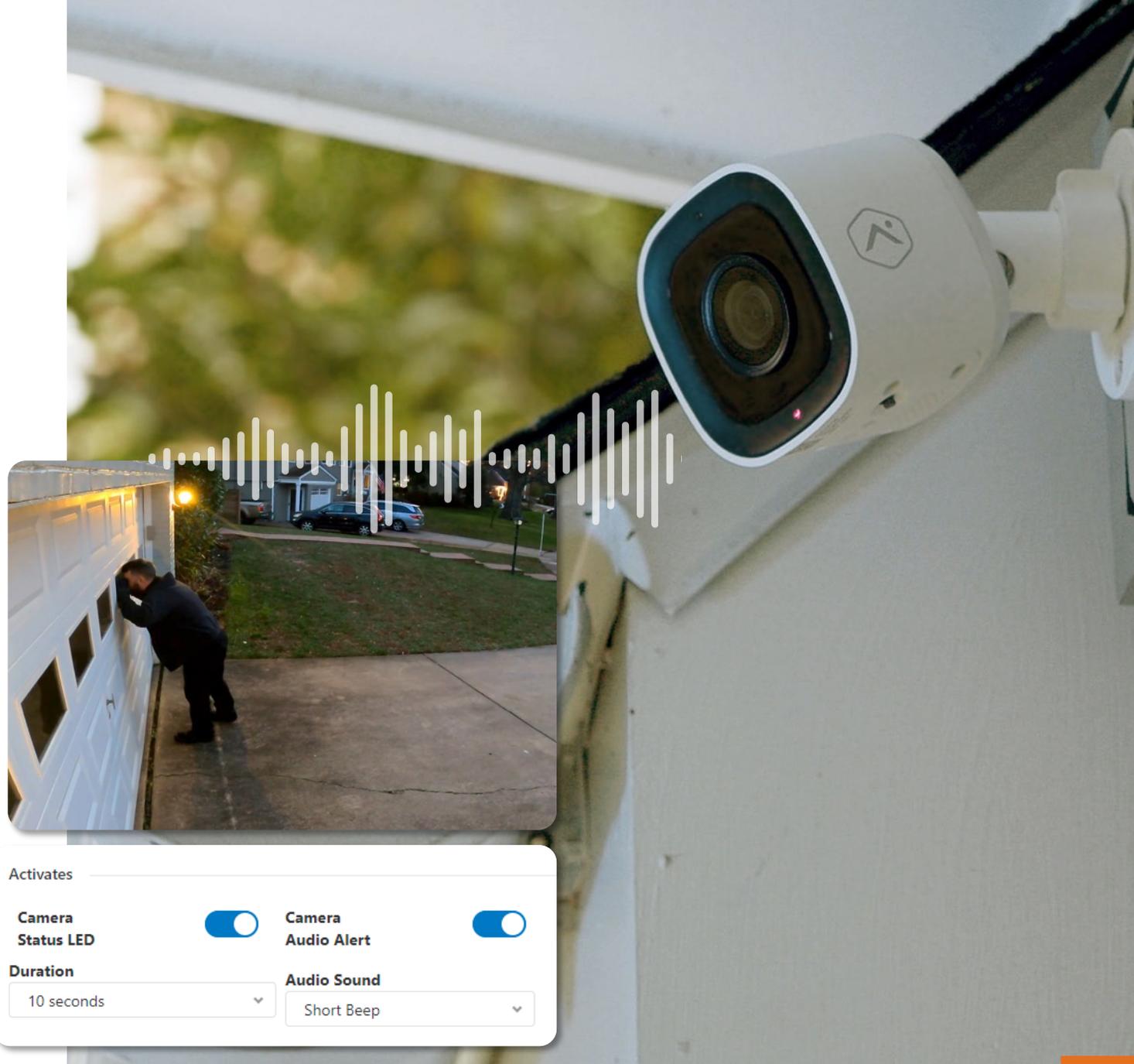
Smart Thermostat HD

- Sleek interactive touchscreen display
- Improved system compatibility
- Simpler, smarter installations
- Humidity display and control
- Motion Detection



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

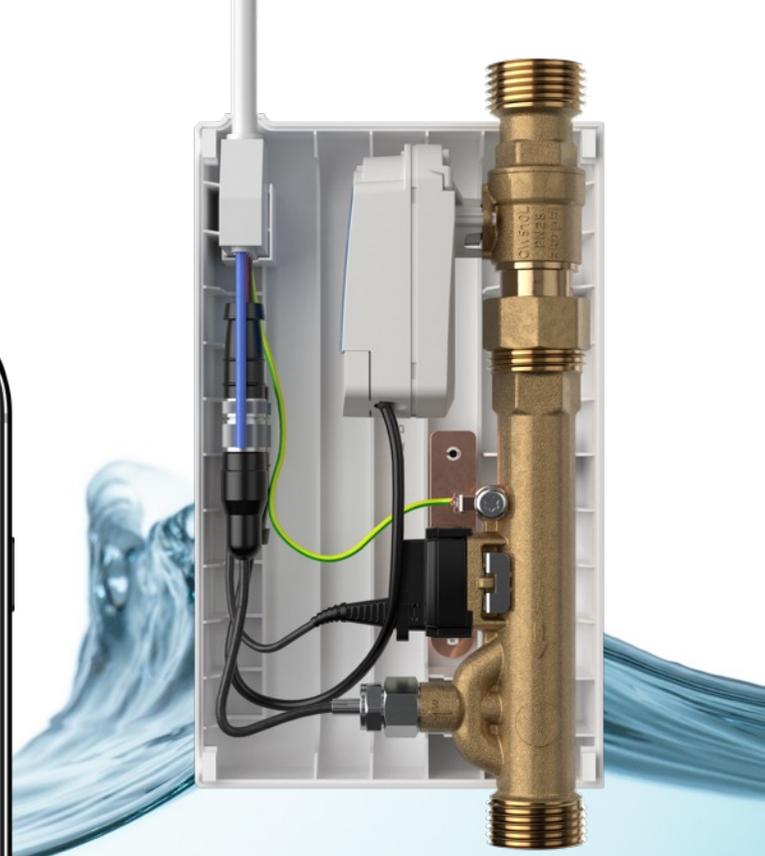
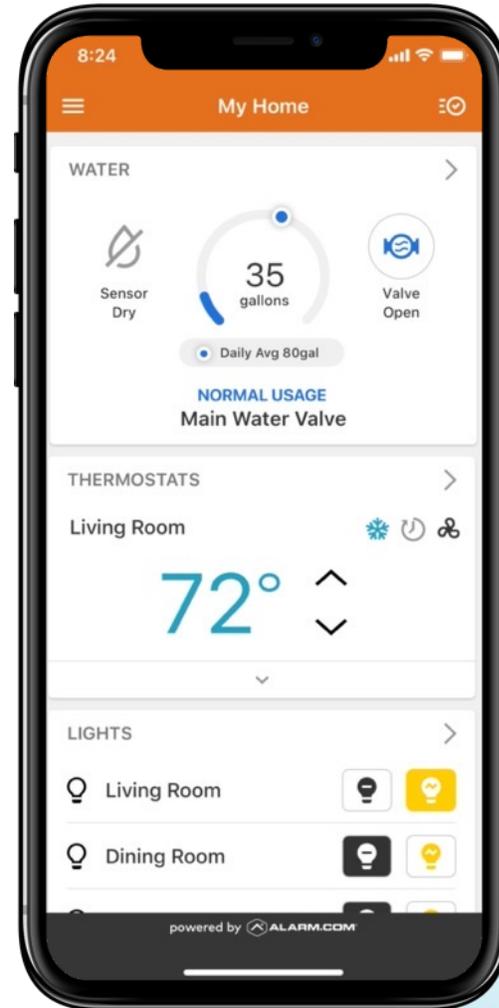
10 seconds

Audio Sound

Short Beep

Smart Water Valve+Meter

- Whole-home protection against costly water damage
- Automated alerts and water shut-off for burst pipes, leaks, and slow drips
- Learns daily water consumption and monitors for unusual activity
- Built to last, with top-quality hardware components sourced from global industry leaders



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

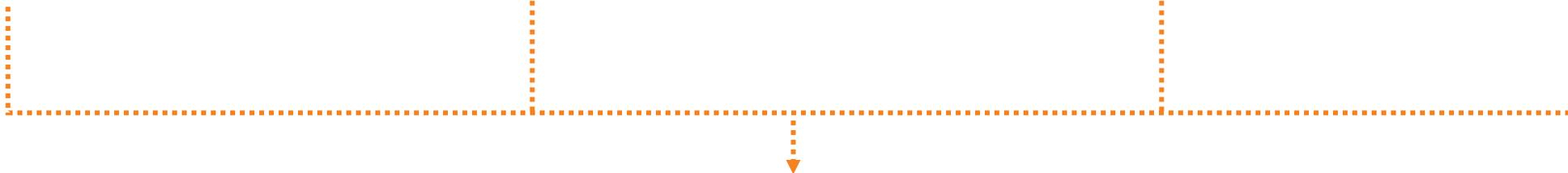


Touchless Doorbell

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



A Unified Commercial Solution



Location	Business Status	Panels	Access Points
Boston	Opened On Time 9:04 am, Today	Disarmed	2 Locked
New York	Opened Late 9:05 am, Today	Panel Disarmed, Partition 2 Armed Away	Back Entry Lock Unlocked, Store Room Lock Unlocked

My Business

Opened on time
8:57 AM, Today

SECURITY SYSTEM
System DISARMED

VIDEO
South Entrance

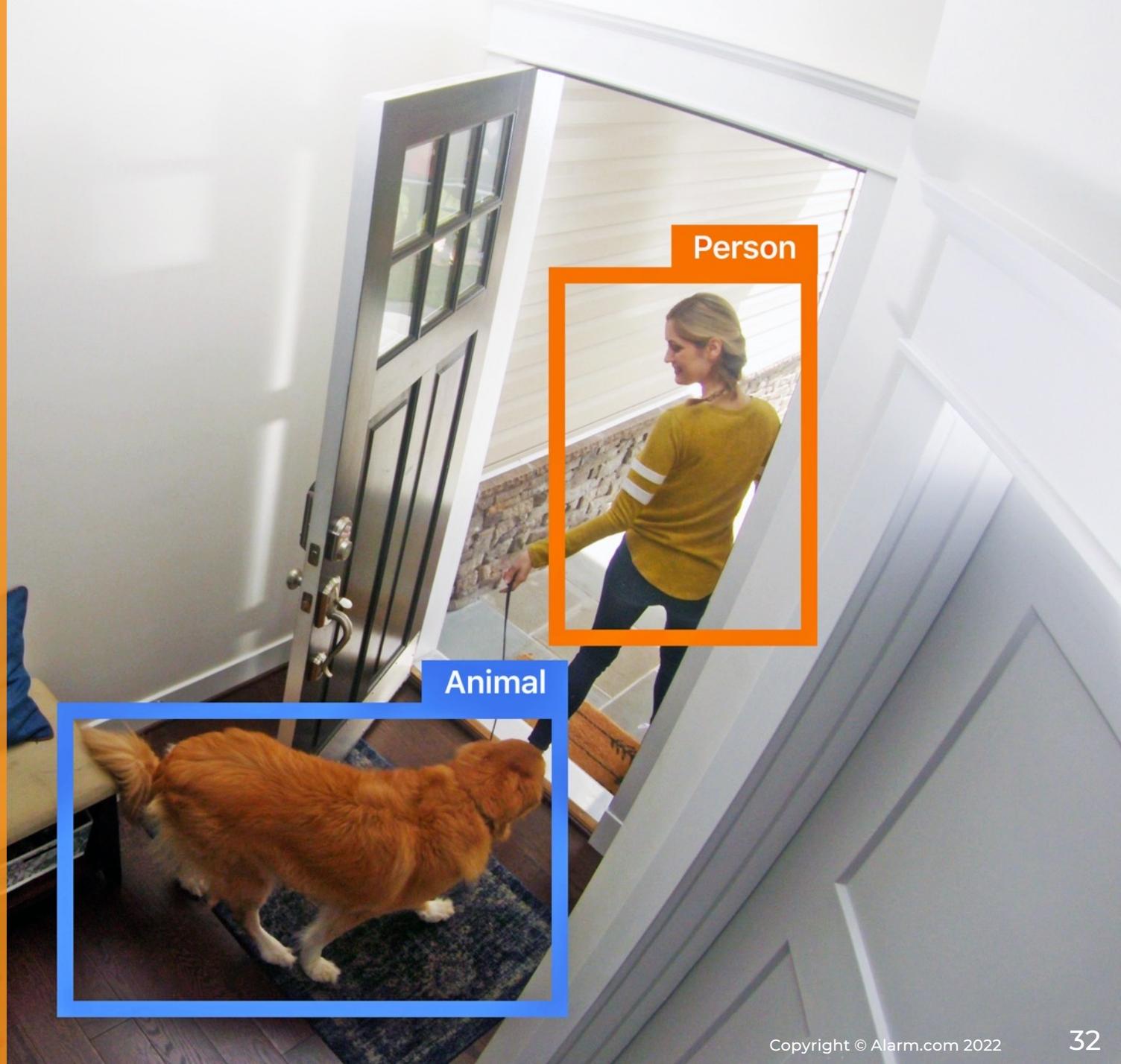
DOORS
Entrance UNLOCKED



PLAY VIDEO

ALARM.COM SOLUTIONS

Alarm AI



Person

Animal



Video Analytics

Service Provider Analytics

HVAC Analytics

Quality Engineering Analytics

Unexpected Activity

Wellness

Business Intelligence



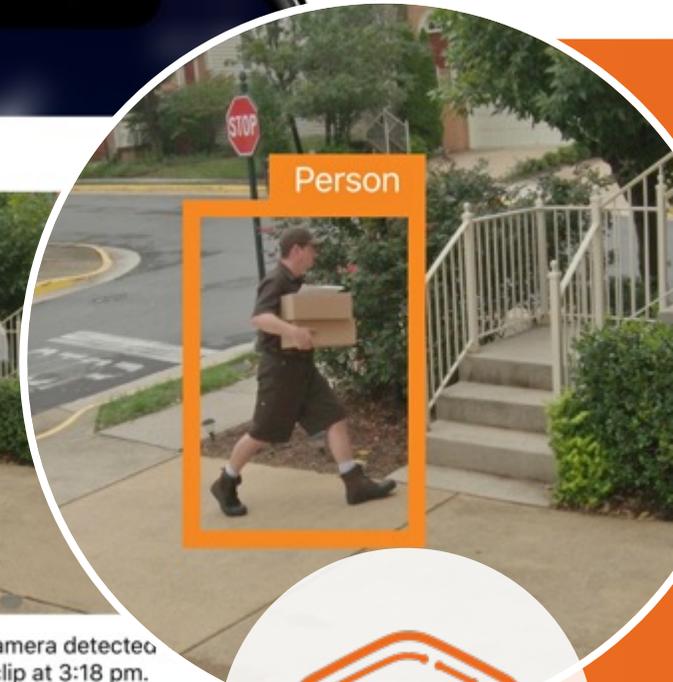
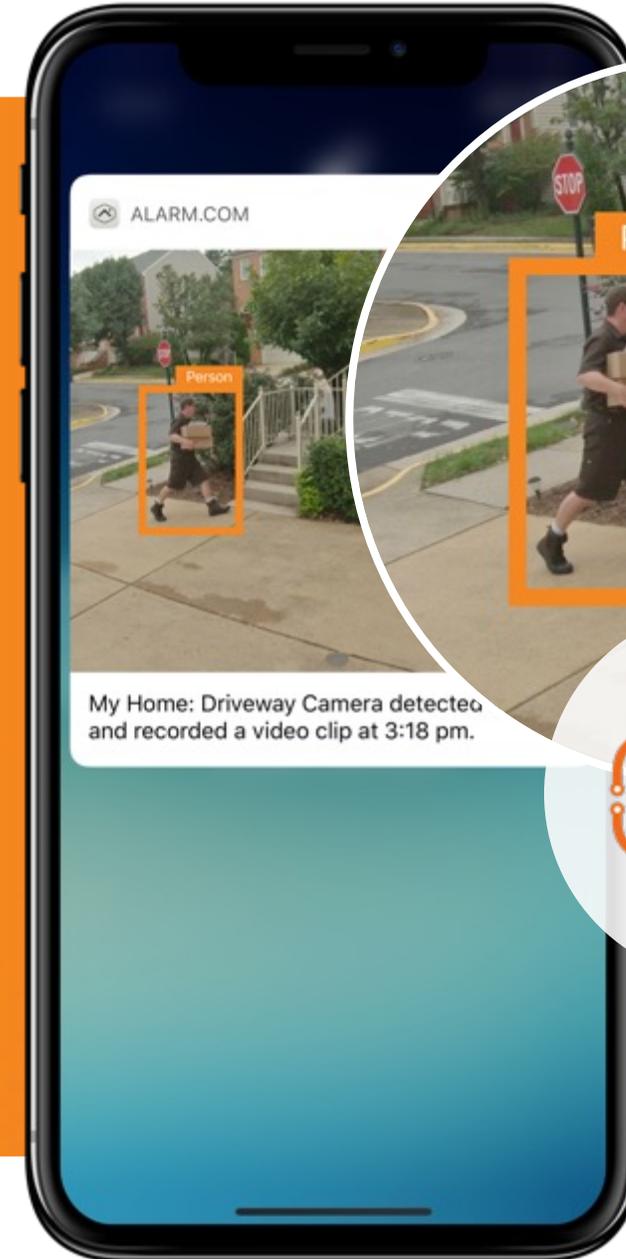
PLAY VIDEO

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

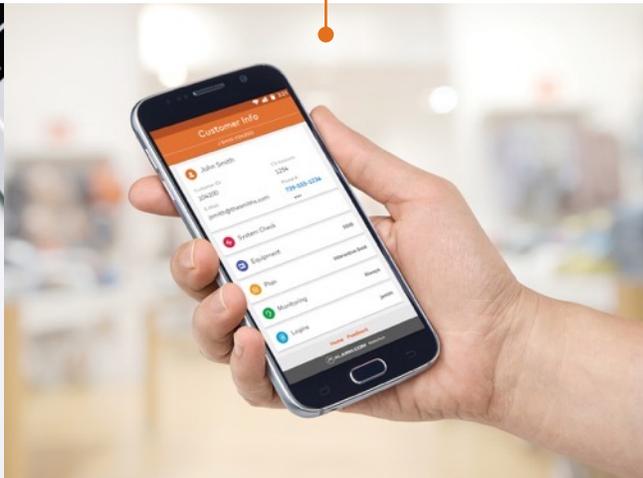
Partner Productivity Solutions

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

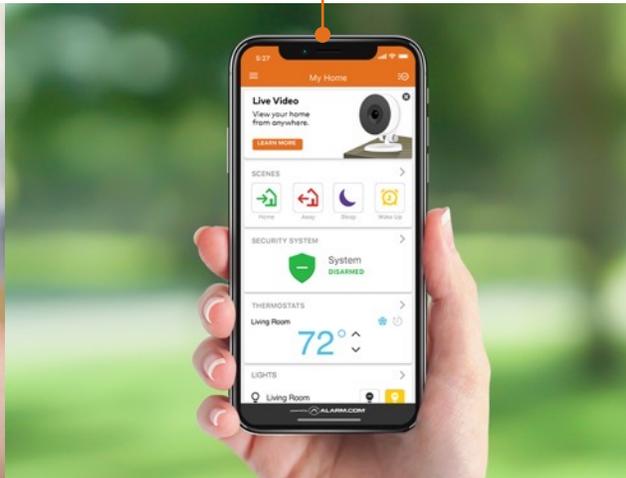
Accelerate Sales



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

8.4 million+
As of Dec 31, 2021



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

10,900+
As of Dec 31, 2021

Global Market

 Alarm.com services are available



2B
Households worldwide¹



\$32B
Global commercial market²



Delivering solutions in
~55 countries³

SELECT INTERNATIONAL PARTNERS:



¹ Source: Strategy Analytics, 2020 Global Smart Home Forecast

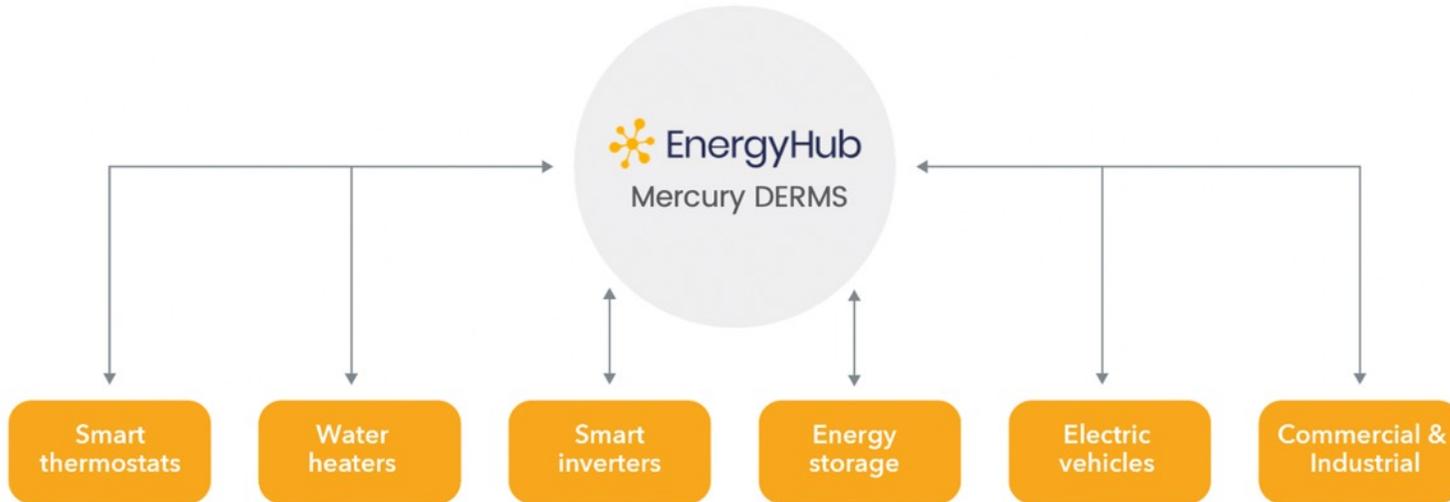
² Source: Memoori, The Physical Security Business 2018 to 2023, Q4 2018

³ As of Dec. 31, 2021

Energy Utilities

ENTERPRISE SOFTWARE SOLUTIONS FOR ENERGY UTILITIES

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



SELECT PARTNERS:



 Manage the largest portfolio of customer-owned DERs in the US

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

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

 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 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

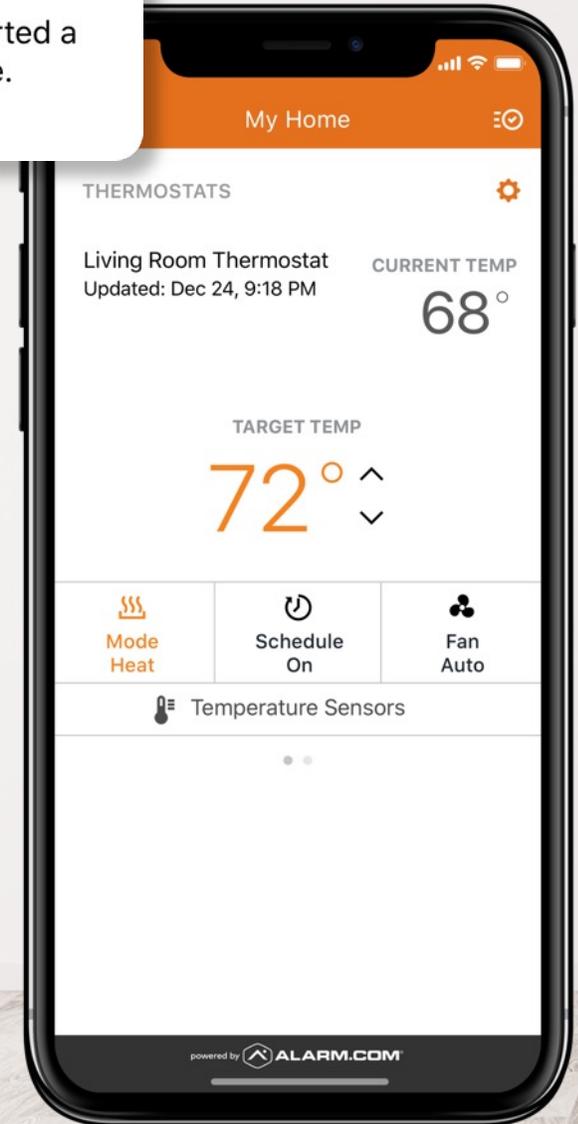


Enabling the HVAC channel to deliver advanced smart home automation solutions

- 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

HOME now

My Home: Living Room Thermostat reported a potential heating & cooling system failure. Contact XYZ HVAC for service.



SELECT PARTNERS:



Financial Overview

Proven M&A Execution

	2021	Software systems that enable responsive, flexible grid services
	2020	Patented indoor gunshot detection solutions
	2020	Robotics engineering company specializing in drone technology
	2020	Smart property intercoms and access systems
	2019	Cloud-managed video security and business intelligence
	2017	Video analytics and computer vision
	2017	Interactive security and home automation platform

FOCUSED M&A STRATEGY

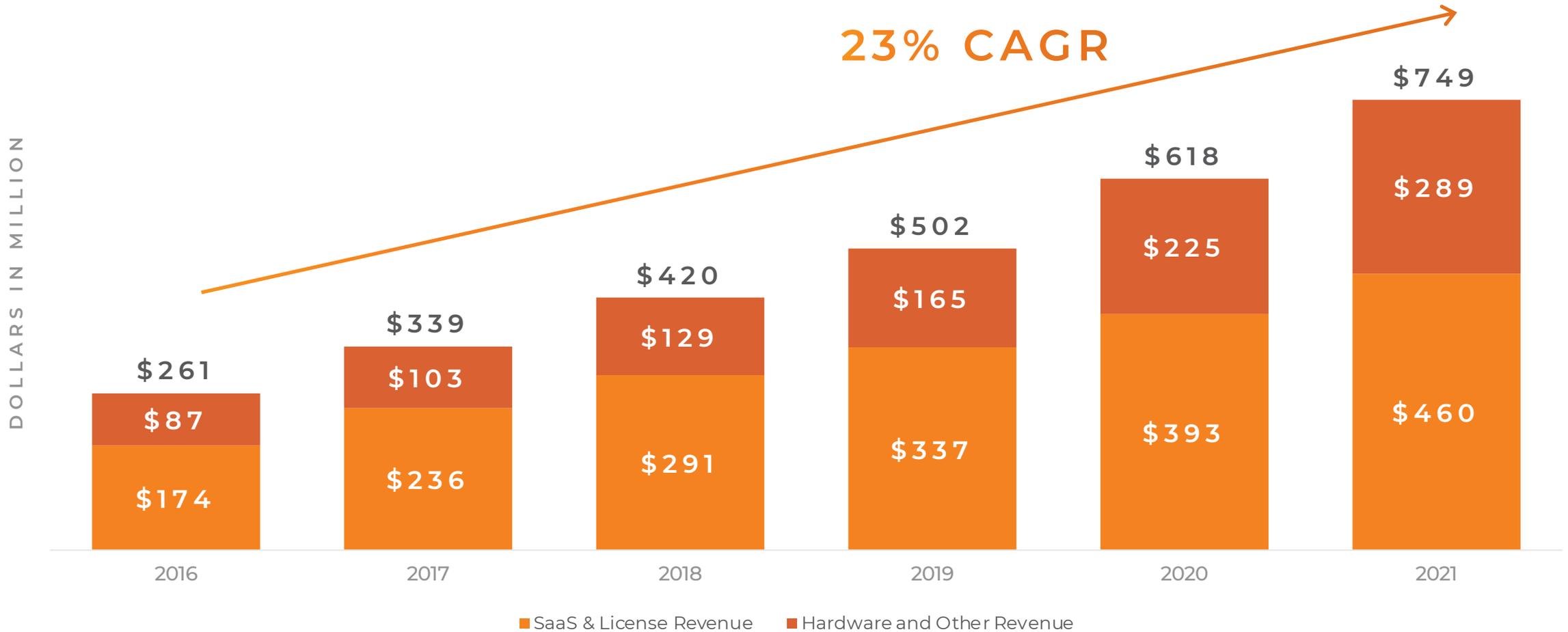
Focused to date on small targets, technology and tuck-in acquisitions

Retained management of acquired businesses

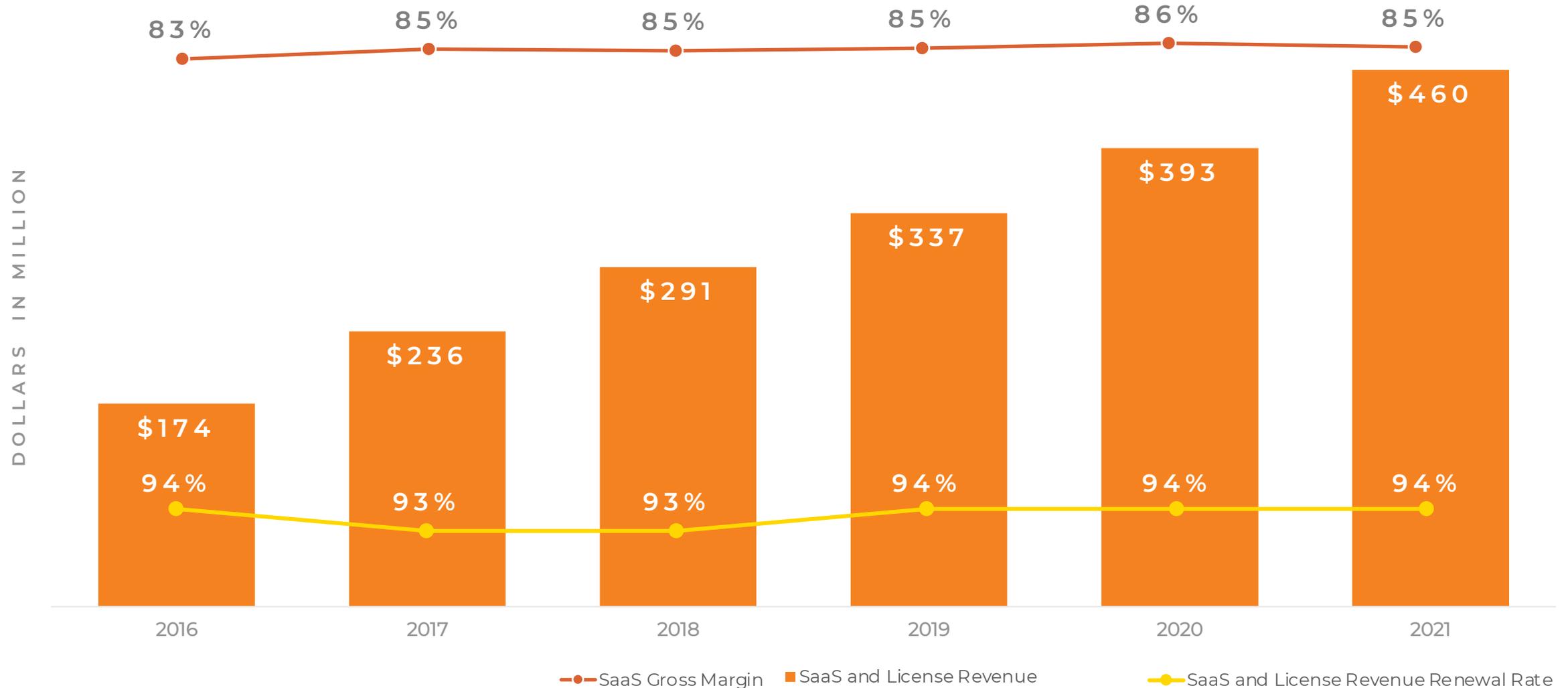
Focus on businesses with strong management and superb customer service

Expanded product offering for end customers

Consistent Revenue Growth

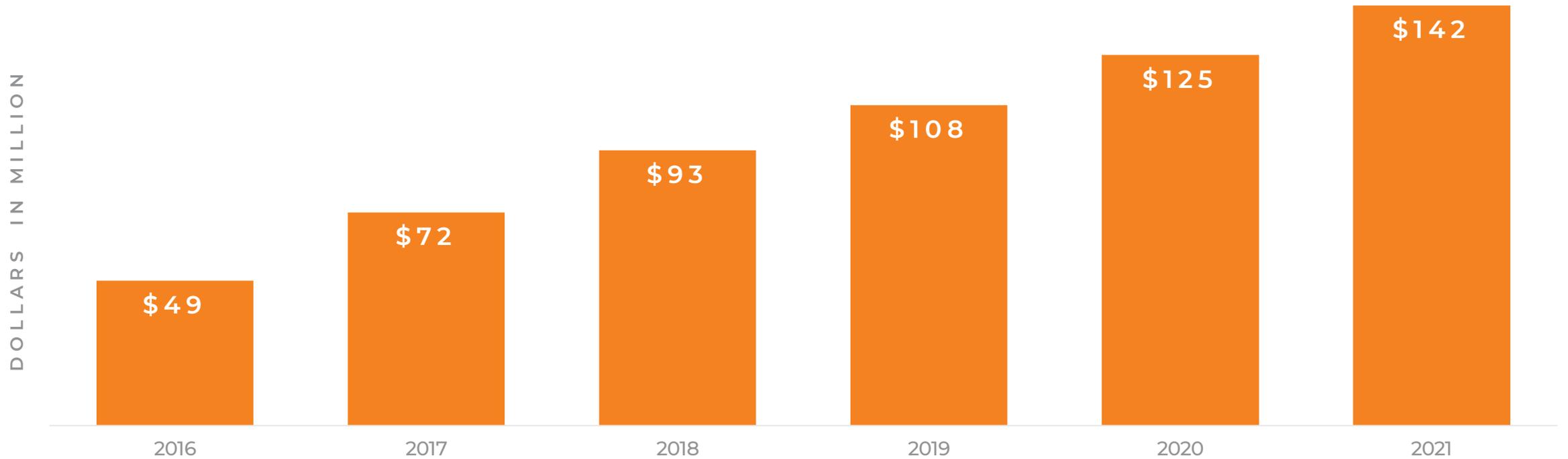


High SaaS Gross Margins and Renewal Rates



Track Record of Profitability

Strong track record of profits while investing 24- 25% of revenue in R&D in 2021 to drive future growth



■ Adj. EBITDA

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

Key Financial Highlights

Market Leader

- Highly scalable platform
- 8.4 million+ subscribers
- 100 million+ connected devices
- 200 billion+ data points processed in 2021



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

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

Statement of Operations Data:	2019	2020	2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
SaaS and license revenue ¹	\$337,375	\$393,257	\$460,372	\$100,126	\$105,477	\$107,383	\$113,186	\$118,059	\$121,744	\$123,225	\$129,475
Hardware and other revenue	164,988	224,746	288,597	58,725	60,099	65,115	75,671	74,265	73,546	82,212	83,370
Total revenue	\$502,363	\$618,003	\$748,969	\$158,851	\$165,576	\$172,498	\$188,857	\$192,324	\$195,290	\$205,437	\$212,845
Cost of SaaS and license revenue ²	\$50,066	\$53,539	\$66,758	\$14,344	\$13,866	\$15,156	\$17,201	\$17,425	\$16,976	\$16,894	\$18,688
Cost of hardware and other revenue	133,533	173,889	239,141	46,839	45,394	50,606	60,166	62,959	65,410	73,193	68,648
Total cost of revenue	\$183,599	\$227,428	\$305,899	\$61,183	\$59,260	\$65,762	\$77,367	\$80,384	\$82,386	\$90,087	\$87,336
Net income	\$53,330	\$76,660	\$51,175	\$35,825	\$15,639	\$14,550	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828
Net income attributable to common stockholders	53,531	77,853	52,259	36,084	15,967	14,830	14,745	13,538	9,146	9,079	10,842
Net income attributable to common stockholders per share, diluted	\$1.06	\$1.53	\$1.01	\$0.71	\$0.31	\$0.29	\$0.28	\$0.26	\$0.18	\$0.18	\$0.21
Weighted-average common shares outstanding - diluted	50,273,889	50,963,190	51,919,902	50,979,679	51,384,316	51,739,461	51,754,392	51,836,239	51,927,073	55,170,781	54,757,020
Balance Sheet Data (as of):											
Cash and cash equivalents	\$119,629	\$253,459	\$710,621	\$247,176	\$253,459	\$642,172	\$662,682	\$700,307	\$710,621	\$671,753	\$643,380
Non-GAAP financial measures³:											
Adjusted EBITDA ³	\$108,307	\$125,257	\$142,472	\$34,496	\$32,362	\$35,606	\$38,006	\$37,578	\$31,282	\$29,919	\$37,135
Adjusted net income ³	77,051	88,433	102,672	24,605	22,854	25,617	27,534	27,204	22,317	21,169	26,852
Adjusted net income attributable to common stockholders ³	77,210	89,375	103,529	24,810	23,112	25,838	27,736	27,396	22,559	21,308	26,863

1 Includes software license revenue of \$6.9 million and \$8.3 million for the three months ended June 30, 2022 and 2021, respectively.

2 Includes cost of software license revenue of \$0.1 million and \$0.3 million for the three months ended June 30, 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.

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

	2019	2020	2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Adjusted EBITDA:											
Net income	\$53,330	\$76,660	\$51,175	\$35,825	\$15,639	\$14,550	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828
Adjustments:											
Interest expense, interest income and certain activity within other (expense) / income, net	(8,483)	(23,862)	15,503	(24,315)	(287)	3,366	3,973	4,003	4,161	628	(371)
Provision for / (benefit from) income taxes	5,566	3,500	(5,106)	6,546	(1,971)	(2,913)	(1,738)	1,787	(2,242)	(618)	844
Amortization and depreciation expense	22,134	27,520	29,715	6,878	7,497	7,385	7,477	7,467	7,386	7,761	7,775
Stock-based compensation expense	20,603	29,176	38,694	7,448	8,275	7,888	10,056	9,418	11,332	12,110	12,789
Secondary offering expense	—	543	—	—	—	—	—	—	—	—	—
Acquisition-related expense / (benefit)	2,403	2,732	29	(304)	688	29	—	—	—	—	—
Litigation expense	12,754	8,988	12,462	2,418	2,521	5,301	3,748	1,609	1,804	1,135	5,270
Total adjustments	54,977	48,597	91,297	(1,329)	16,723	21,056	23,516	24,284	22,441	21,016	26,307
Adjusted EBITDA	\$108,307	\$125,257	\$142,472	\$34,496	\$32,362	\$35,606	\$38,006	\$37,578	\$31,282	\$29,919	\$37,135
Net Income Margin	11%	12%	7%	23%	9%	8%	8%	7%	5%	4%	5%
Adjusted EBITDA Margin	22%	20%	19%	22%	20%	21%	20%	20%	16%	15%	17%

Adjusted net income:

Net income, as reported	\$53,330	\$76,660	\$51,175	\$35,825	\$15,639	\$14,550	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828
Provision for / (benefit from) income taxes	5,566	3,500	(5,106)	6,546	(1,971)	(2,913)	(1,738)	1,787	(2,242)	(618)	844
Income before income taxes	58,896	80,160	46,069	42,371	13,668	11,637	12,752	15,081	6,599	8,285	11,672

Adjustments:

Interest income and certain activity within other (expense) / income, net	(11,457)	(26,458)	(453)	(24,871)	(814)	(2)	(181)	(193)	(77)	(156)	(1,156)
Amortization expense	14,334	16,799	17,347	4,084	4,590	4,329	4,329	4,329	4,360	4,642	4,635
Amortization of debt discount and debt issuance costs	—	—	15,817	—	—	3,244	4,150	4,191	4,232	780	780
Stock-based compensation expense	20,603	29,176	38,694	7,448	8,275	7,888	10,056	9,418	11,332	12,110	12,789
Secondary offering expense	—	543	—	—	—	—	—	—	—	—	—
Acquisition-related expense / (benefit)	2,403	2,732	29	(304)	688	29	—	—	—	—	—
Litigation expense	12,754	8,988	12,462	2,418	2,521	5,301	3,748	1,609	1,804	1,135	5,270
Non-GAAP adjusted income before income taxes	97,533	111,940	129,965	31,146	28,928	32,426	34,854	34,435	28,250	26,796	33,990
Income taxes	(20,482)	(23,507)	(27,293)	(6,541)	(6,074)	(6,809)	(7,320)	(7,231)	(5,933)	(5,627)	(7,138)
Non-GAAP adjusted net income	\$77,051	\$88,433	\$102,672	\$24,605	\$22,854	\$25,617	\$27,534	\$27,204	\$22,317	\$21,169	\$26,852

Alarm.com Holdings, Inc.

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

	2019	2020	2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Adjusted net income attributable to common stockholders:											
Net income attributable to common stockholders, as reported	\$53,531	\$77,853	\$52,259	\$36,084	\$15,967	\$14,830	\$14,745	\$13,538	\$9,146	\$9,079	\$10,842
Provision for / (benefit from) income taxes	5,566	3,500	(5,106)	6,546	(1,971)	(2,913)	(1,738)	1,787	(2,242)	(618)	844
Income attributable to common stockholders before taxes	59,097	81,353	47,153	42,630	13,996	11,917	13,007	15,325	6,904	8,461	11,686
Adjustments:											
Interest income and certain activity within other (expense) / income, net	(11,457)	(26,458)	(453)	(24,871)	(814)	(2)	(181)	(193)	(77)	(156)	(1,156)
Amortization expense	14,334	16,799	17,347	4,084	4,590	4,329	4,329	4,329	4,360	4,642	4,635
Amortization of debt discount and debt issuance costs	—	—	15,817	—	—	3,244	4,150	4,191	4,232	780	780
Stock-based compensation expense	20,603	29,176	38,694	7,448	8,275	7,888	10,056	9,418	11,332	12,110	12,789
Secondary offering expense	—	543	—	—	—	—	—	—	—	—	—
Acquisition-related expense / (benefit)	2,403	2,732	29	(304)	688	29	—	—	—	—	—
Litigation expense	12,754	8,988	12,462	2,418	2,521	5,301	3,748	1,609	1,804	1,135	5,270
Non-GAAP adjusted income attributable to common stockholders before income taxes	97,734	113,133	131,049	31,405	29,256	32,706	35,109	34,679	28,555	26,972	34,004
Income taxes	(20,524)	(23,758)	(27,520)	(6,595)	(6,144)	(6,868)	(7,373)	(7,283)	(5,996)	(5,664)	(7,141)
Non-GAAP adjusted net income attributable to common stockholders	\$77,210	\$89,375	\$103,529	\$24,810	\$23,112	\$25,838	\$27,736	\$27,396	\$22,559	\$21,308	\$26,863
Non-GAAP adjusted net income attributable to common stockholders per share - diluted	\$1.54	\$1.75	\$1.99	\$0.49	\$0.45	\$0.50	\$0.54	\$0.53	\$0.43	\$0.39	\$0.49
Free cash flow:											
Cash flows from / (used in) operating activities	\$47,112	\$102,080	\$103,157	\$18,622	\$35,410	\$21,232	\$24,076	\$37,886	\$19,963	(\$13,961)	\$26,219
Additions to property and equipment	(19,324)	(16,141)	(11,062)	(3,561)	(5,464)	(4,069)	(3,312)	(1,558)	(2,123)	(2,171)	(24,131)
Non-GAAP free cash flow	\$27,788	\$85,939	\$92,095	\$15,061	\$29,946	\$17,163	\$20,764	\$36,328	\$17,840	(\$16,132)	\$2,088

Supplemental Financial Data

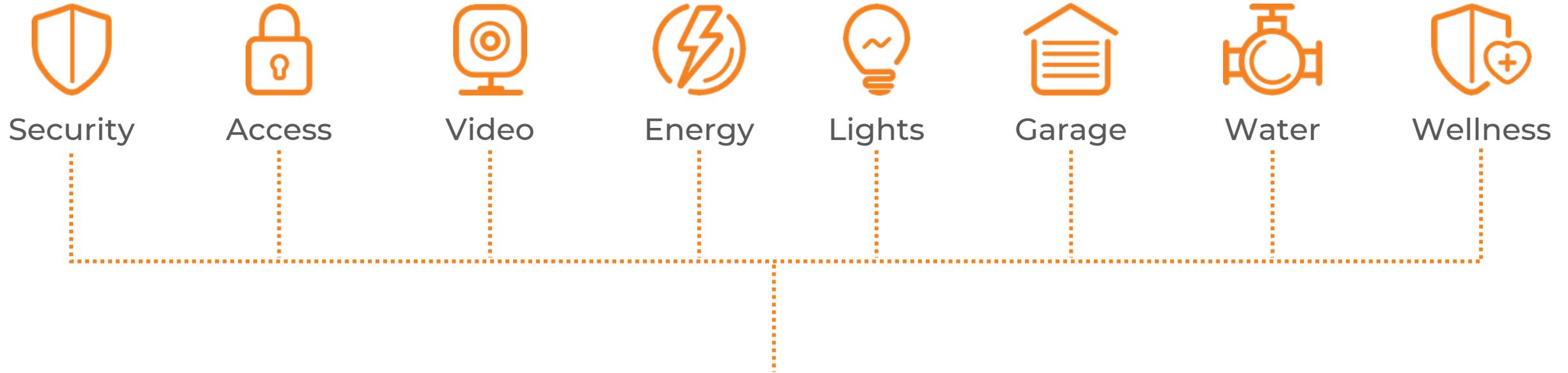
Alarm.com Holdings, Inc.

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

Supplemental Financial Data:	2019	2020	2021	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
SaaS and license revenue ¹	\$337,375	\$393,257	\$460,372	\$100,126	\$105,477	\$107,383	\$113,186	\$118,059	\$121,744	\$123,225	\$129,475
Hardware and other revenue	164,988	224,746	288,597	58,725	60,099	65,115	75,671	74,265	73,546	82,212	83,370
Total revenue	502,363	618,003	748,969	158,851	165,576	172,498	188,857	192,324	195,290	205,437	212,845
Cost of SaaS and license revenue ²	50,066	53,539	66,758	14,344	13,866	15,156	17,201	17,425	16,976	16,894	18,688
Cost of hardware and other revenue	133,533	173,889	239,141	46,839	45,394	50,606	60,166	62,959	65,410	73,193	68,648
Total cost of revenue	183,599	227,428	305,899	61,183	59,260	65,762	77,367	80,384	82,386	90,087	87,336
Sales and marketing	61,815	75,967	86,664	18,410	23,562	18,999	20,529	22,557	24,579	23,192	22,933
General and administrative	69,959	78,643	87,406	17,410	23,009	22,882	23,268	18,689	22,567	23,994	29,309
Research and development	114,443	152,147	177,713	36,914	38,867	42,467	43,491	44,143	47,612	51,490	54,156
Amortization and depreciation	22,134	27,520	29,715	6,878	7,497	7,385	7,477	7,467	7,386	7,761	7,775
Total operating expenses	268,351	334,277	381,498	79,612	92,935	91,733	94,765	92,856	102,144	106,437	114,173
Operating income	50,413	56,298	61,572	18,056	13,381	15,003	16,725	19,084	10,760	8,913	11,336
Interest expense	(2,974)	(2,596)	(15,956)	(556)	(527)	(3,368)	(4,154)	(4,196)	(4,238)	(784)	(785)
Interest income	4,922	870	587	118	136	157	149	140	141	143	1,016
Other income / (expense), net	6,535	25,588	(134)	24,753	678	(155)	32	53	(64)	13	105
Income before income taxes	58,896	80,160	46,069	42,371	13,668	11,637	12,752	15,081	6,599	8,285	11,672
Provision for / (benefit from) income taxes	5,566	3,500	(5,106)	6,546	(1,971)	(2,913)	(1,738)	1,787	(2,242)	(618)	844
Net income	\$53,330	\$76,660	\$51,175	\$35,825	\$15,639	\$14,550	\$14,490	\$13,294	\$8,841	\$8,903	\$10,828
Net income attributable to common stockholders	\$53,531	\$77,853	\$52,259	\$36,084	\$15,967	\$14,830	\$14,745	\$13,538	\$9,146	\$9,079	\$10,842
Stock-based compensation expense data:											
Sales and marketing	\$2,075	\$3,025	\$4,432	\$734	\$762	\$808	\$1,235	\$1,189	\$1,200	\$1,058	\$1,440
General and administrative	6,474	7,996	9,941	2,154	1,963	2,080	3,163	1,974	2,724	3,235	3,947
Research and development	12,054	18,155	24,321	4,560	5,550	5,000	5,658	6,255	7,408	7,817	7,402
Total stock-based compensation expense	\$20,603	\$29,176	\$38,694	\$7,448	\$8,275	\$7,888	\$10,056	\$9,418	\$11,332	\$12,110	\$12,789
As a percent of revenue:											
Cost of SaaS and license revenue as a percentage of SaaS and license revenue	15%	14%	15%	14%	13%	14%	15%	15%	14%	14%	14%
Cost of hardware and other revenue as a percentage of hardware and other revenue	81%	77%	83%	80%	76%	78%	80%	85%	89%	89%	82%
Sales and marketing	12%	12%	11%	12%	14%	11%	11%	12%	13%	11%	11%
General and administrative	14%	13%	12%	11%	14%	13%	12%	9%	11%	12%	14%
Research and development	23%	25%	24%	23%	23%	25%	23%	23%	24%	25%	25%
Amortization and depreciation	4%	4%	4%	4%	5%	4%	4%	4%	4%	4%	4%
Total operating expenses	53%	54%	51%	50%	56%	53%	50%	48%	52%	52%	54%
Operating income	10%	9%	8%	11%	8%	9%	9%	10%	6%	4%	5%
Net income	11%	12%	7%	23%	9%	8%	8%	7%	5%	4%	5%
Net income attributable to common stockholders	11%	13%	7%	23%	10%	9%	8%	7%	5%	4%	5%

¹ Includes software license revenue of \$6.9 million and \$8.3 million for the three months ended June 30, 2022 and 2021, respectively.

² Includes cost of software license revenue of \$0.1 million and \$0.3 million for the three months ended June 30, 2022 and 2021, respectively.



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

Argus Insights 2016 REPORT