



# Leading SaaS platform for the intelligently connected property

November 2024



# 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 and the war between Israel and Hamas (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 22, 2024 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 September 30, 2024. 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 November 7, 2024 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

The Alarm.com Platform

Our Solutions

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**



**~12,000**  
service provider  
partners



**2,055**  
employees

# Key Investment Highlights

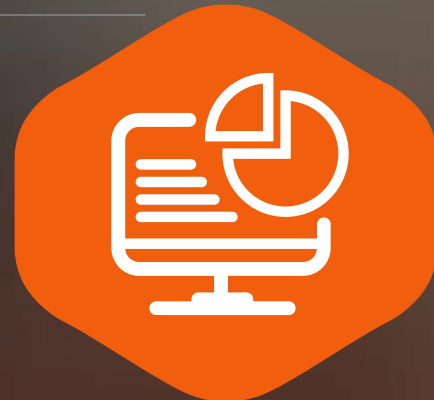
Clear Leader in Large & Growing Markets



Innovating to Expand Market Opportunities



SaaS Recurring Revenue Model



Strong Profitable Growth



# Efficient Service Provider Go-to Market

## Alarm.com Contributes

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

## Winning Partnership

## Service Provider Contributes

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

~12K

Service provider  
partners<sup>1</sup>



# History of Innovation & TAM Expansion

## IPO 2015 2003-2015

Industry 1st  
Wireless Interactive  
Security

Industry 1st  
Native Mobile App  
& Smart Home App  
for Apple Watch

Integrated  
Doorbell Camera

## 2016-2018

Integrated  
Doorbell Camera

Commercial  
Market Launch

Smarter  
Access Control

Insights Engine

Video Analytics

## 2019

Video Analytics  
for Business

Connected Car  
Solution

Acquired OpenEye

Expansion into  
Enterprise  
Commercial

## 2020

Commercial SVR

Industry 1st  
Flex I/O

Acquired  
Shooter Detection  
Systems

OpenEye launches  
SaaS solution

Smart Gateway

## 2021

AI-based Business  
Activity Analytics

Pro-Series  
Commercial  
Cameras

Perimeter Guard

Ambient Insights  
for Alarm Response

Industry 1st  
Touchless Video  
Doorbell

## 2022

3rd Party  
Camera Support

Acquired  
Noonlight

Water Dragon

Wireless  
Video Doorbell

OpenEye, AI-based  
video analytics

Industry 1st Smart  
Arming

## 2023

Cell Connector  
for Access Control

729 Floodlight  
Camera

Battery-free  
Video Doorbell

Pro-Series Cameras

In-App  
Property Panic

AI-powered  
Enhanced Visual  
Verification



# Market Opportunity

# Market Opportunity

Over 500 million serviceable properties and growing

Leveraging our technology leadership and scale in core markets to expand into emerging market opportunities.



## Growth in Adjacent Markets

Commercial  
Video analytics  
Advanced monitoring &  
Event response  
Active shooter events



## International Expansion

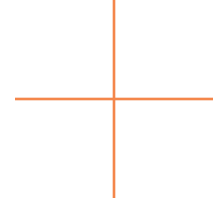
Currently in 60+ countries, partnered with leading global security providers, and expanding market depth and breadth.



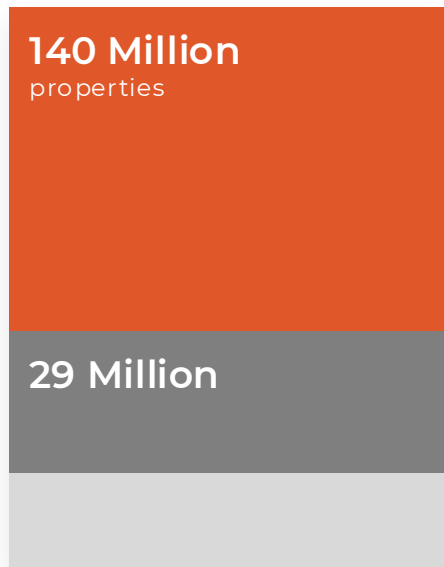
## Develop Emerging AI and IoT Opportunities

Lead secular technology trends and emerging opportunities.

# Global Residential Opportunity



## US & Canada Markets



**400M**

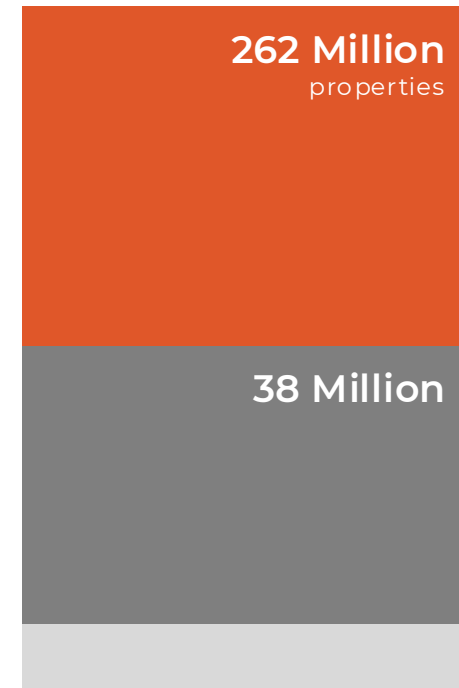
Total Serviceable Homes <sup>1</sup>

**67M**

Homes with Monitored Security <sup>2</sup>

Properties Powered  
by Alarm.com <sup>3</sup>

## International Markets





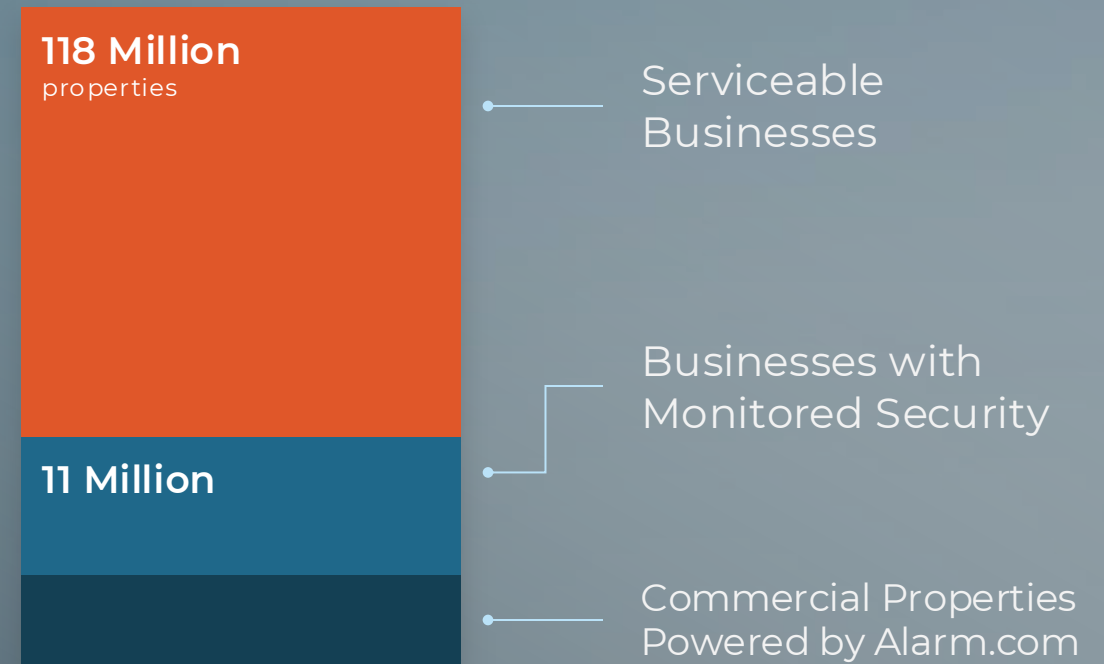
# Global Commercial Opportunity

## Growth Dynamics

Long-term cyclical upgrade opportunity from traditional systems to Alarm.com's intelligent, unified security, video, and access control solutions.

Robust solution suite increases commercial account ARPU by 2 to 6 times over residential.

## Global Market <sup>1</sup>



<sup>1</sup>Source: 2019 US Census Data and Proprietary Alarm.com Research.

# North American Commercial Market



## Small & Medium Business Segment



- ✓ Opportunity to upgrade from traditional systems to integrated, smart business solutions
- ✓ ~6M target properties in U.S. with high penetration of traditional services

## Enterprise Commercial Segment



- ✓ Legacy video solutions are shifting to cloud-based architectures powered by A.I. capabilities
- ✓ Video Surveillance-as-a-Service revenue is expected to grow at a 26% CAGR from 2023 to 2028.

# Enterprise Commercial Video

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

- ✓ Engineered for enterprise commercial and national account customers
- ✓ Addresses high-growth commercial VSaaS market
- ✓ Cloud-managed architecture
- ✓ High growth SaaS revenue
- ✓ Deployed to 30,000+ locations
- ✓ 500+ active service provider partners

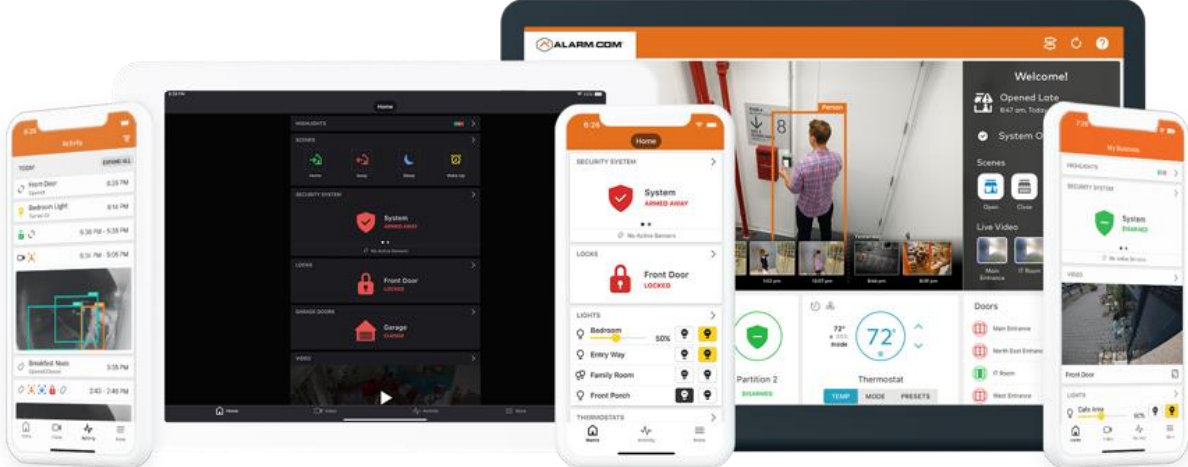




# The Alarm.com Platform

# Alarm.com Platform

A unified experience



## Intelligent Solutions



Security



Access



Video



Energy



Lights



Garage



Water



Wellness



Solar

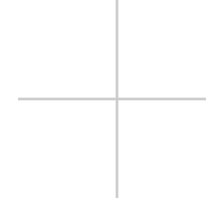
## Internet of Things Ecosystem



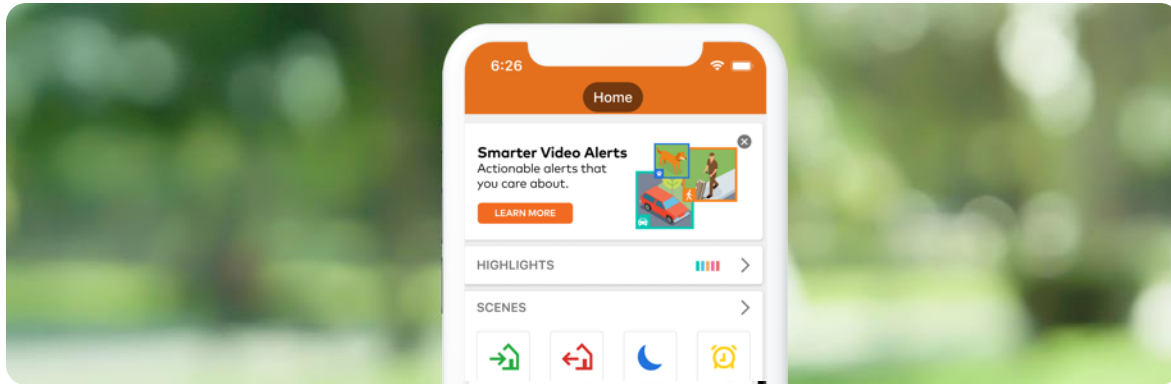
## Advanced Cloud Platform



# Intelligent Cloud-Based Solutions



## For Subscribers



## For Service Providers



Interactive Security



Intelligent Automation



Video Surveillance



Wellness Solutions



Energy Management



Sales & Marketing



Business Intelligence



Installation & Support



Remote Diagnostics



Customer Engagement



# A L A R M A I



Large Language Models



Quality Engineering Analytics



Video Analytics



Unexpected Activity



Service Provider Analytics



Wellness



HVAC Analytics



Business Intelligence



[Play Video](#)

# Video Analytics

Enhanced Service plans for commercial-grade cameras that serve residential and business customers

## Alerts that matter

- ✓ Advanced security and awareness
- ✓ Detect cars, people, and animals
- ✓ Easily customize to identify highly specific activity
- ✓ Catch the unexpected and deter the unwanted

ALARM  
AI





# Our Solutions



# Smarter Security

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

ALARM.COM

now

Unexpected Activity: Front Door was opened at 1:30 pm on Thursday, May 4.



System  
DISARMED

Silent Arming

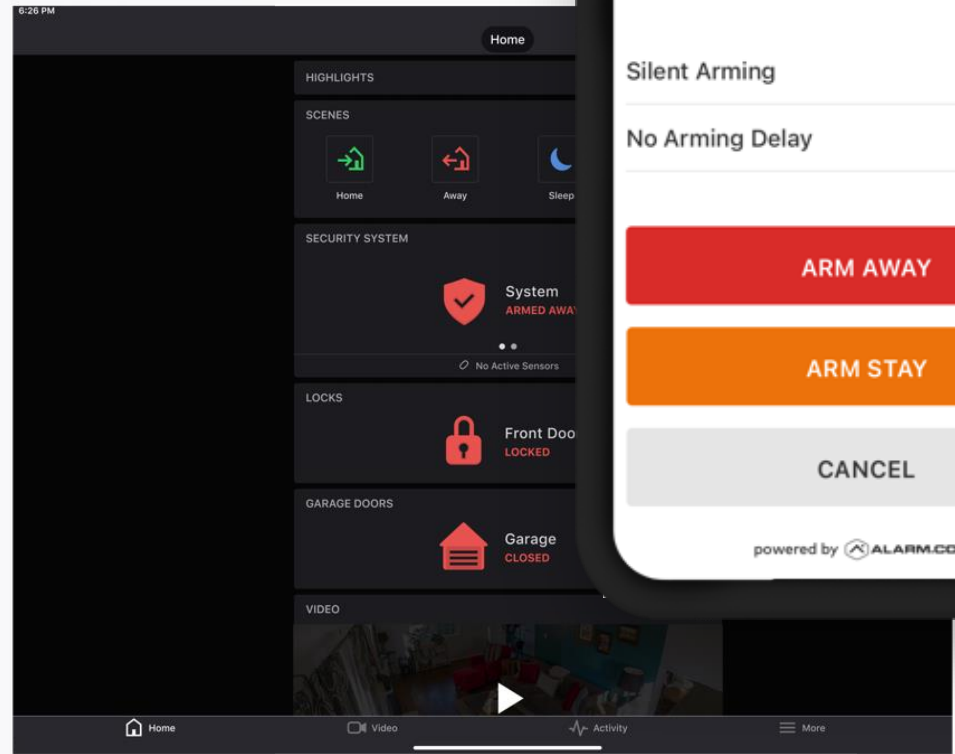
No Arming Delay

ARM AWAY

ARM STAY

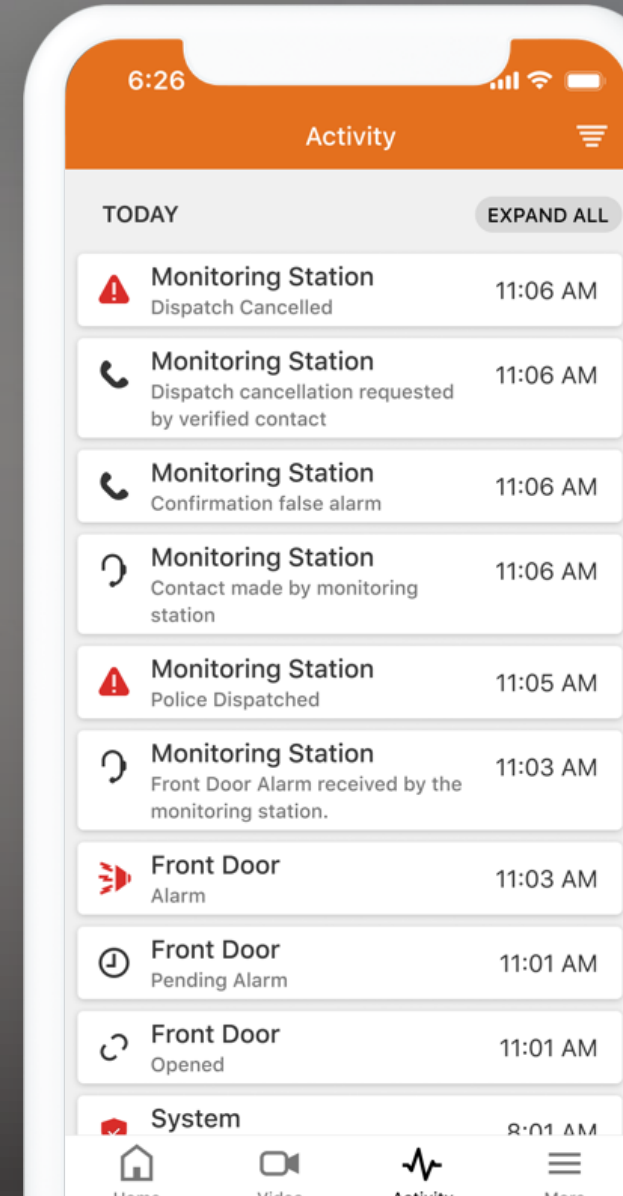
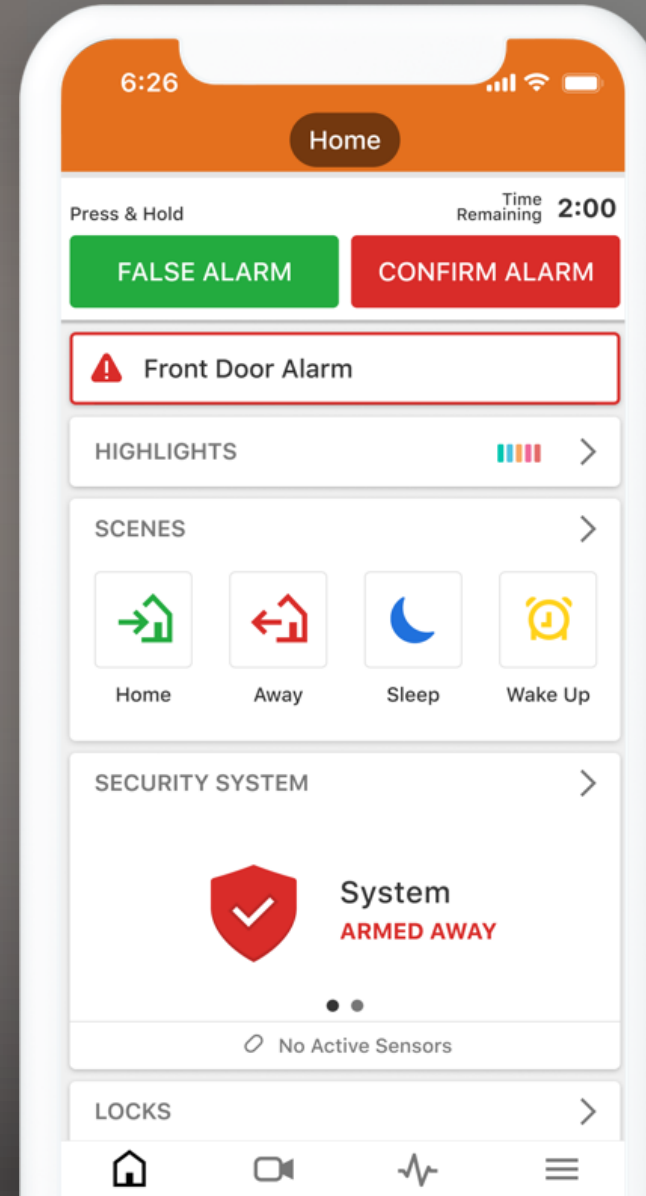
CANCEL

powered by ALARM.COM



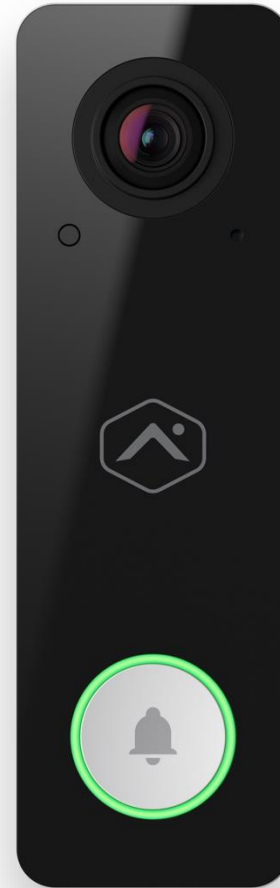
# Smart Signal

- ✓ 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 Doorbells

- ✓ AI-powered object detection – with Rapid People Detection for faster, more relevant alerts
- ✓ Proactive awareness and deterrence capabilities, plus the first commercially available touchless doorbell
- ✓ Whole-home integration, with call screen actions to unlock doors, turn on lights, and more
- ✓ Unmatched choice, flexibility, and performance options for service providers

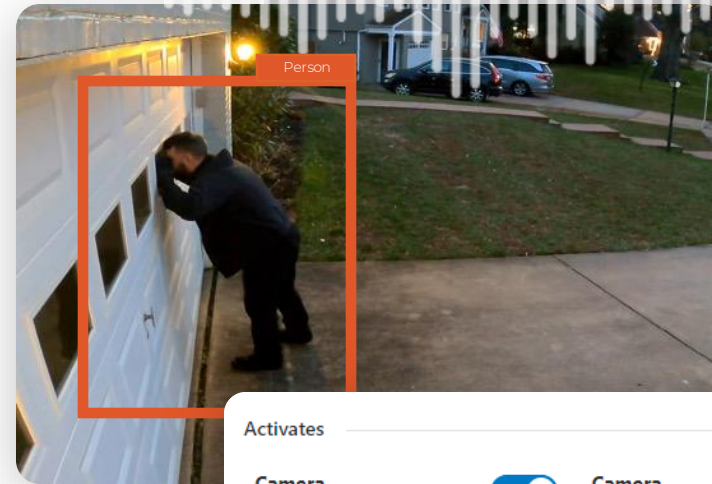




# Perimeter Guard™

## 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 the camera's presence – deterring intrusion
- ✓ Easily configure as part of a Video Analytics rule

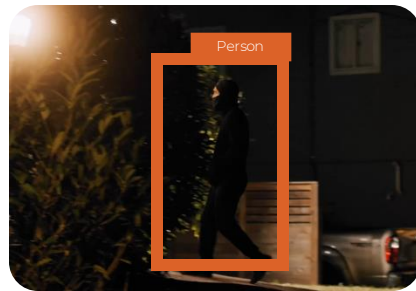


Activates \_\_\_\_\_

Camera Status LED	<input checked="" type="checkbox"/>	Camera Audio Alert	<input checked="" type="checkbox"/>
Duration	10 seconds	Audio Sound	Short Beep

# 729 Floodlight Camera

AI-based proactive deterrence for residential and commercial markets



## Video Analytics

Detects a person, animal, or vehicle, and responds automatically



## Warning Response

3000 Lumen floodlight and red and blue warning response lights



## Escalated Response

Engage and deter potential bad actors with two-way talk-down.

"You are trespassing on private property"



# A Unified Commercial Solution

Integrated solutions drive depth of service and increased ARPU



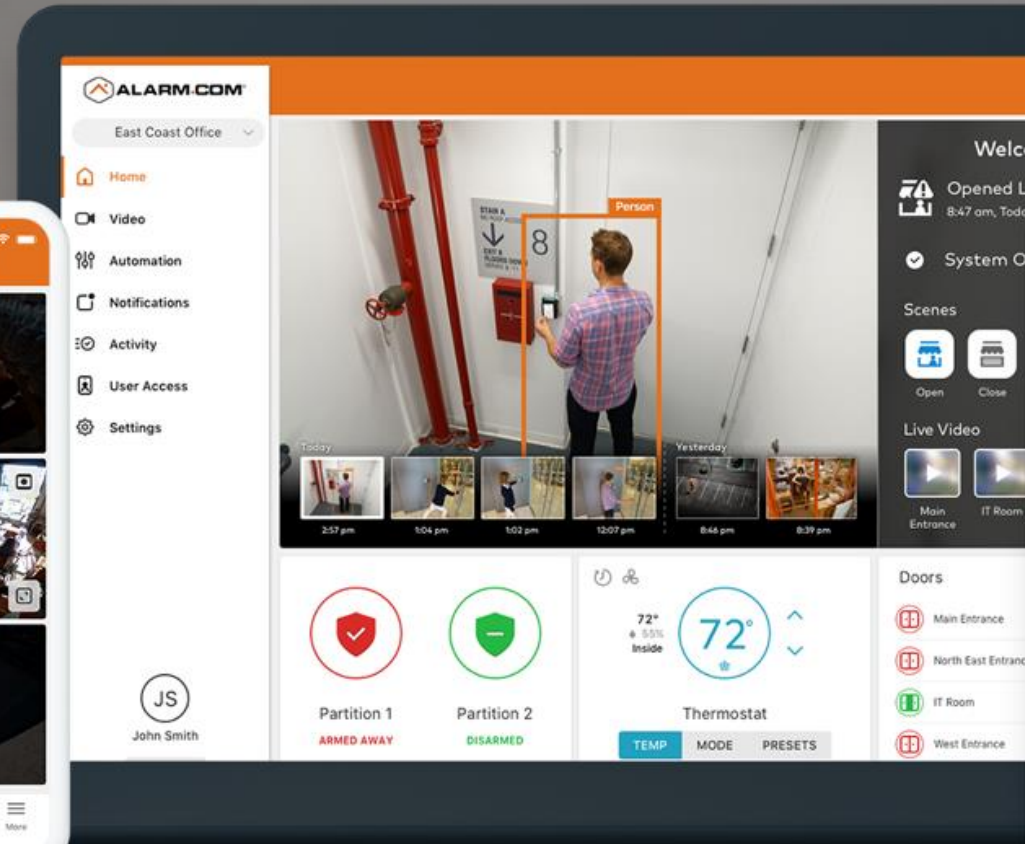
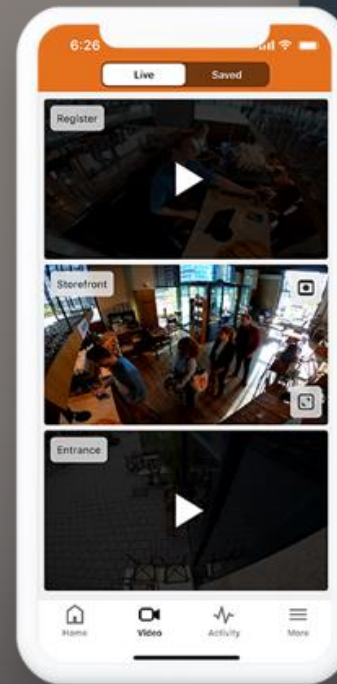
Security & Intrusion



Video Surveillance



Access Control



# Total Business Awareness



Alarm activated



Business opened late/closed early



Power outage



Unexpected activity



Temperature out of range



Invalid access attempt



Vehicle/person approaching after hours



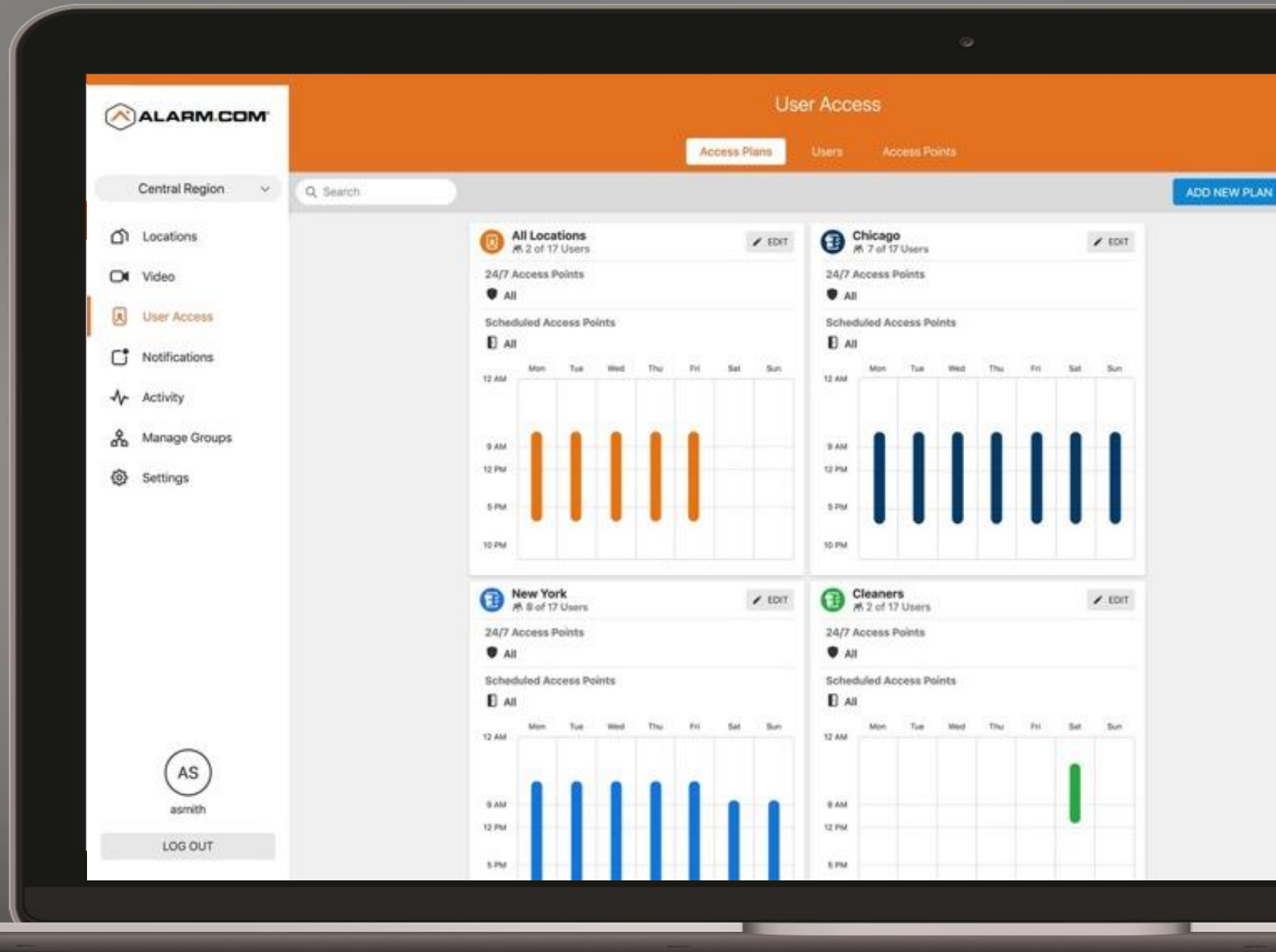
Occupancy limit exceeded



Location summary

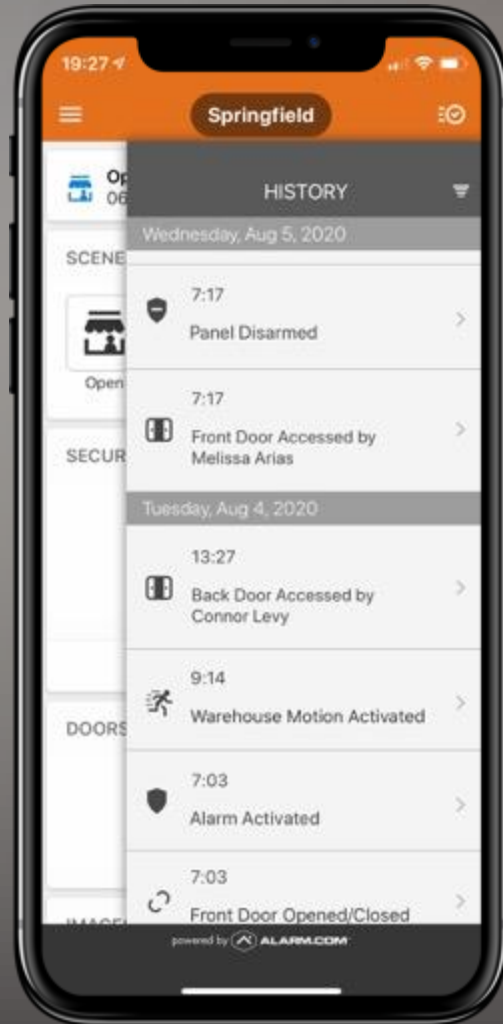


# One Pane of Glass for Multiple Locations



# Forensic Video Search

Quickly access video clips based on sensor and property activity and AI-powered alerts





[Play Video](#)



# Growth Drivers



# Compelling Growth Drivers



Grow  
commercial



Grow  
international



Upsell existing  
subscribers



Add more  
subscribers



Grow  
vertical  
businesses



Add service  
provider  
partners

# Global Market



**2B**

Households worldwide <sup>1</sup>



**\$32B**

Global commercial market <sup>2</sup>



**~60 Countries**

Solutions delivered <sup>3</sup>



Select  
International  
Partners

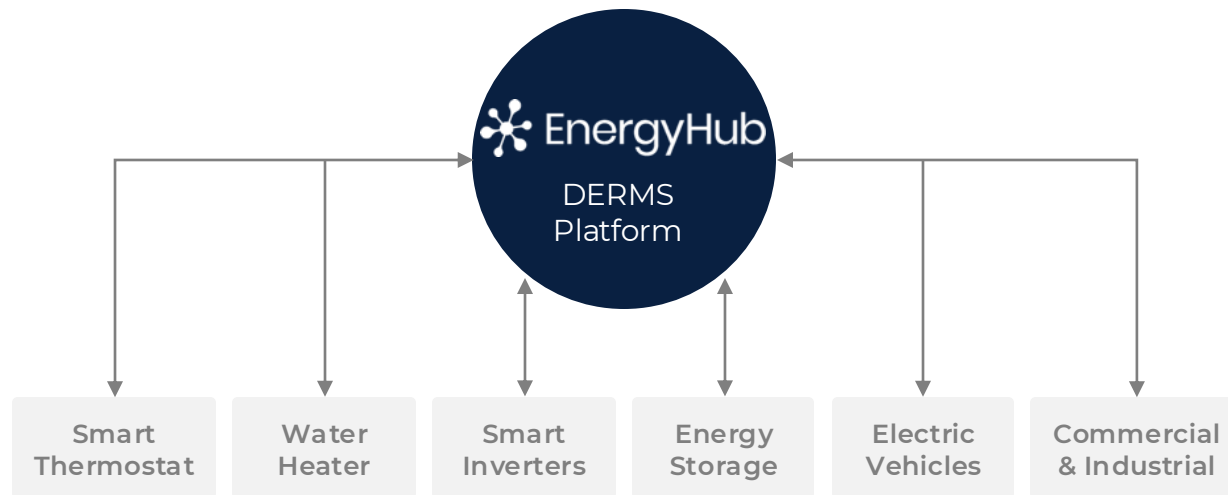


Alarm.com services are available



# 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

Largest connected device manufacturer ecosystem

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

Pioneered Bring Your Own Thermostat® program delivery model

## Growing TAM

Market is estimated to be \$3.42 billion in 2022 and is expected to grow at a compound annual growth rate (CAGR) of 22.0% from 2023 to 2030<sup>1</sup>

Select Partners



1 - Grand View Research. Virtual Power Plan Market Size, 2023-2030



# PointCentral<sup>®</sup>

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

## Advantages

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

## Market Opportunity



**27 MILLION**  
Multi-family units



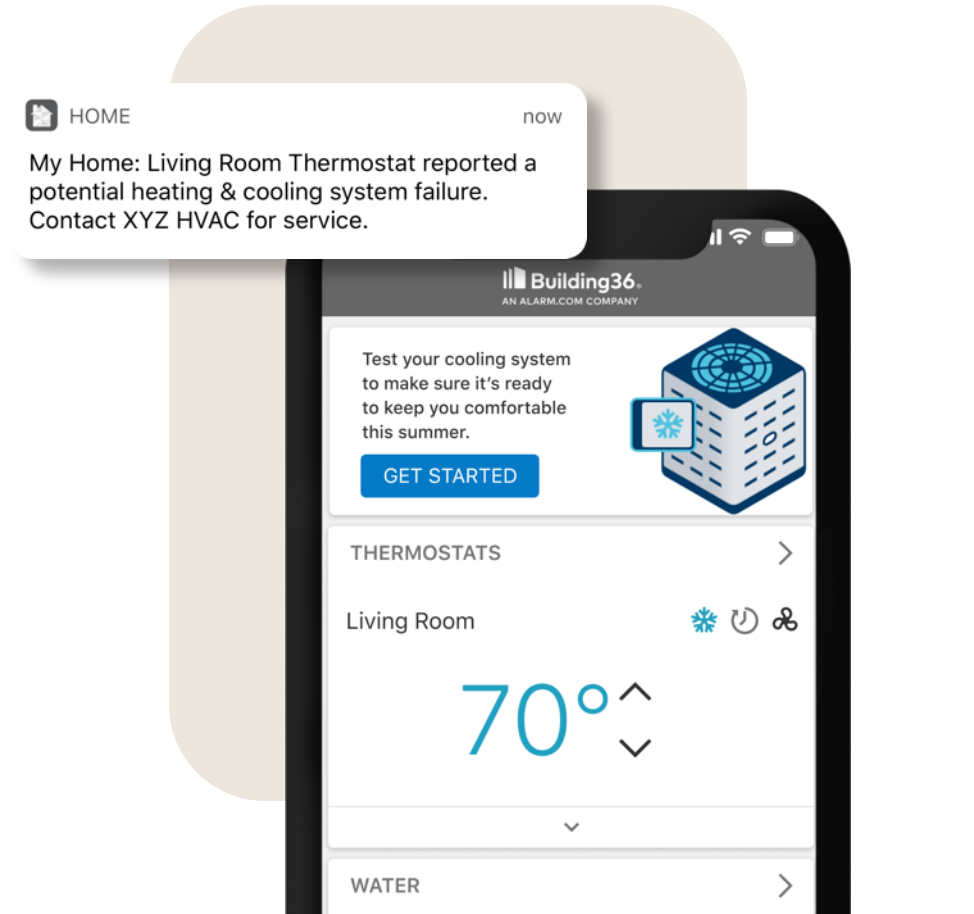
**~2 MILLION**  
Vacation rental properties





## 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 models monitor HVAC and proactively detects trouble conditions before escalating into higher cost repairs or failures



Select Partners



# 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.

# Financial Overview





# Proven M&A Execution

## M&A Strategy

- ✓ Focused to date on small targets, technology and tuck-in acquisitions
- ✓ Retained management of acquired businesses
- ✓ Focus on strong management and superb customer service
- ✓ Expanded product offering for end customers

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

2020



Patented indoor gunshot detection solutions



Robotics engineering, specializing in drone technology

2019



Connected property intercoms and access



Cloud-managed video security and business intelligence platform

2017

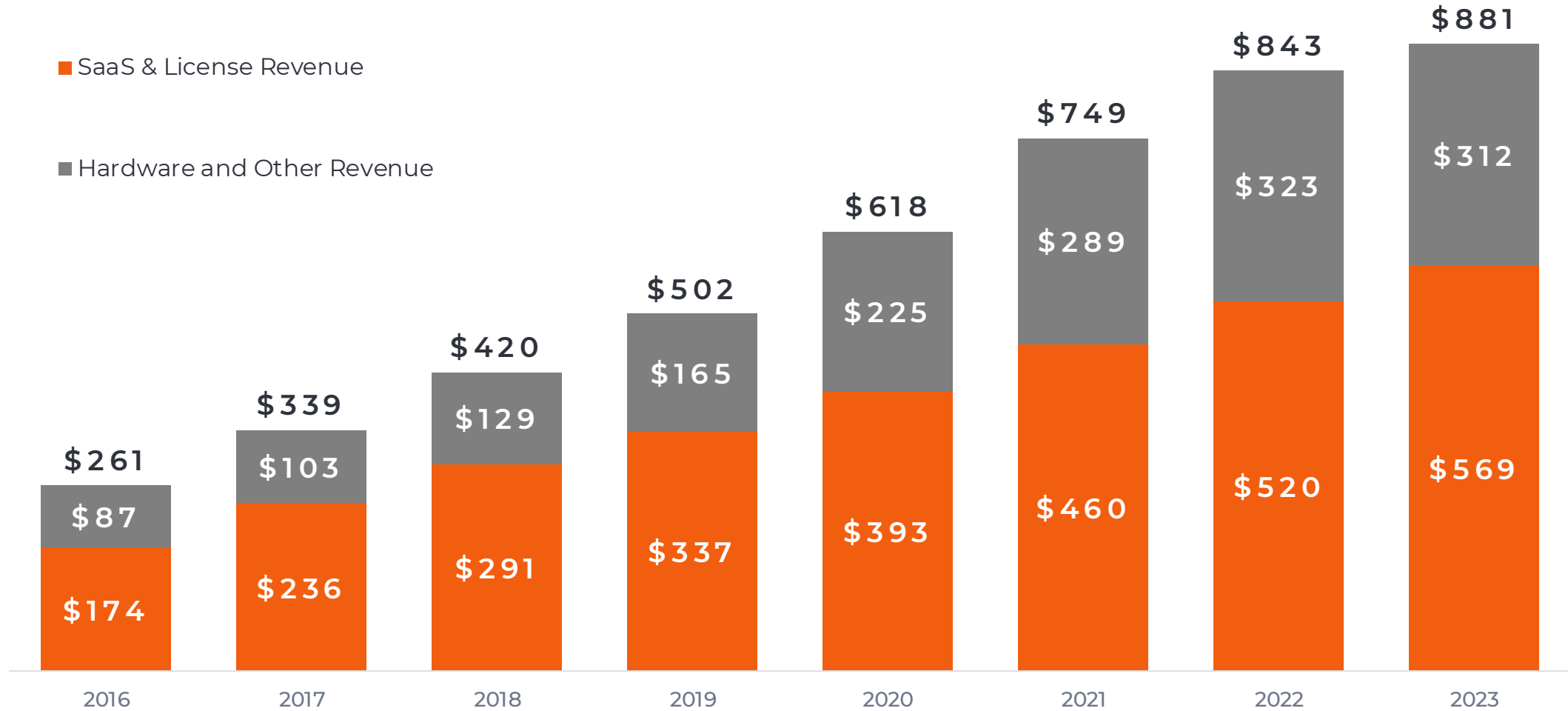
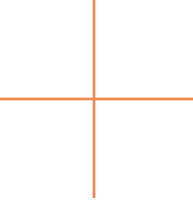


Video analytics and computer vision

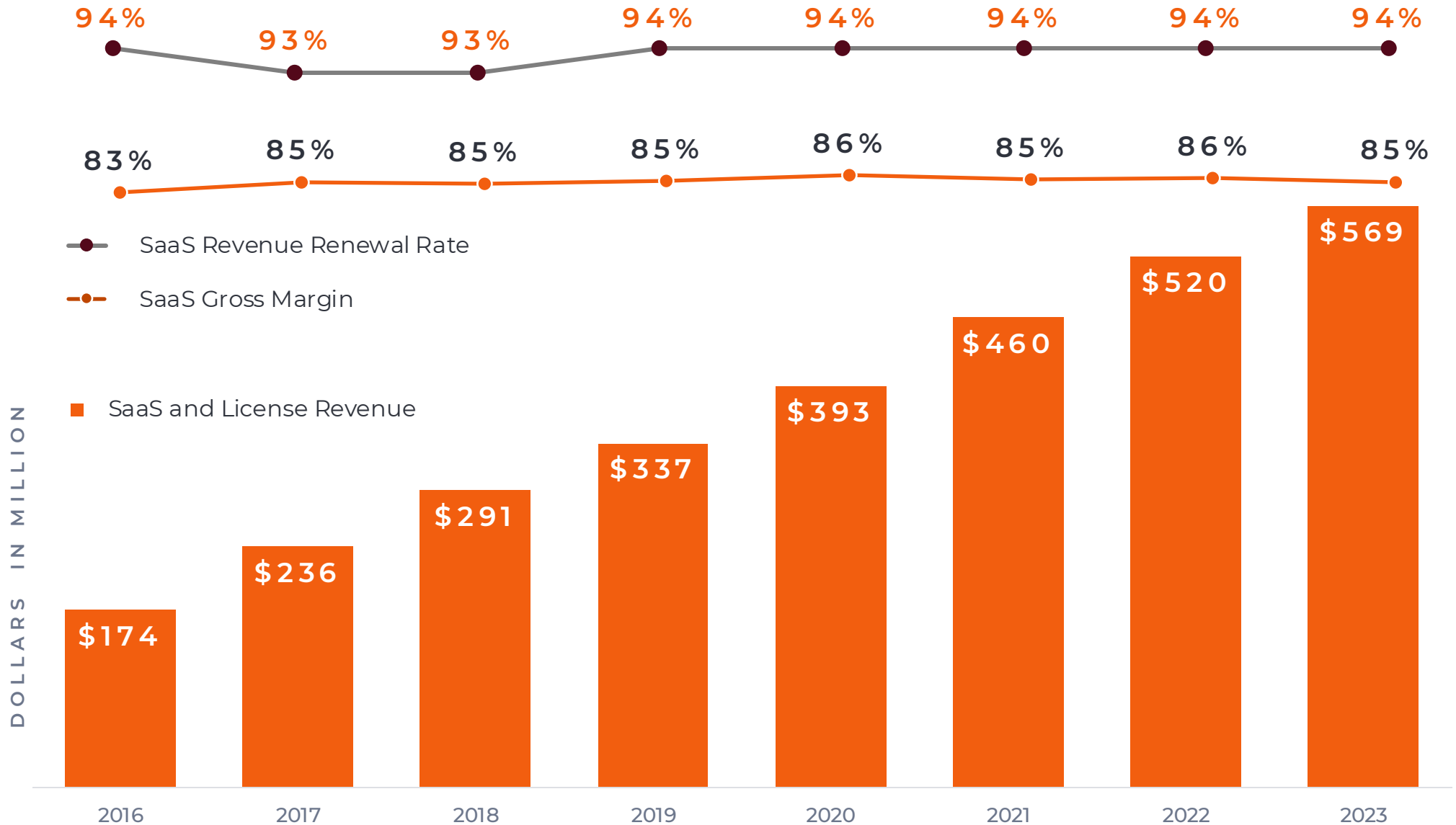


Interactive security and home automation platform

# Consistent Revenue Growth

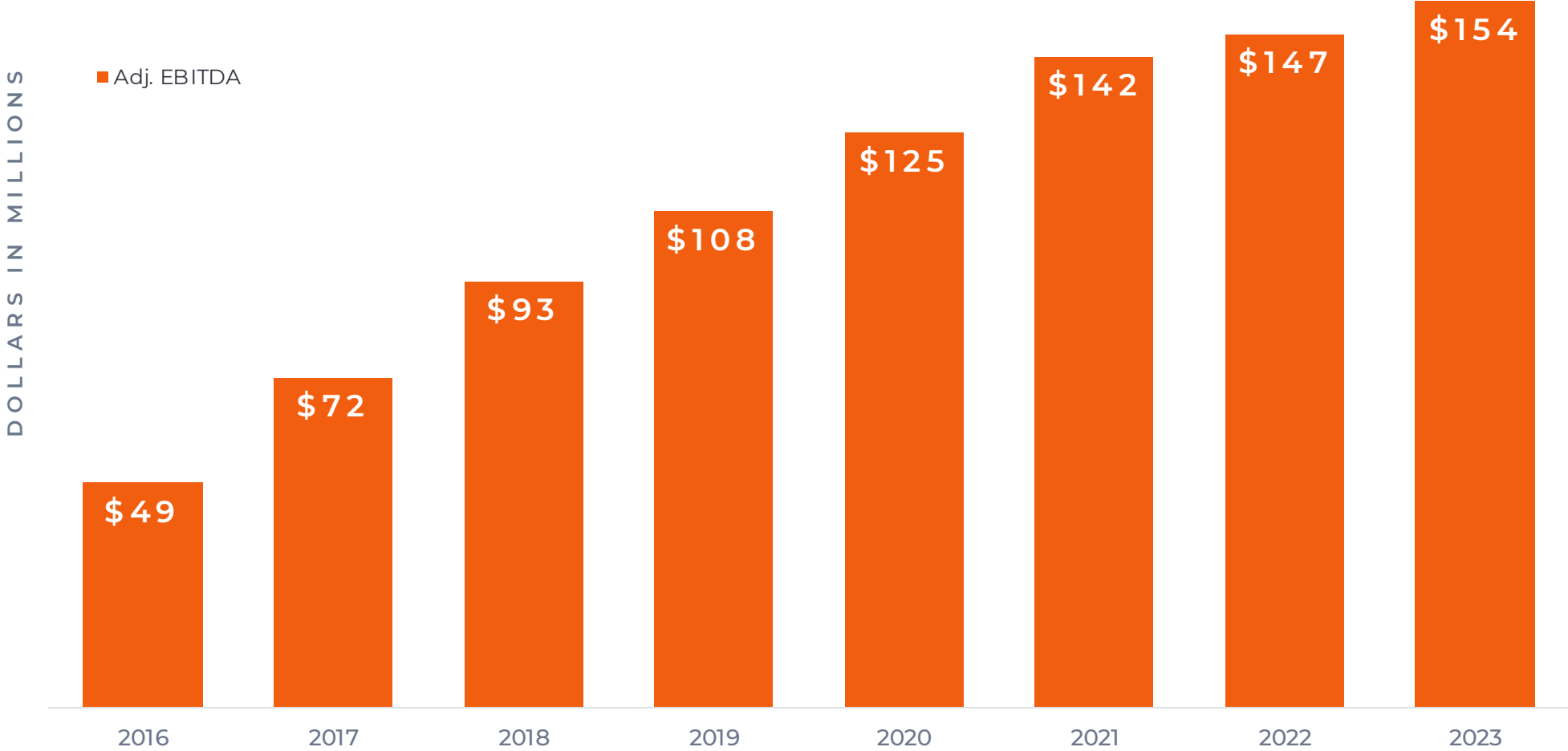


# High SaaS Gross Margins & Renewal Rate



# Track Record of Profitability

Strong track record of profitability while investing to drive future growth





# Appendix

# Investor Data Sheet 1/3



## Alarm.com Holdings, Inc.

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

Statement of Operations Data:	2021	2022	2023	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
SaaS and license revenue <sup>1</sup>	\$460,372	\$520,377	\$569,200	\$134,551	\$135,394	\$140,432	\$145,027	\$148,347	\$150,344	\$155,927	\$159,276
Hardware and other revenue	288,597	322,182	312,482	73,588	74,322	83,443	76,827	77,890	72,939	77,880	81,221
<b>Total Revenue</b>	<b>\$748,969</b>	<b>\$842,559</b>	<b>\$881,682</b>	<b>\$208,139</b>	<b>\$209,716</b>	<b>\$223,875</b>	<b>\$221,854</b>	<b>\$226,237</b>	<b>\$223,283</b>	<b>\$233,807</b>	<b>\$240,497</b>
Cost of SaaS and license revenue <sup>2</sup>	\$66,758	\$73,897	\$85,898	\$19,878	19,583	\$21,576	21,917	\$22,822	20,428	\$22,094	23,099
Cost of hardware and other revenue	239,141	268,684	239,261	59,694	56,589	64,791	59,488	58,393	56,087	59,188	61,649
<b>Total Cost of Revenue</b>	<b>\$305,899</b>	<b>\$342,581</b>	<b>\$325,159</b>	<b>\$79,572</b>	<b>\$76,172</b>	<b>\$86,367</b>	<b>\$81,405</b>	<b>\$81,215</b>	<b>\$76,515</b>	<b>\$81,282</b>	<b>\$84,748</b>
Net income	\$51,175	\$55,631	\$80,340	\$17,790	\$14,207	\$15,611	\$19,351	\$31,171	\$23,404	\$32,520	\$36,456
Net income attributable to common stockholders	52,259	56,338	81,043	18,085	14,416	15,799	19,524	31,304	23,595	33,511	36,682
Net income attributable to common stockholders per share, diluted	\$1.01	\$1.07	\$1.53	\$0.34	\$0.28	\$0.30	\$0.37	\$0.58	\$0.44	\$0.62	\$0.67
Weighted-average common shares outstanding - diluted	51,919,902	54,932,757	54,625,434	54,534,956	54,296,321	54,446,275	54,778,793	54,711,605	55,047,087	56,680,355	59,780,908
<b>Balance Sheet Data (as of):</b>											
Cash and cash equivalents	\$710,621	\$622,165	\$696,983	\$622,165	\$606,428	\$627,041	\$679,969	\$696,983	\$747,877	\$1,104,539	\$1,170,605
<b>Non-GAAP Financial Measures<sup>3</sup>:</b>											
Non-GAAP adjusted EBITDA <sup>3</sup>	\$142,472	\$146,848	\$153,967	\$38,954	\$30,575	\$36,373	\$41,435	\$45,584	\$37,046	\$42,831	\$49,976
Non-GAAP adjusted net income <sup>3</sup>	102,672	106,386	112,599	28,428	21,848	26,481	30,461	33,809	27,165	31,222	34,987
Non-GAAP adjusted net income attributable to common stockholders <sup>3</sup>	103,529	106,945	113,154	28,662	22,013	26,630	30,597	33,914	27,316	32,005	35,165

1 Includes software license revenue of \$5.0 million and \$5.7 million for the three months ended September 30, 2024 and 2023, respectively.

2 Includes cost of software license revenue of \$0.2 million and \$0.1 million for the three months ended September 30, 2024 and 2023, 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)

	2021	2022	2023	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
<b>Non-GAAP Adjusted EBITDA:</b>											
Net income	\$51,175	\$55,631	\$80,340	\$17,790	\$14,207	\$15,611	\$19,351	\$31,171	\$23,404	\$32,520	\$36,456
<b>Adjustments:</b>											
Interest expense, interest income and certain activity within other (expense) / income, net	15,503	(5,768)	(32,229)	(3,909)	(4,314)	(6,590)	(7,587)	(13,738)	(7,744)	(8,888)	(10,069)
(Benefit from) / provision for income taxes	(5,106)	962	17,485	490	(1,222)	6,507	3,972	8,228	2,747	884	6,718
Amortization and depreciation expense	29,715	30,870	31,424	7,747	7,673	7,860	7,948	7,943	7,337	7,080	7,612
Stock-based compensation expense	38,694	52,654	47,283	14,601	12,686	11,931	11,806	10,860	11,268	11,213	9,194
Acquisition-related expense	29	1,059	621	331	779	(199)	(4)	45	31	13	61
Litigation expense	12,462	11,440	9,043	1,904	766	1,253	5,949	1,075	3	9	4
Total adjustments	91,297	91,217	73,627	21,164	16,368	20,762	22,084	14,413	13,642	10,311	13,520
<b>Non-GAAP Adjusted EBITDA</b>	<b>\$142,472</b>	<b>\$146,848</b>	<b>\$153,967</b>	<b>\$38,954</b>	<b>\$30,575</b>	<b>\$36,373</b>	<b>\$41,435</b>	<b>\$45,584</b>	<b>\$37,046</b>	<b>\$42,831</b>	<b>\$49,976</b>
<b>Net Income Margin</b>	<b>7%</b>	<b>7%</b>	<b>9%</b>	<b>9%</b>	<b>7%</b>	<b>7%</b>	<b>9%</b>	<b>14%</b>	<b>10%</b>	<b>14%</b>	<b>15%</b>
<b>Non-GAAP Adjusted EBITDA Margin</b>	<b>19%</b>	<b>17%</b>	<b>17%</b>	<b>19%</b>	<b>15%</b>	<b>16%</b>	<b>19%</b>	<b>20%</b>	<b>17%</b>	<b>18%</b>	<b>21%</b>

<b>Non-GAAP Adjusted Net Income:</b>											
Net income, as reported	\$51,175	\$55,631	\$80,340	\$17,790	\$14,207	\$15,611	\$19,351	\$31,171	\$23,404	\$32,520	\$36,456
(Benefit from) / provision for income taxes	(5,106)	962	17,485	490	(1,222)	6,507	3,972	8,228	2,747	884	6,718
Income before income taxes	46,069	56,593	97,825	18,280	12,985	22,118	23,323	39,399	26,151	33,404	43,174
<b>Adjustments:</b>											
Less: interest income and certain activity within other (expense) / income, net	(453)	(8,912)	(35,658)	(4,697)	(5,182)	(7,417)	(8,493)	(14,566)	(8,540)	(10,856)	(14,384)
Amortization expense	17,347	18,706	20,271	4,782	4,838	5,048	5,190	5,195	4,683	4,718	4,753
Amortization of debt discount and debt issuance costs	15,817	3,126	3,145	784	784	786	787	788	790	1,021	1,485
Stock-based compensation expense	38,694	52,654	47,283	14,601	12,686	11,931	11,806	10,860	11,268	11,213	9,194
Acquisition-related expense	29	1,059	621	331	779	(199)	(4)	45	31	13	61
Litigation expense	12,462	11,440	9,043	1,904	766	1,253	5,949	1,075	3	9	4
Non-GAAP adjusted income before income taxes	129,965	134,666	142,530	35,985	27,656	33,520	38,558	42,796	34,386	39,522	44,287
Income taxes	(27,293)	(28,280)	(29,931)	(7,557)	(5,808)	(7,039)	(8,097)	(8,987)	(7,221)	(8,300)	(9,300)
<b>Non-GAAP Adjusted Net Income</b>	<b>\$102,672</b>	<b>\$106,386</b>	<b>\$112,599</b>	<b>\$28,428</b>	<b>\$21,848</b>	<b>\$26,481</b>	<b>\$30,461</b>	<b>\$33,809</b>	<b>\$27,165</b>	<b>\$31,222</b>	<b>\$34,987</b>

# Investor Data Sheet 3/3

## Alarm.com Holdings, Inc.

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

	2021	2022	2023	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
<b>Non-GAAP Adjusted Net Income Attributable to Common Stockholders:</b>											
Net income attributable to common stockholders, as reported	\$52,259	\$56,338	\$81,043	\$18,085	\$14,416	\$15,799	\$19,524	\$31,304	\$23,595	\$33,511	\$36,682
(Benefit from) / provision for income taxes	(5,106)	962	17,485	490	(1,222)	6,507	3,972	8,228	2,747	884	6,718
Income attributable to common stockholders before taxes	47,153	57,300	98,528	18,575	13,194	22,306	23,496	39,532	26,342	34,395	43,400
<b>Adjustments:</b>											
Less: interest income and certain activity within other (expense) / income, net	(453)	(8,912)	(35,658)	(4,697)	(5,182)	(7,417)	(8,493)	(14,566)	(8,540)	(10,856)	(14,384)
Amortization expense	17,347	18,706	20,271	4,782	4,838	5,048	5,190	5,195	4,683	4,718	4,753
Amortization of debt discount and debt issuance costs	15,817	3,126	3,145	784	784	786	787	788	790	1,021	1,485
Stock-based compensation expense	38,694	52,654	47,283	14,601	12,686	11,931	11,806	10,860	11,268	11,213	9,194
Acquisition-related expense	29	1,059	621	331	779	(199)	(4)	45	31	13	61
Litigation expense	12,462	11,440	9,043	1,904	766	1,253	5,949	1,075	3	9	4
Non-GAAP adjusted income attributable to common stockholders before income taxes	131,049	135,373	143,233	36,280	27,865	33,708	38,731	42,929	34,577	40,513	44,513
Income taxes	(27,520)	(28,428)	(30,079)	(7,618)	(5,852)	(7,078)	(8,134)	(9,015)	(7,261)	(8,508)	(9,348)
<b>Non-GAAP Adjusted Net Income Attributable to Common Stockholders</b>	<b>\$103,529</b>	<b>\$106,945</b>	<b>\$113,154</b>	<b>\$28,662</b>	<b>\$22,013</b>	<b>\$26,630</b>	<b>\$30,597</b>	<b>\$33,914</b>	<b>\$27,316</b>	<b>\$32,005</b>	<b>\$35,165</b>
<b>Non-GAAP Adjusted Net Income Attributable to Common Stockholders per Share - Diluted</b>	<b>\$1.99</b>	<b>\$1.95</b>	<b>\$2.07</b>	<b>\$0.53</b>	<b>\$0.41</b>	<b>\$0.49</b>	<b>\$0.56</b>	<b>\$0.62</b>	<b>\$0.50</b>	<b>\$0.58</b>	<b>\$0.62</b>
<b>Non-GAAP Free Cash Flow:</b>											
Cash flows from / (used in) operating activities	\$103,157	\$56,901	\$135,965	\$34,446	(\$3,521)	\$36,788	\$62,826	\$39,872	\$49,853	\$22,963	\$77,337
Additions to property and equipment	(11,062)	(28,640)	(7,517)	(556)	(2,398)	(995)	(1,956)	(2,168)	(3,066)	(1,992)	(2,807)
<b>Non-GAAP Free Cash Flow</b>	<b>\$92,095</b>	<b>\$28,261</b>	<b>\$128,448</b>	<b>\$33,890</b>	<b>(\$5,919)</b>	<b>\$35,793</b>	<b>\$60,870</b>	<b>\$37,704</b>	<b>\$46,787</b>	<b>\$20,971</b>	<b>\$74,530</b>



# Supplemental Financial Data

Alarm.com Holdings, Inc.

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

Supplemental Financial Data:	2021	2022	2023	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
SaaS and license revenue <sup>1</sup>	\$460,372	\$520,377	\$569,200	\$134,551	\$135,394	\$140,432	\$145,027	\$148,347	\$150,344	\$155,927	\$159,276
Hardware and other revenue	288,597	322,182	312,482	73,588	74,322	83,443	76,827	77,890	72,939	77,880	81,221
<b>Total revenue</b>	<b>748,969</b>	<b>842,559</b>	<b>881,682</b>	<b>208,139</b>	<b>209,716</b>	<b>223,875</b>	<b>221,854</b>	<b>226,237</b>	<b>223,283</b>	<b>233,807</b>	<b>240,497</b>
Cost of SaaS and license revenue <sup>2</sup>	66,758	73,897	85,898	19,878	19,583	21,576	21,917	22,822	20,428	22,094	23,099
Cost of hardware and other revenue	239,141	268,684	239,261	59,694	56,589	64,791	59,488	58,393	56,087	59,188	61,649
<b>Total cost of revenue</b>	<b>305,899</b>	<b>342,581</b>	<b>325,159</b>	<b>79,572</b>	<b>76,172</b>	<b>86,367</b>	<b>81,405</b>	<b>81,215</b>	<b>76,515</b>	<b>81,282</b>	<b>84,748</b>
Sales and marketing	86,664	92,748	100,226	23,566	26,645	23,772	23,861	25,948	25,454	27,837	27,010
General and administrative	87,406	106,688	112,930	25,374	28,499	28,799	31,455	24,177	29,296	26,104	25,712
Research and development	177,713	218,635	245,114	57,408	61,908	60,918	61,014	61,274	65,956	65,730	62,221
Amortization and depreciation	29,715	30,870	31,424	7,747	7,673	7,860	7,948	7,943	7,337	7,080	7,612
<b>Total operating expenses</b>	<b>381,498</b>	<b>448,941</b>	<b>489,694</b>	<b>114,095</b>	<b>124,725</b>	<b>121,349</b>	<b>124,278</b>	<b>119,342</b>	<b>128,043</b>	<b>126,751</b>	<b>122,555</b>
Operating income	61,572	51,037	66,829	14,472	8,819	16,159	16,171	25,680	18,725	25,774	33,194
Interest expense	(15,956)	(3,144)	(3,429)	(788)	(868)	(827)	(906)	(828)	(796)	(1,968)	(4,315)
Interest income	587	8,759	29,801	4,697	5,182	7,417	8,493	8,709	8,540	10,856	14,384
Other (expense) / income, net	(134)	(59)	4,624	(101)	(148)	(631)	(435)	5,838	(318)	(1,258)	(89)
Income before income taxes	46,069	56,593	97,825	18,280	12,985	22,118	23,323	39,399	26,151	33,404	43,174
(Benefit from) / provision for income taxes	(5,106)	962	17,485	490	(1,222)	6,507	3,972	8,228	2,747	884	6,718
<b>Net Income</b>	<b>\$51,175</b>	<b>\$55,631</b>	<b>\$80,340</b>	<b>\$17,790</b>	<b>\$14,207</b>	<b>\$15,611</b>	<b>\$19,351</b>	<b>\$31,171</b>	<b>\$23,404</b>	<b>\$32,520</b>	<b>\$36,456</b>
<b>Net Income Attributable to Common Stockholders</b>	<b>\$52,259</b>	<b>\$56,338</b>	<b>\$81,043</b>	<b>\$18,085</b>	<b>\$14,416</b>	<b>\$15,799</b>	<b>\$19,524</b>	<b>\$31,304</b>	<b>\$23,595</b>	<b>\$33,511</b>	<b>\$36,682</b>
<b>Stock-based Compensation Expense Data:</b>											
Cost of hardware and other revenue	\$ -	\$ -	\$5	\$ -	\$ -	\$ -	\$ 3	\$ 2	\$ 1	\$ 1	\$ -
Sales and marketing	4,432	4,342	3,522	861	1,032	892	854	744	755	724	545
General and administrative	9,941	15,037	13,028	3,902	3,145	3,468	3,260	3,155	3,181	3,303	3,077
Research and development	24,321	33,275	30,728	9,838	8,509	7,571	7,689	6,959	7,331	7,185	5,572
<b>Total Stock-based Compensation Expense</b>	<b>\$38,694</b>	<b>\$52,654</b>	<b>\$47,283</b>	<b>\$14,601</b>	<b>\$12,686</b>	<b>\$11,931</b>	<b>\$11,806</b>	<b>\$10,860</b>	<b>\$11,268</b>	<b>\$11,213</b>	<b>\$9,194</b>
<b>As a Percent of Revenue:</b>											
Cost of SaaS and license revenue as a percentage of SaaS and license revenue	15%	14%	15%	15%	14%	15%	15%	15%	14%	14%	15%
Cost of hardware and other revenue as a percentage of hardware and other revenue	83%	83%	77%	81%	76%	78%	77%	75%	77%	76%	76%
Sales and marketing	11%	11%	11%	11%	13%	10%	11%	11%	12%	12%	11%
General and administrative	12%	13%	13%	12%	14%	13%	14%	11%	13%	11%	11%
Research and development	24%	26%	28%	28%	29%	27%	27%	27%	30%	28%	26%
Amortization and depreciation	4%	3%	4%	4%	4%	4%	4%	4%	3%	3%	3%
Total operating expenses	51%	53%	56%	55%	60%	54%	56%	53%	58%	54%	51%
Operating income	8%	6%	7%	7%	4%	7%	7%	11%	8%	11%	14%
<b>Net Income</b>	<b>7%</b>	<b>7%</b>	<b>9%</b>	<b>9%</b>	<b>7%</b>	<b>7%</b>	<b>9%</b>	<b>14%</b>	<b>10%</b>	<b>14%</b>	<b>15%</b>
<b>Net Income Attributable to Common Stockholders</b>	<b>7%</b>	<b>7%</b>	<b>9%</b>	<b>9%</b>	<b>7%</b>	<b>7%</b>	<b>9%</b>	<b>14%</b>	<b>11%</b>	<b>14%</b>	<b>15%</b>

<sup>1</sup> Includes software license revenue of \$5.0 million and \$5.7 million for the three months ended September 30, 2024 and 2023, respectively.

<sup>2</sup> Includes cost of software license revenue of \$0.2 million and \$0.1 million for the three months ended September 30, 2024 and 2023, respectively.



Security



Access



Video



Energy



Lights



Garage



Water



Wellness

# ONE INTELLIGENT PLATFORM

