

Investor Presentation

February 27, 2025

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SAFE HARBOR DISCLOSURE

This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. The words “anticipate,” “expect,” “believe,” “will,” “may,” “should,” “estimate,” “project,” “outlook,” “forecast” or other similar words are used to identify such forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. The forward-looking statements represent our expectations or beliefs concerning future events based on information available at the time such statements were made and include statements regarding our potential future business, operating performance and financial condition, including descriptions of our expected revenue and profitability (and related timing), GAAP and non-GAAP gross margins, operating margins, tax rates, expenses, cash outlook, free cash flow and free cash flow margin; strategic objectives and initiatives, such as our capital allocation plan and partnerships; the recurring revenue business model; expectations regarding the size of the smart home security market, market expansion and future growth; subscriber growth, and adoption and attachment rates; the term, scope and other provisions related to our and others. These statements are based on management's current expectations and are subject to certain risks and uncertainties, including the following: future demand for our products may be lower than anticipated, including due to inflation, fluctuating consumer confidence, banking failures and rising interest rates; we may be unsuccessful in developing and expanding our sales and marketing capabilities; we may not be able to increase sales of our paid subscription services; consumers may choose not to adopt our new product offerings or adopt competing products; product performance may be adversely affected by real world operating conditions; we may not fully realize the benefits or potential of our partnerships; we may be unsuccessful or experience delays in manufacturing and distributing our new and existing products; the cost of developing new products and manufacturing and distribution of our existing offerings.

Further, certain forward-looking statements are based on assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Further information on potential risk factors that could affect our business are detailed in our periodic filings with the Securities and Exchange Commission, including, but not limited to, those risks and uncertainties listed in the section entitled “Risk Factors” in the most recently filed Annual Report and Quarterly Report filed with the Securities and Exchange Commission (the “SEC”) and subsequent filings with the SEC. Given these circumstances, you should not place undue reliance on these forward-looking statements. We undertake no obligation to release publicly any revisions to any forward-looking statements contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Use of Non-GAAP Financial Information In addition to the financials presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation includes the following non-GAAP metrics: non-GAAP gross margin, non-GAAP operating margin, and other non-GAAP measures specifically set forth in the Appendix to this presentation. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. There are a number of limitations related to the use of these non-GAAP metrics versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP metrics differently or may use other metrics to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial metrics as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measures set forth in the Appendix to this presentation, and not to rely on any single financial measure to evaluate our business. This presentation and the accompanying oral presentation also contain estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry and business. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified the industry data generated by independent parties and contained in this presentation and, accordingly, we cannot guarantee their accuracy or completeness. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we compete are necessarily subject to a high degree of uncertainty and risk. In addition, we use free cash flow as non-GAAP measure when assessing the sources of liquidity, capital resources, and quality of earnings. We believe that free cash flow (usage) is helpful in understanding our capital requirements and provides an additional means to reflect the cash flow trends in our business.

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Arlo protects your everything.

Arlo is a **subscription software business** in the smart security segment powered by a scaled, secure, and sophisticated platform with groundbreaking AI capabilities called Arlo Intelligence.

We win on **focus**, **innovation**, and our **privacy pledge**.

Arlo's solutions have **led the industry for more than 10 years** with our team of 360 dedicated employees committed to making sure our users are safe.







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Arlo At A Glance

AI-powered SaaS business in the Smart Security space

Registered Accounts
>11m

Annual Recurring Revenue
>$250m

Service Gross Margin
>80%

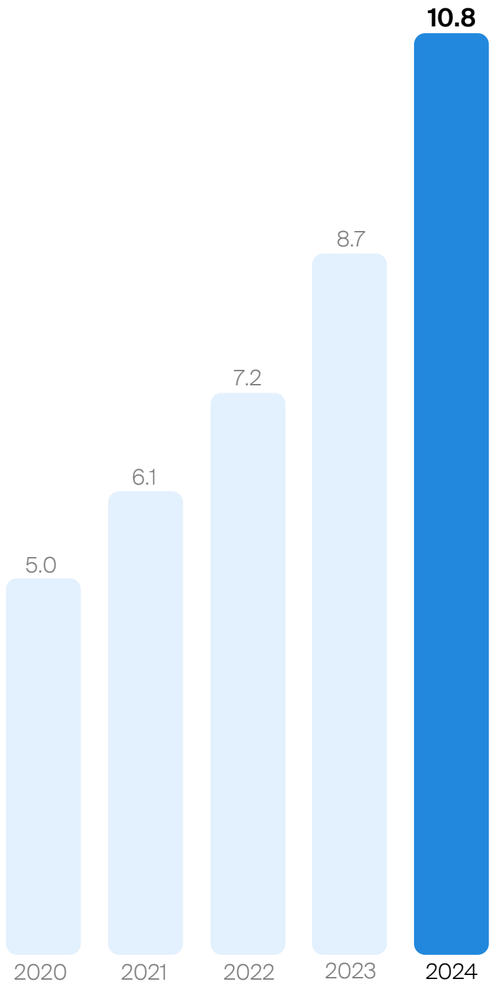
Paid Subscribers
>4.5m

ARR Growth YoY
>20%

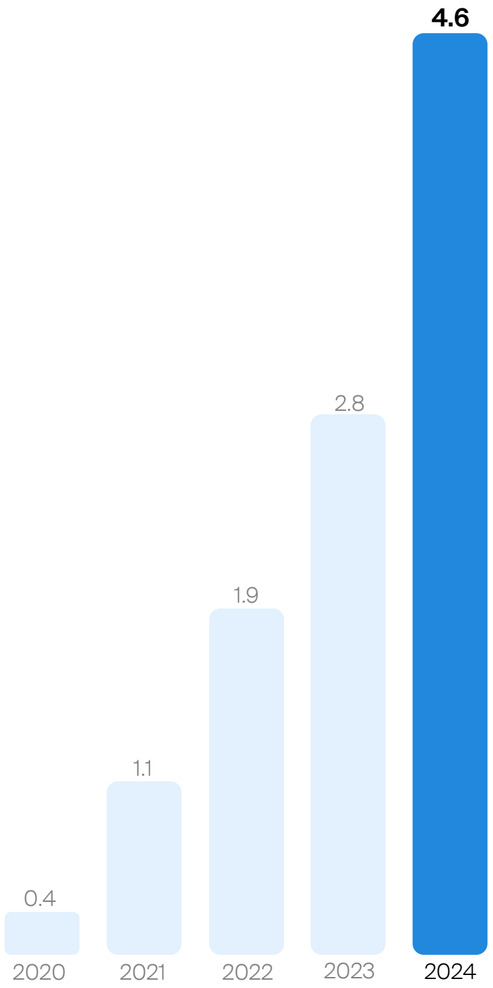
LTV/CAC Ratio
4x

The most directly comparable GAAP financial measures are presented in the GAAP to non-GAAP reconciliation in the Appendix

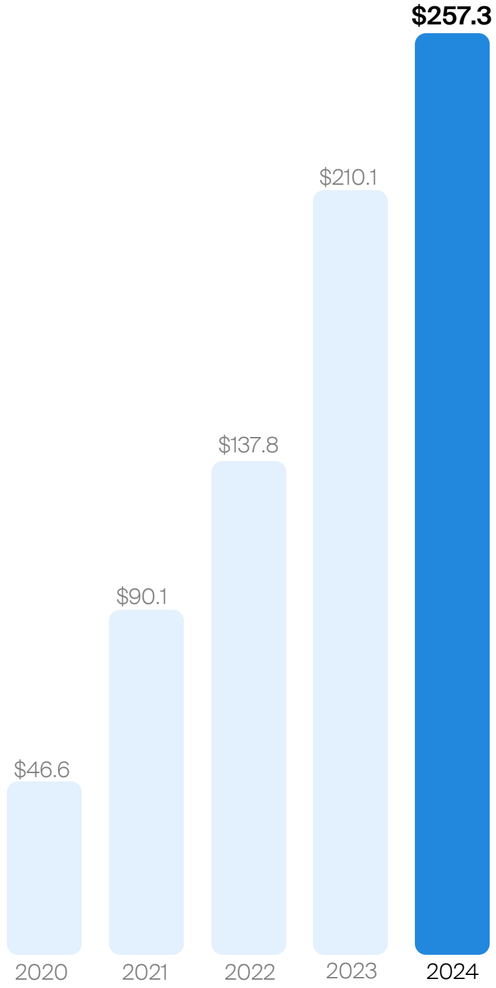




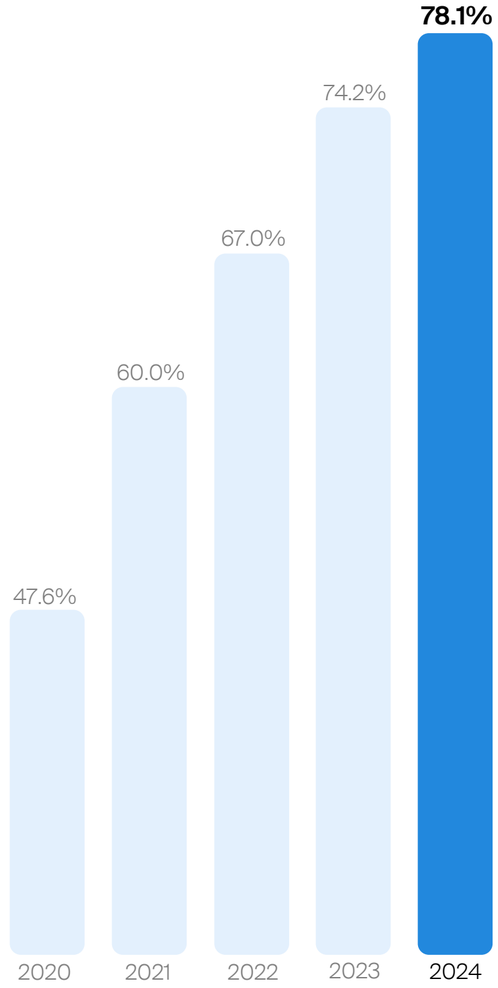
Registered Accounts
(millions)



Subscriptions – Paid Accounts
(millions)



Annual Recurring Revenue
(millions)



Non-GAAP Service Gross Margin

The most directly comparable GAAP financial measures are presented in the GAAP to non-GAAP reconciliation in the Appendix

ARR represents and is defined as the annualized paid service revenue we expect to recognize from subscription contracts, as calculated by taking the average paid service revenue multiplied by the number of subscription accounts at the end of the reporting period.

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Six years to reach $250M of ARR is best-in-class

6 or less years	arlo, NUTANIX, rubrik, samsara
7 – 10 years	APPLOVIN, box, CROWDSTRIKE, DATADOG, Dropbox, elastic, FORTINET, GitLab, HashiCorp, klaviyo, monday.com, ncino, Palantir, paloalto NETWORKS, servicenow, workday, zoom
11 – 15 years	appfolio, asana, ATLASSIAN, C3.ai, COMMVAULT, docusign, dynatrace, freshworks, GUIDEWIRE, HubSpot, JFrog, Q2, SailPoint, solarwinds, UiPath, unity, VARONIS, Workiva, zscaler
16+ years	blackbaud, CYBERARK, Life360, Qualys., RingCentral, tenable

1. The peer group is comprised of the 47 SaaS companies traded on the NYSE and Nasdaq with enterprise values of at least $250M
2. For the peer group, revenue has been used as a proxy for ARR which is not consistently reported.
3. Revenue data is from Capital IQ. In cases where historical revenue data is not sufficiently available, an estimate has been made based on historical growth rates.
4. Arlo ARR measured at end of Q4 2024. Time to reach $250M ARR measured from the launch of Arlo Smart in Q2 2018.

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Large, Growing, & Underpenetrated Smart Home Security Market

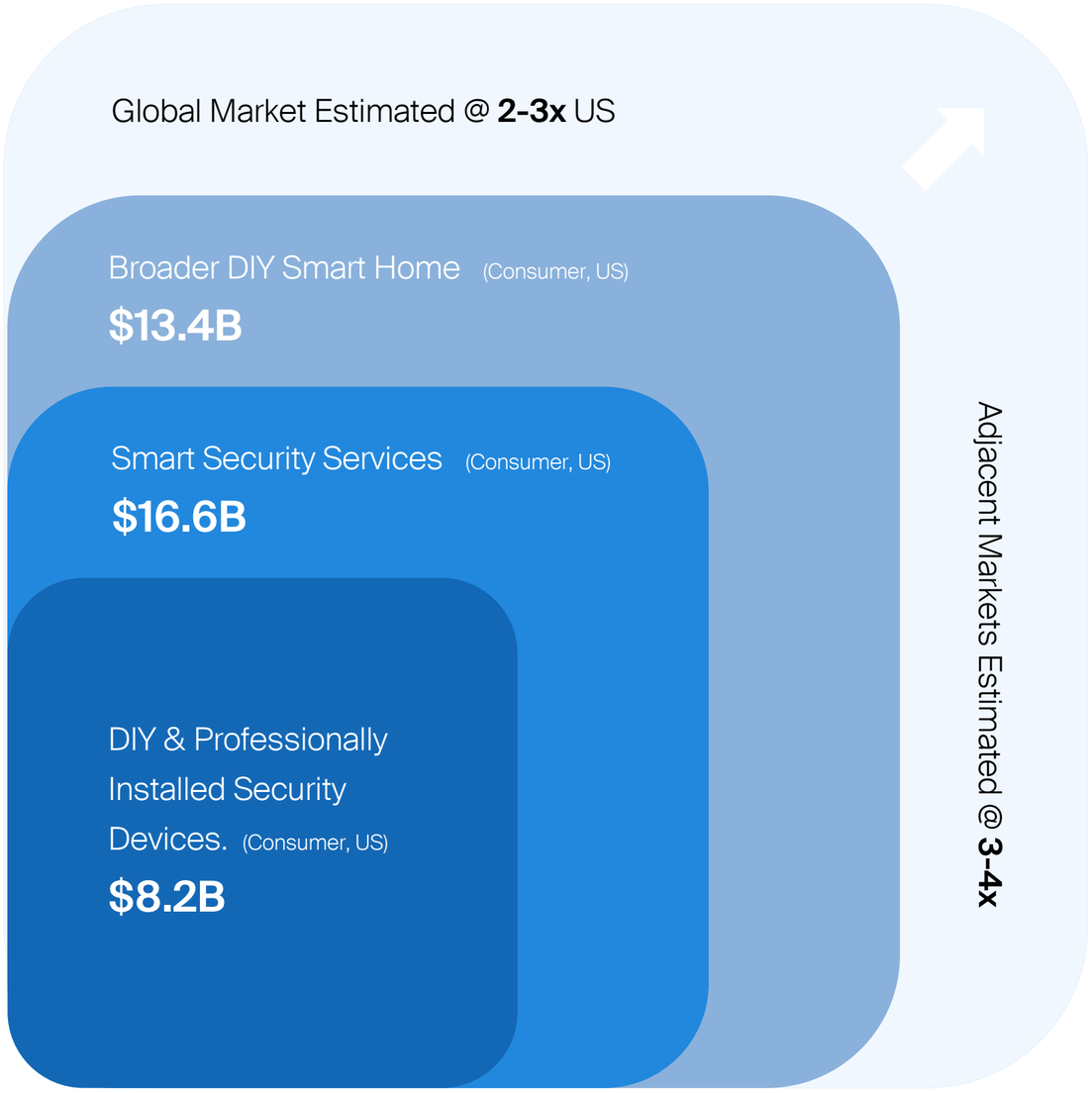
Arlo participates in the broader home security market that is sized in the US at **$25B in 2025**

TAM is further expanded by Europe and other international markets and potential future expansion into adjacent smart home segments

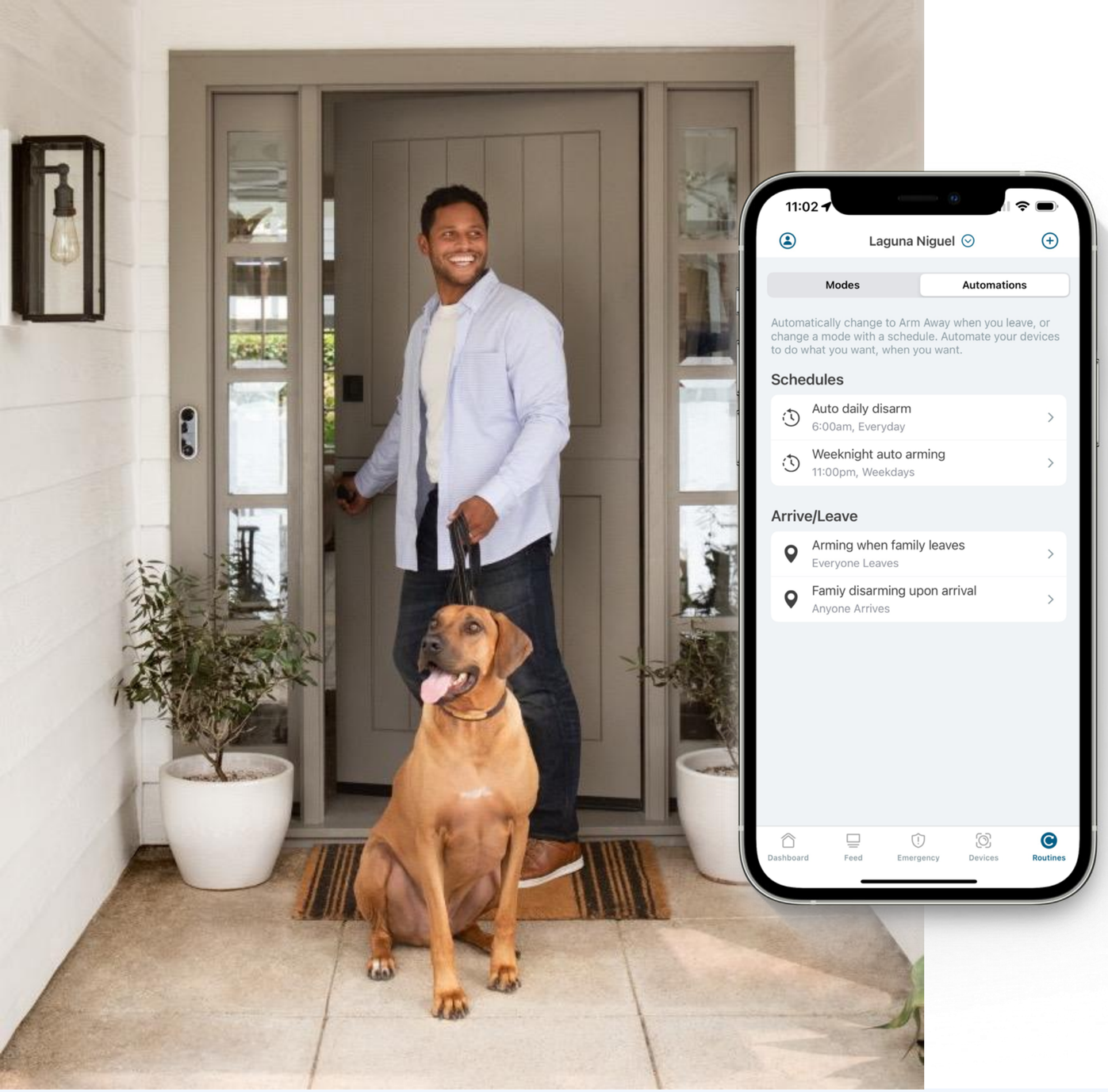
Adoption rates for smart cameras and video doorbells have **more then doubled** in the US during the last five years, the fastest among any smart home category

Smart home security products also have the **highest attach rate for subscription services** among all smart home products (66% for smart cameras and 71% for video doorbells)

Despite its growth, paid smart home security services are just 7% penetrated in the US and 68% of homes do not pay for security services, leaving **10x more whitespace available for capture**



Data from Parks Associates and Consumer Technology Association (CTA)
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Intelligent, Actionable Notifications

Quickly receive notifications from Arlo on any event with the ability to filter out unwanted notifications via AI-based object detection and recognition. Users can also take actions right from the notification.

Critical Emergency Alerts

During an emergency users receive special critical alerts that will be received even if Do Not Disturb is enabled and provide essential information as Arlo Emergency Agents respond.

Total System Control

Easy control over the Arlo system right from your home screen or from the comprehensive dashboard which lets the user customize the layout of the most used devices.

Security Timeline

A full view with one tap access to all events at a given location with image previews and descriptions enabling quick searches and playback of recorded videos.

Single Tap Help

A powerful Emergency Response center allows the user to request a direct dispatch of first responders and to specify the type of help needed for a faster request.

Eyes On

Simple live streaming and motion recording playback up to 4K resolution with high dynamic range so you can see the detail. Live streaming also support high quality 2-way audio.

Fully Automated

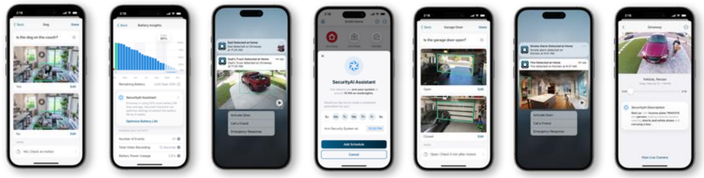
The entire system can be fully automated and cross triggered on events including sophisticated scheduling and automatic actions based on people arriving and leaving from the location.

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ARLO SaaS PLATFORM

A sophisticated and performant SaaS platform built over the last 10 years with artificial intelligence at its core and providing world-class smart security experiences for our users and strategic partners.

iOS
android
www



Strategic Partners

Subscription Services
Arlo Secure, Arlo Safe, authentication, billing, in-app payments, user insights, advertising engine, user management

Smart Home Ecosystems

ARLO INTELLIGENCE

Encryption | Media Server | Storage | Alert Engine | 2-Way Comms | Automation | Monitoring

ARLO CORE SaaS PLATFORM

Device Mgmt



170+ billion AI alerts per year

Arlo Intelligence continuously analyzes and differentiates billions of system triggers to filter out unimportant events and characterize for escalation those that the user should review.

1700+ hours of video per minute

Nearly 900 million hours of video per year from millions of cameras is uploaded, processed, and stored to drive notifications and insights for our users to stay safe.

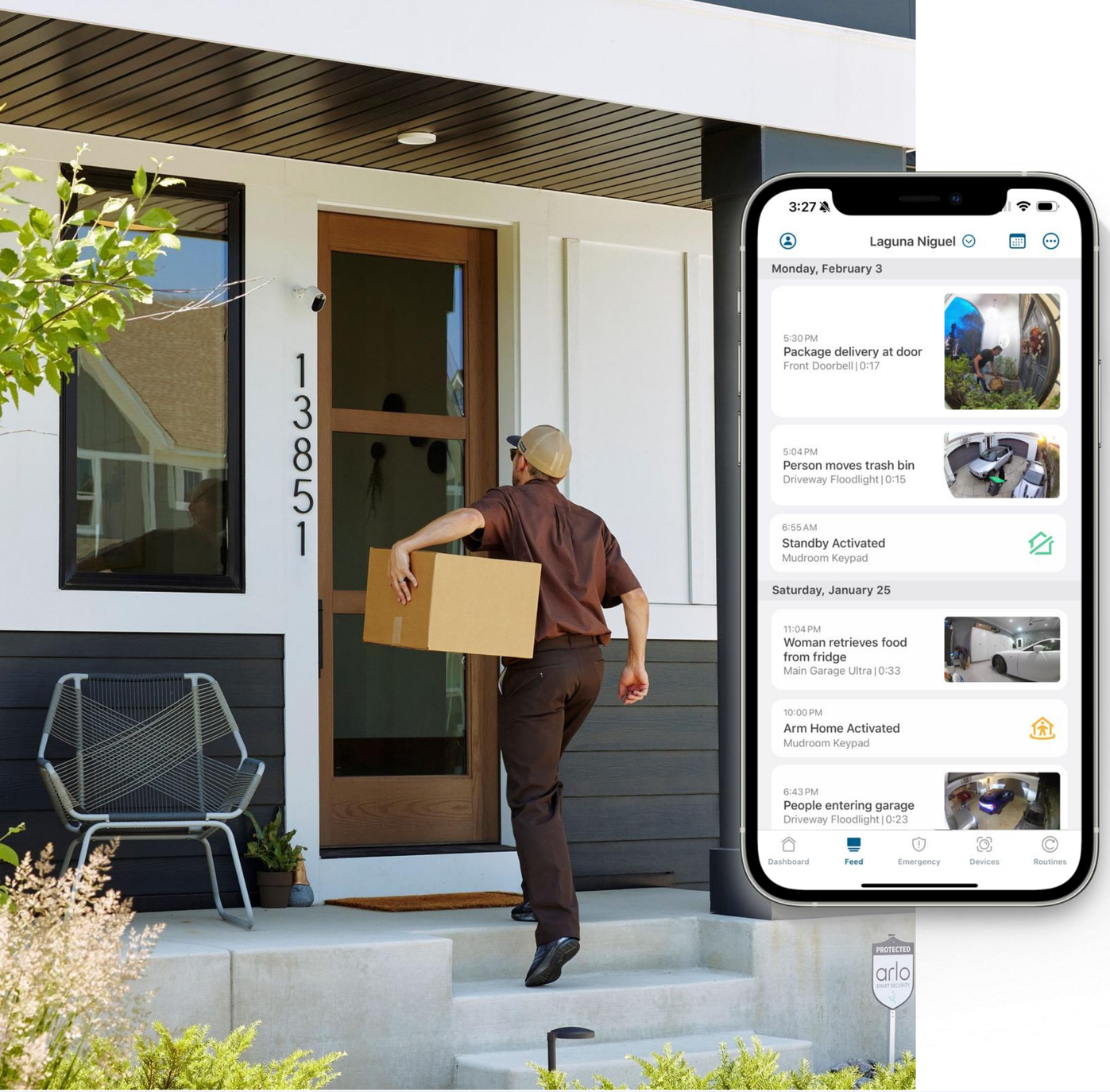
26+ billion API calls per day

The Arlo platform is operating at scale and responding to billions of API calls per day with 99.999% uptime for users and strategic partners relying on Arlo to provide services.

34+ million devices shipped

Arlo designs and manufactures a full ecosystem of smart home security devices including cameras, floodlights, doorbells, security hubs, keypads, sensors, and accessories.

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ARLO INTELLIGENCE

Object Detection
Determines if a person, animal, or vehicle is within the scene during a motion event to help filter and prioritize alerts for the end user.

Package Detection
Specific alerts when a package is detected and quick prompts to speak with delivery person or call a friend to secure the delivery.

Fire Detection
Advanced computer vision model to detect flames which can provide a warning well before smoke alarms are triggered.

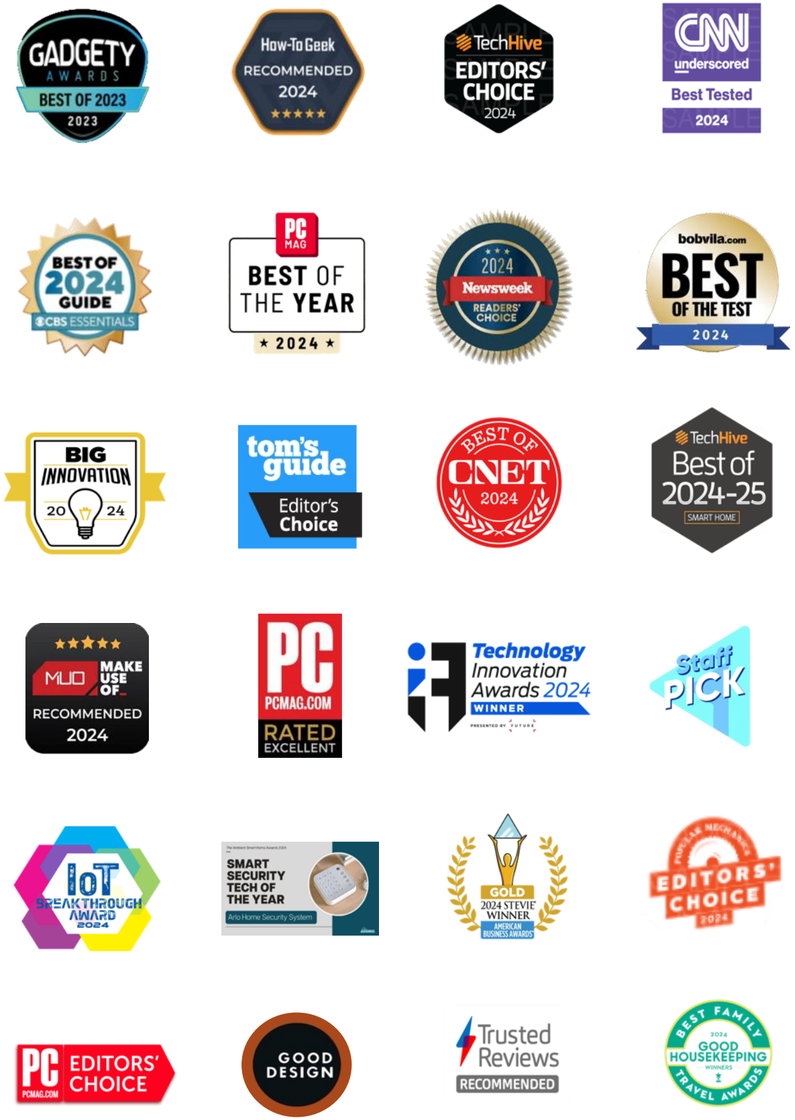
Person Recognition
The ability to identify specific people through sophisticated facial recognition to determine who triggered a motion event.

Vehicle Recognition
The expansion of Arlo's recognition engine to identify specific vehicles by name to create alerts per vehicle or for unknown vehicles.

Smoke/CO Alarm Recognition
Our audio AI engine that can detect but also discriminate between a smoke alarm or carbon monoxide alarm to create specific alerts.

Personal AI Agent
Users can create their own AI models by in typing in what they want to detect and uploading example engines. The resulting model is private to that user and unlocks unlimited possibilities.

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"The companion Arlo Security app is the most impressive security-based app I've ever used."

- How To Geek, Jan 2024

"Motion alerts arrived instantly and were correctly identified."

- PC Magazine, Jan 2024

"I always enjoy the ease and flexibility [Arlo Secure] brings to operating the camera."

- TechHive, Jan 2024

"The installation process for the camera is quick and easy, and the companion Arlo app is user-friendly and offers a seamless experience."

- How To Geek, Jan 2024

"For first-time users and those just dabbling in home security things don't get much easier."

- Android Guys, Dec 2023

"The motion detection has been spot-on, but I like how Arlo Secure adds a higher degree of intelligence with those motions."

- SPY, Apr 2023

"The Arlo Secure app's operational modes make it a breeze to control the camera whether you're home or away."

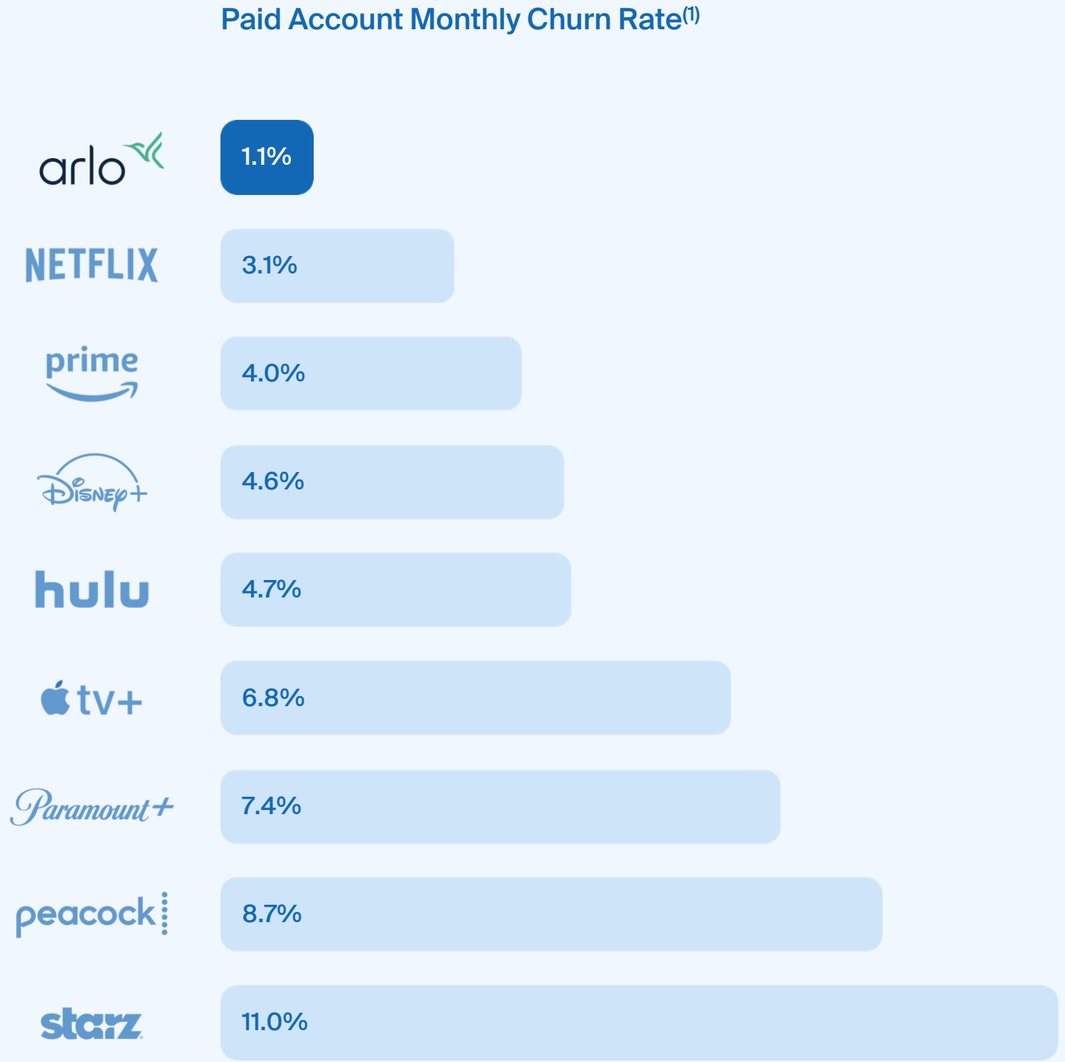
- TechHive, Jan 2024

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Our services standout among comparable consumer-based subscriptions.

Our paid account monthly churn is among the best compared to consumer subscription peers.

Security ranks 1st in subscriptions least likely to be canceled.



1) Arlo churn is calculated on new business model households only. https://churnkey.co/blog/churn-rates-for-streaming-services/

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What makes us different and why we'll win in the smart security market.

Differentiators	Why It Matters
Singular focus on security	Every person, every day, dedicated to our mission
Industry-leading video capture and hardware	Video is the key to security and home automation
Data usage and privacy pledge	Data is only used to enhance our solutions
Secure cloud-based platform	Ability to process high-volumes of data and scale quickly
Industry leading AI	More valuable services that drive subscriptions

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Q4 2024

OPERATING RESULTS



Achievement of record SaaS metrics in Q4 2024

Cumulative paid accounts	→	4.6M
Annual recurring revenue	→	$257M | +22% y/y
Services revenue mix	→	53% of total
Services gross margin	→	82% (non-GAAP)

The most directly comparable GAAP financial measures are presented in the GAAP to non-GAAP reconciliation in the Appendix

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Diving into retail & direct paid accounts [1] shows the outstanding performance of our services business

$12.6
Retail ARPU[2]

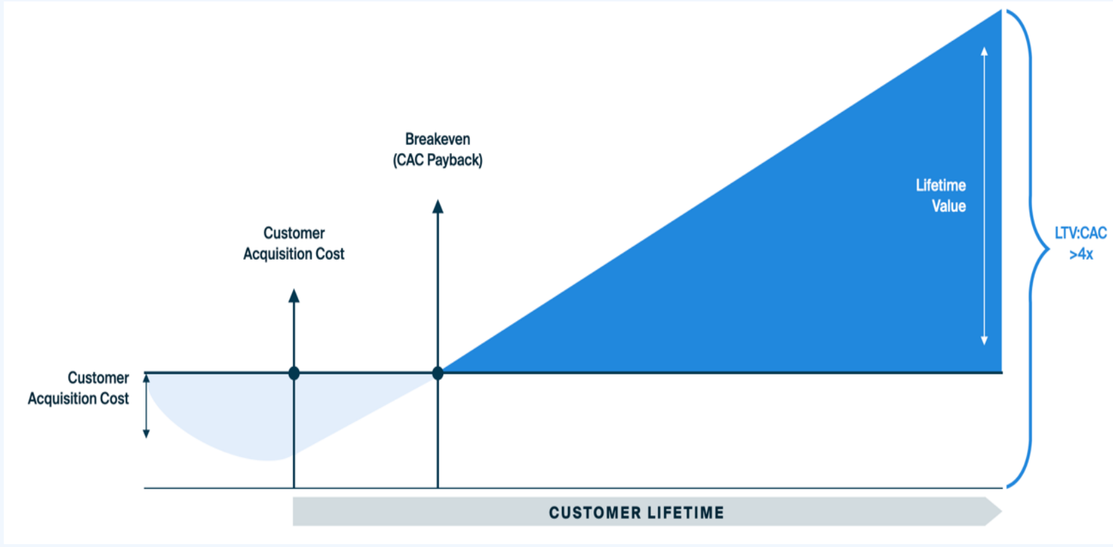
$750
Retail LTV[4]

92%
Retail Gross Margin[3]

$200
Retail CAC[5]

Retail Accounts generate > 80% of ARR

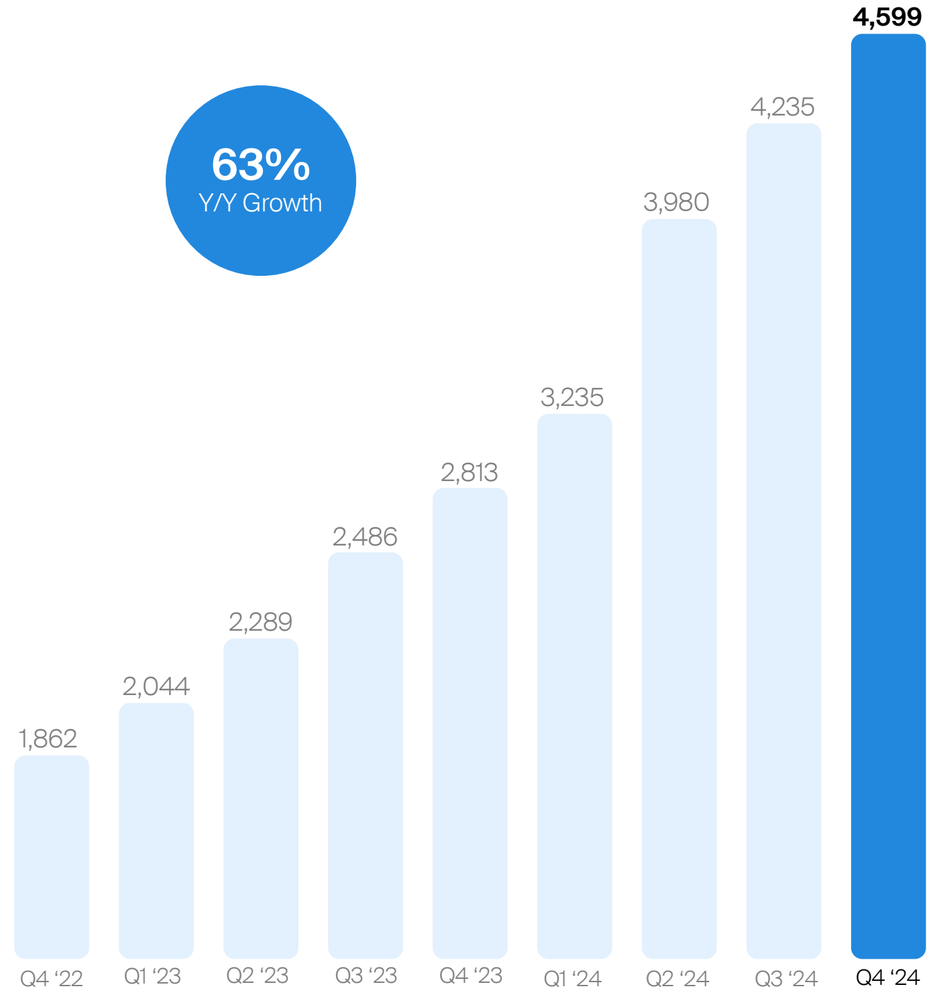
World Class LTV to CAC



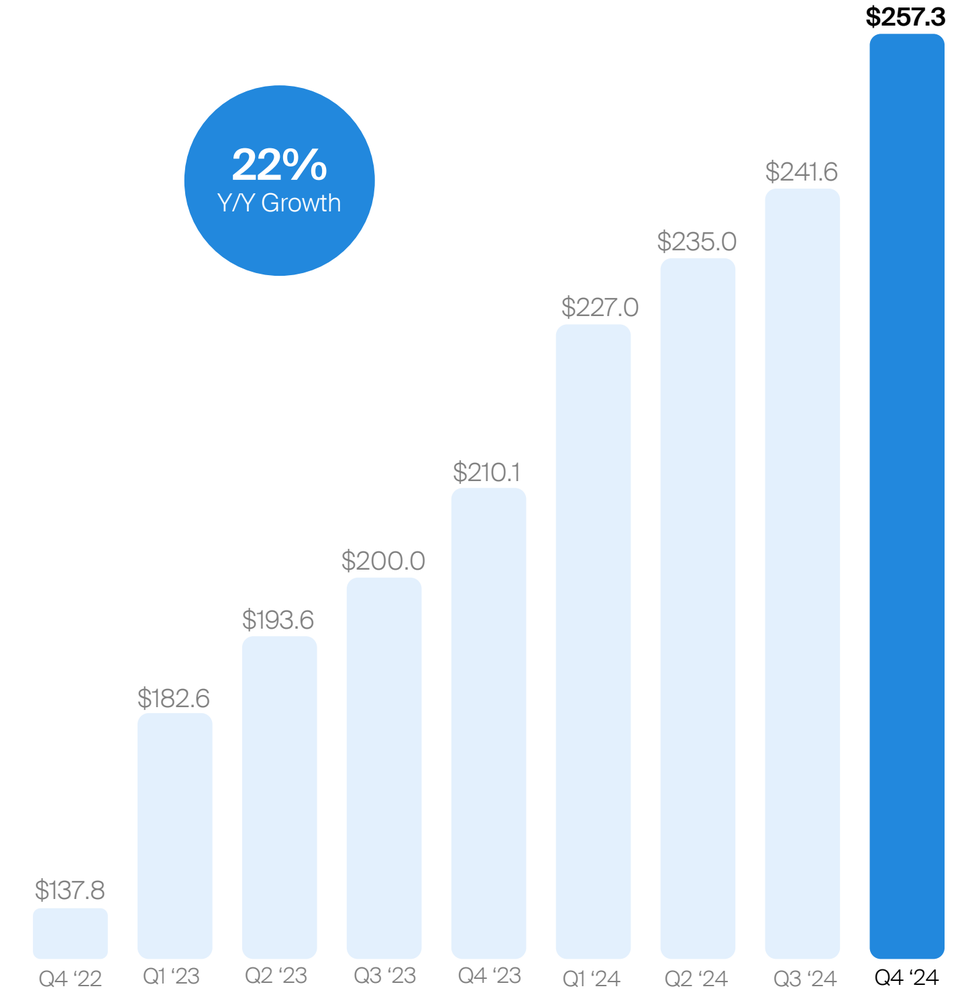
(1) Retail and direct paid accounts does not include those from B2B or strategic accounts. (2) Average monthly revenue per retail paid account user. (3) Non-GAAP gross margin for retail/direct paid accounts (4) LTV calculated as retail ARPU multiplied by non-GAAP retail services gross margin divided by retail services churn rate. (5) CAC calculated as retail sales and marketing expense less retail product non-GAAP gross profit divided by number of new retail paid subscriber accounts

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Paid Accounts & Annual Recurring Revenue (ARR)



Paid Accounts
(thousands)

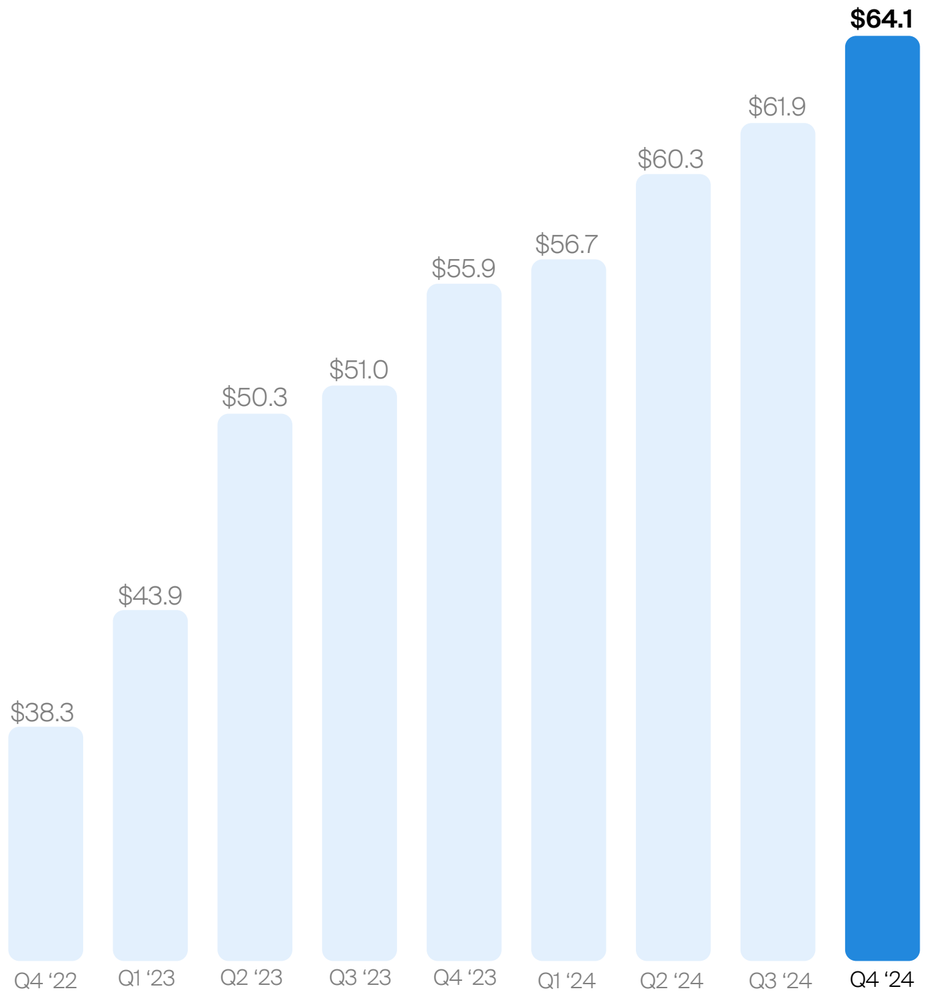


Annual Recurring Revenue
(thousands)

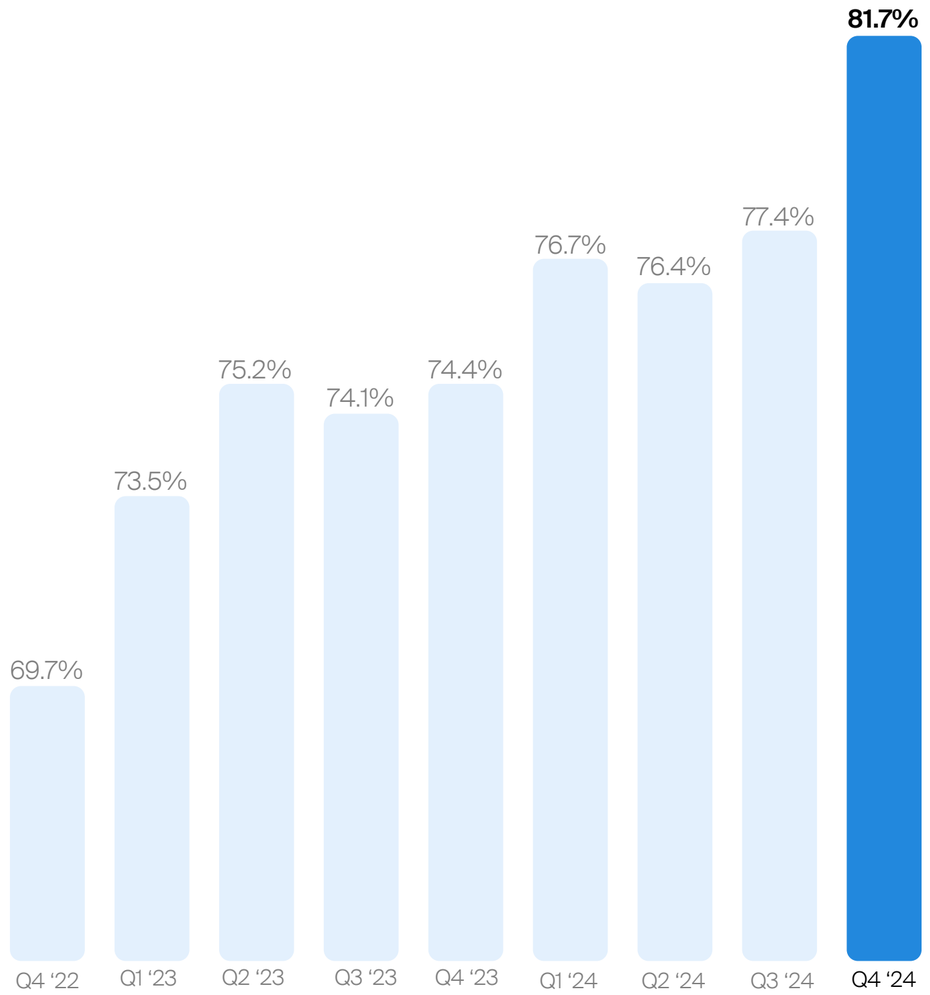
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Service Revenue & Service Gross Margin



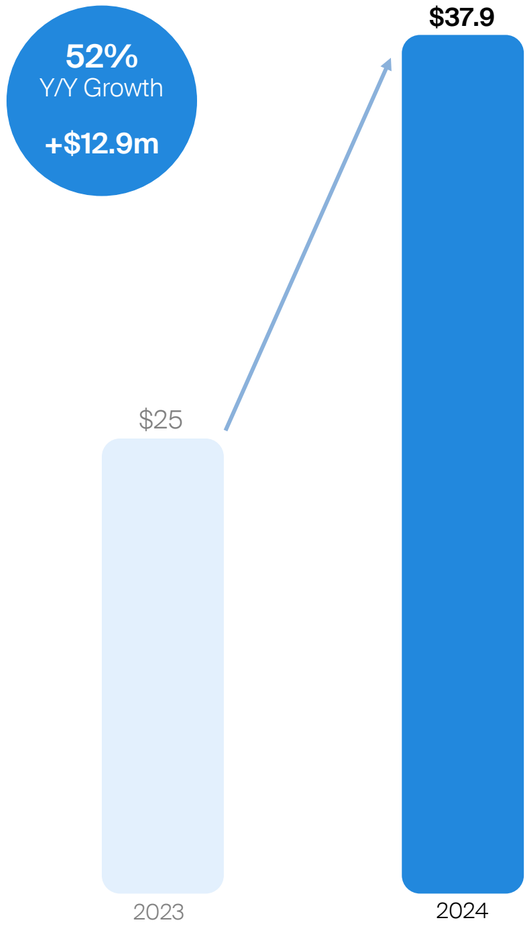
Service Revenue
(millions)



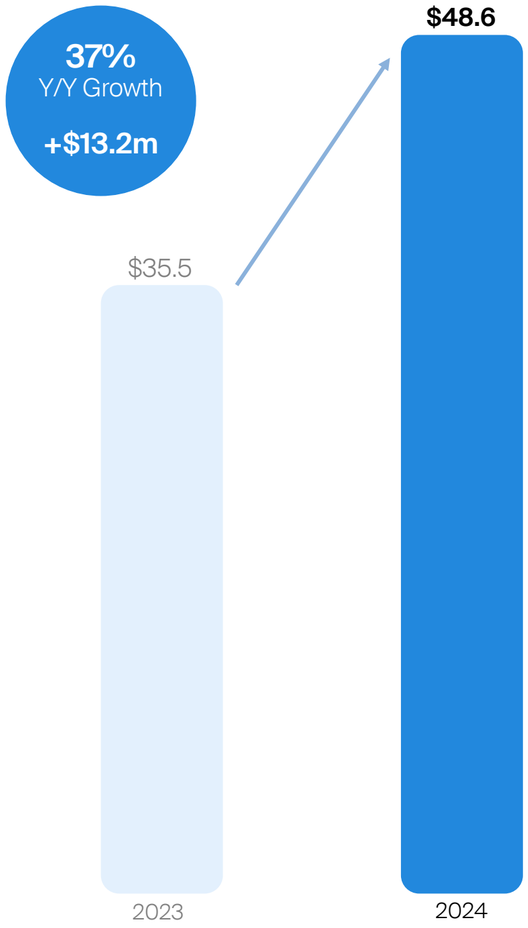
Service Gross Margin

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Operating Income & Free Cash Flow



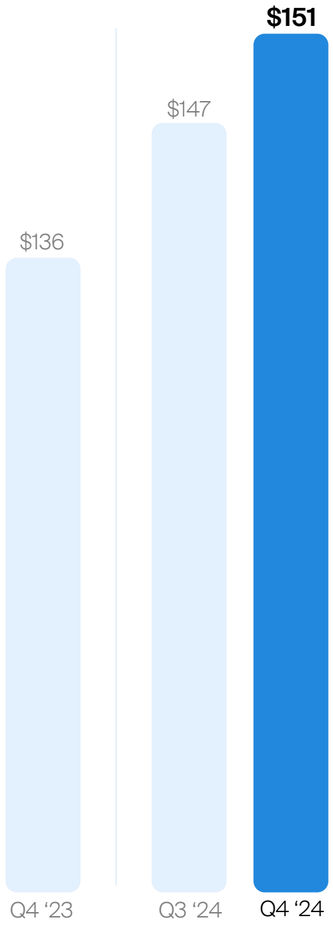
Non-GAAP Operating Income
(millions)



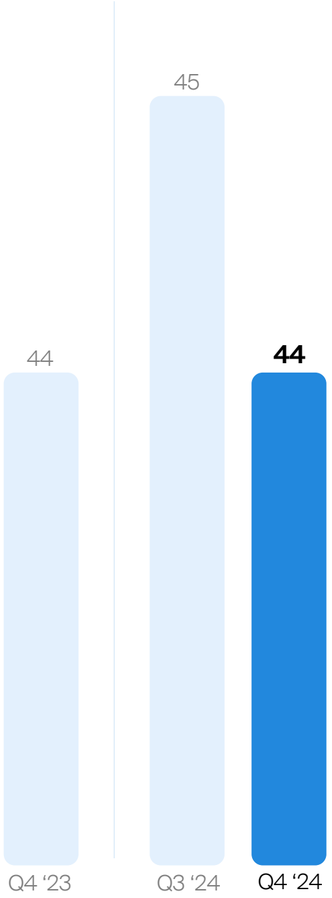
Free Cash Flow
(millions)

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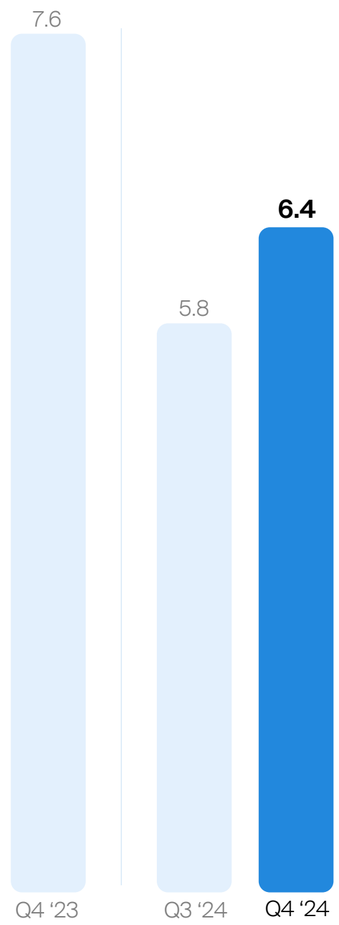
Balance Sheet Metrics



Cash & ST Investments
(millions)



DSO
(days)



Inventory Turns
(times)

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Looking Ahead

DRIVING INNOVATION



A decade of innovation focused on safety

2014
Arlo Launch
The first wire-free camera with cloud storage that created a new market segment

2016
Pro
First camera with 2-way audio and rechargeable batteries

2017
Pro 2
First camera supporting FHD 1080p video and faster WIFI

2017
Go LTE
First camera with 4G LTE integrated for security anywhere

2018
Smart AI v1
World's first Artificial Intelligence service for video object detection

2018
Ultra
First camera with 4K, color night vision, noise-cancellation and dual-band WIFI

2019
E911 Service
First service to provide accurate emergence calling and metadata

2019
Doorbell
First doorbell with 1:1 aspect ratio and SIP based calling

2019
Smart AI v2
First AI based package detection and smoke, CO alarm detection

2019
Pro 3
First camera with 2K video and battery-operated floodlight

2020
Go v2
First camera with LTE, WIFI, and integrated GPS technologies

2021
Secure AI v1
First service with Emergency Response with Direct Dispatch

2022
Safe Service
Personal safety service with family comms and crash detection

2022
Security System
First security system with an 8 in 1 multi-sensor for DIY

2022
Monitoring
First pro monitoring with video verification and real time status

2022
Pro 5S
First camera with tri-band wireless and resilience features

2023
ATS Plans
First subscription to combine Arlo products and service in single payment

2023
E2 Doorbell
First doorbell with NFC reader for advanced access control

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2025-2026

Complete Refresh of All Cameras + Expansion



The largest and most comprehensive product launch in company history arriving in time for 2025 Holiday Season and bringing new features with some surprises.

Ultra 3

Updated flagship camera line up with updated 4K specification and improved system performance.

Pro 6

New Pro series line up with enhanced capabilities, improved performance, updated design and more aggressive pricing.

Essential 3

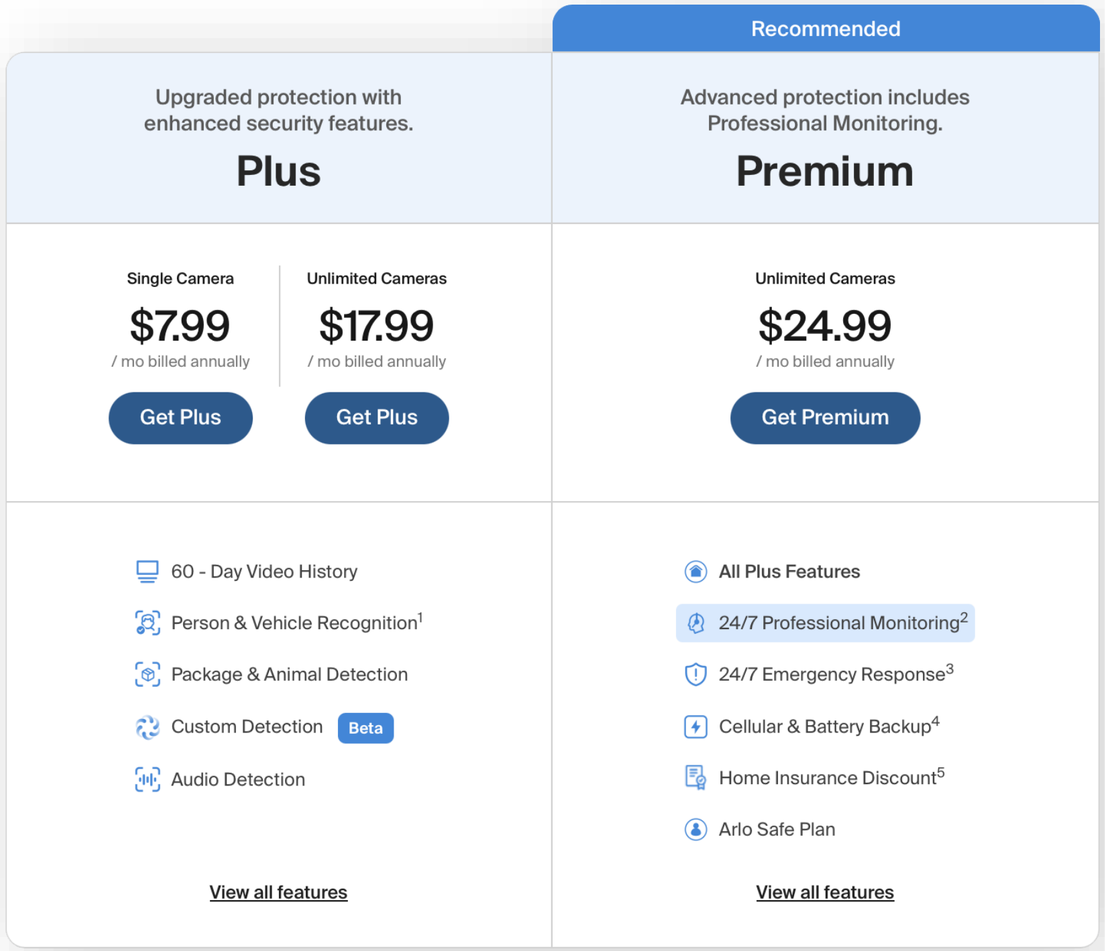
Update of our popular essential lineup with lower costs and substantial expansion into several new product segments driving a larger addressable market and more shelf share.

2026-2027

Next Generation Ecosystem



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Subscription Simplified

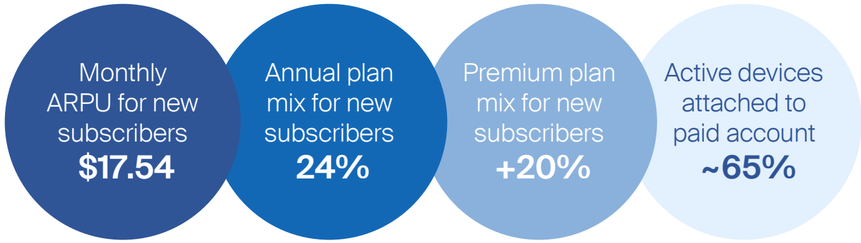
Based on the success of the Arlo Secure 5 launch in 2024, we have simplified the subscription plans available in 2025.

Plus

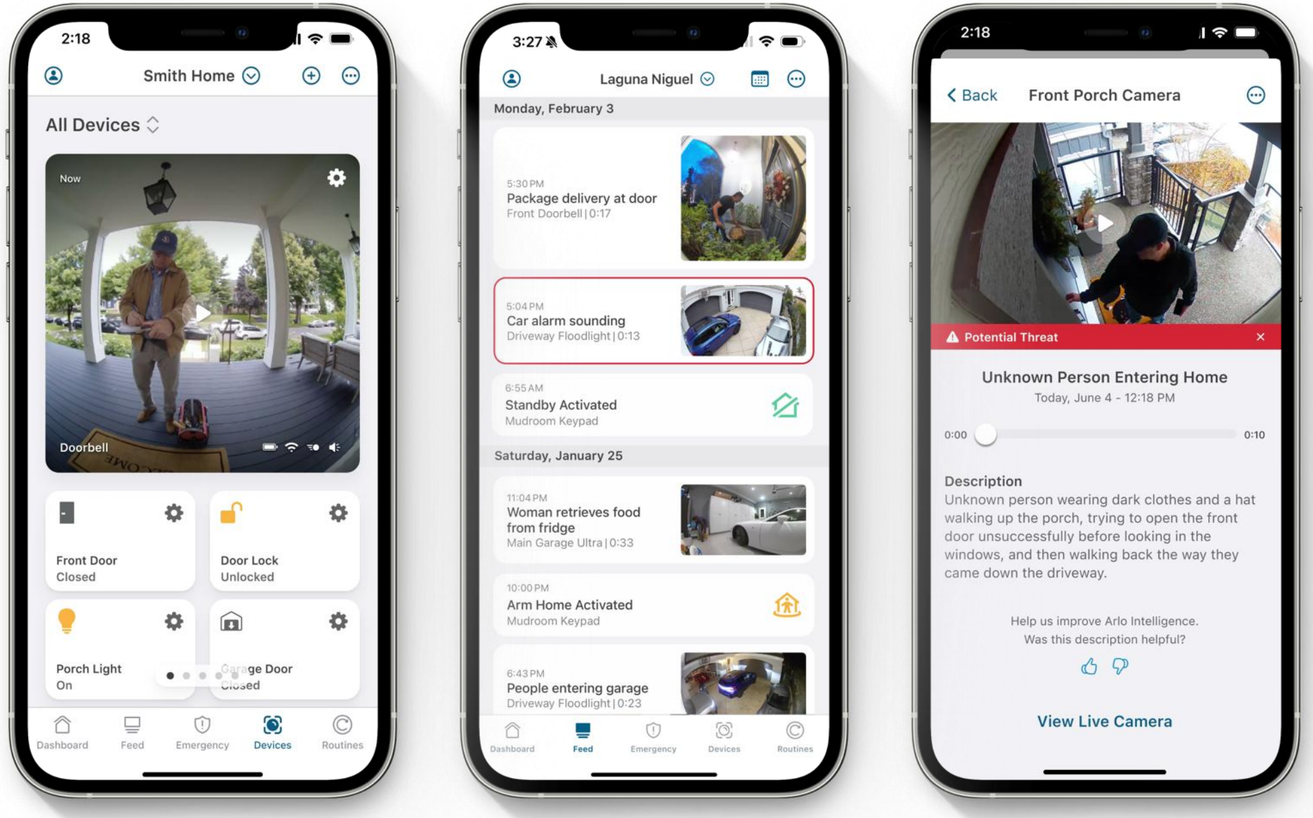
The entry level plan is available in single or unlimited camera versions and now includes all the features from Arlo Intelligence. All plans have also been upgraded to 60 days of video history.

Premium

The premium plan includes all the features from plus and adds emergency direct dispatch, professional monitoring, cellular back up, battery back up, discounts on home insurance, and Arlo Safe family.



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Sneak Peak

ARLO SECURE 6

Smart Home Security

The beginning of combining Smart Home and Home Security into a single platform and user experience to enable the control and automation of third party connected devices.

Video Event Description

Short and long AI-generated descriptions from the video of a motion triggered event to accurately portray the overall scene and the action that generated the alert.

Audio Event Description

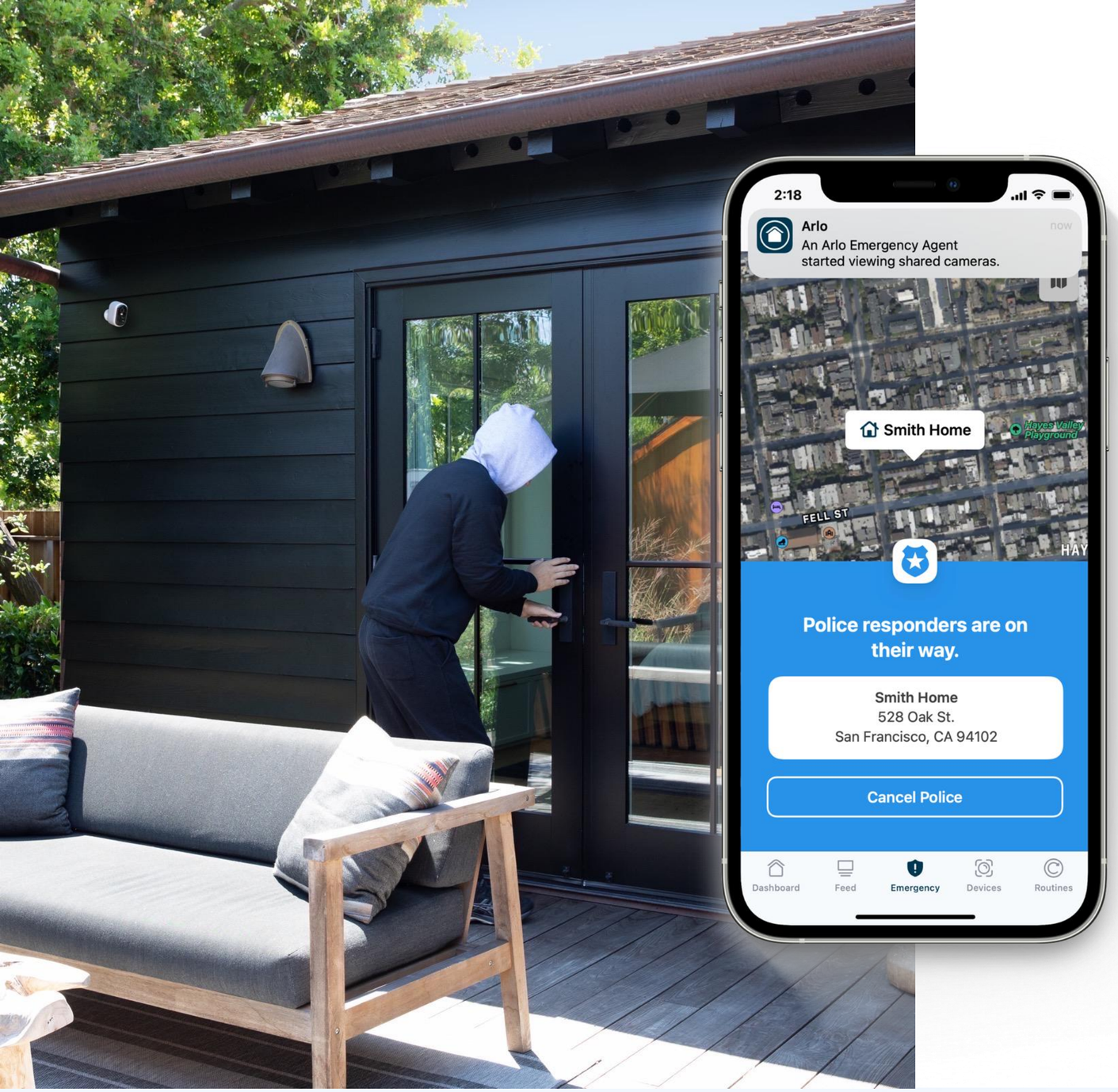
Short and long AI-generated descriptions of the audio picked up by the microphone of the camera that can be combined with video to understand the actual event captured.

Threat Assessment

A new AI model that fuses the video, audio, and contextual information to generate a threat assessment score across several classifications will be used to escalate alerts, drive differentiated actions, and help professional monitoring agents to respond faster while sharing more detailed information with first responders.

...and much more

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PARTNERSHIP

RapidSOS

The integration of RapidSOS into Arlo's platform brings new functionality and higher performance emergency response capabilities to our users and strategic partners.

Faster Emergency Response

The deep integration with RapidSOS's high performance platform ensures safety agents and 911 agents get the alerts quickly.

More Informed First Responders

Arlo can transmit user entered data to first responders such as gate codes, resident profiles, medical info, pet information, etc.

Video Verification

User selected cameras can be viewed by safety agents to verify emergencies which enables a faster dispatch of first responders.

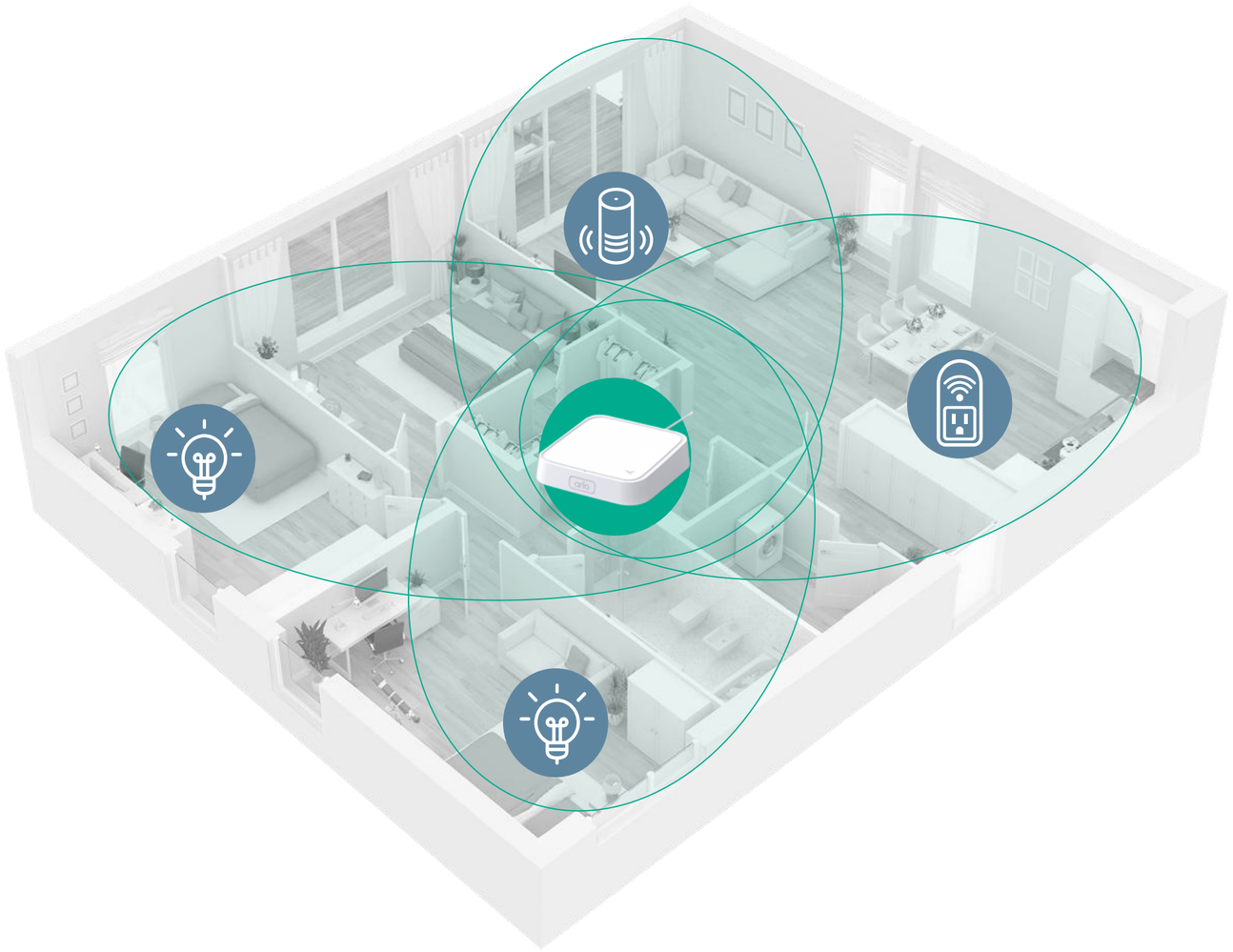
International Expansion

The partnership with RapidSOS enables Arlo to bring the full suite of services including emergency response to new regions.

Innovation Pipeline

Arlo and RapidSOS are committed to innovating together to bring new capabilities in this area to enable faster, safer, and more informed responses to any type of emergency...

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PARTNERSHIP

ORIGIN™

Arlo secured a worldwide exclusive right to Origin's WIFI motion sensing technology which will be integrated into Arlo Secure 6 and creates a unique, differentiating capability for our users and strategic partners.

Whole Home Motion Sensing

Ability to detect motion across a household or small business utilizing existing WIFI devices on the premises (no additional HW required).

AI Classification

Powerful AI classification can turn the wave form perturbations into identification of person vs. pet vs. a mechanical object.

Partner Pipeline

The technology can empower service providers and other entities to enter the security space with ease and a pipeline of potential new strategic partners is engaging now.

Arlo Next-Gen

The technology will be integrated into Arlo's next generation platform and bring a completely new, simple, and powerful home security experience to the market.

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SAMSUNG



SmartThings



PARTNERSHIP

Samsung

Samsung and Arlo are working together in partnership to ensure SmartThings users have a best-in-class experience with Arlo smart security cameras.

This will include improved performance, 2-way audio, event snapshots, and AI powered intelligent notifications inside of the SmartThings ecosystem.

More to be announced later this year...

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Looking Ahead

Financial Outlook



Powerful SaaS Business Model

1

Acquire new subscriptions through highly efficient retail channels and strategic partnerships

- Optimize customer acquisition costs
- Expand global distribution
- Introduce cost-effective brand awareness campaign

2

Convert new households and paid accounts with compelling subscription services

- High Conversion/Attach Rate
- Friction-less in-app activation
- Robust service packages



3

Expand ARPU through compelling service offering including innovative AI capabilities.

- Growth in ARPU/Service Revenue
- Consistent High Customer retention
- Drive intuitive upsell opportunities

4

Grow annual recurring revenue with High SaaS margins

- Service revenue growth
- Continue margin expansion
- Free cash flow enhancement

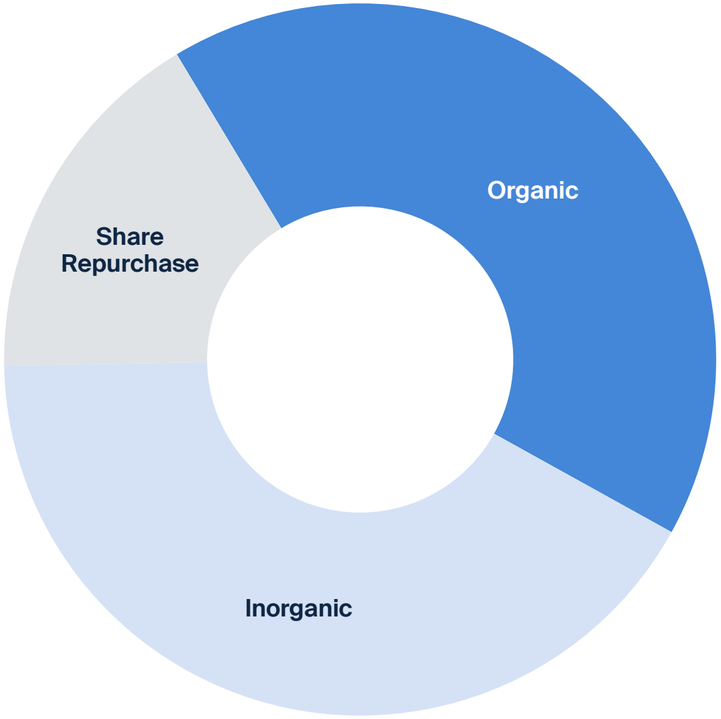
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		Q1 2025 Guide		Full Year 2025 Guide
Consolidated	Total Revenue	$114 - $124M	→	$510 - $540M
	Earnings per Share (non-GAAP)	$0.09 - $0.15	→	$0.56 - $0.66
Subscriptions	Service Revenue			$300M+
	Service Gross Margin			>80%

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Arlo Capital Allocation Plan

Arlo Cash Balance - $150 million at December 2024



Organic Investment

Reinvest capital into organic growth opportunities

- Next Generation platforms
- Arlo Intelligence
- SaaS platform expansion
- Device roadmap expansion
- Adjacent sales, marketing, or new market build outs

Inorganic Investment

Outside investments to accelerate growth

- Strategic technology or platform partnerships
- Investments in technology components
- M&A to accelerate to long term targets

Share Repurchase

Preserve intrinsic value through reduced dilution and at times when Arlo's equity is perceived as undervalued.

Strong subscriber growth results in expanding profitability and incremental cash on balance sheet

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US LISTED SOFTWARE COMPANIES WITH CY 2025E RULE OF 40 OF 35% - 40%



Revenue multiple for companies	Multiple for companies with >20% rev growth
7.6x	**9.7x**

Estimates are based on Wall Street consensus estimates from Capital IQ. Companies with CY 2025E revenue growth >20% are shown in full color.

arlo

Rule of 40 for CY 2025 Guidance Range

39% - 41%

ARR Growth Estimate for CY 2025

~25%

Current Service Revenue Multiple

<4.0

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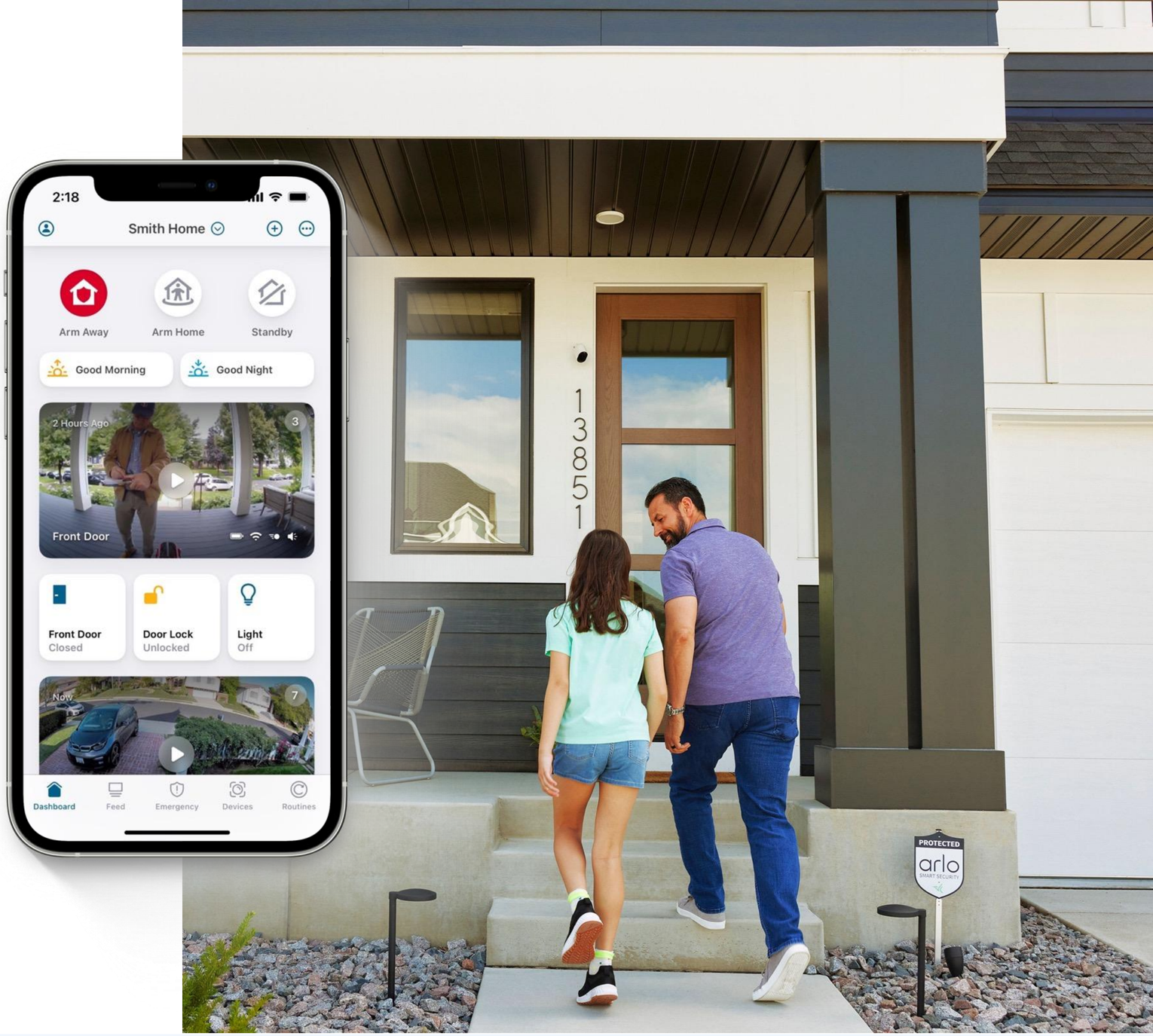
Original Long-Range Plan MARCH 2022 TARGETS FOR ≤ 2027		Current Long-Range Plan TARGETS FOR ≤ 2030
5 Million Paid Accounts	→	**10 Million** Paid Accounts
$300 Million In ARR	→	**$700 Million** In ARR
≥10% In Operating Margin (NON-GAAP)	→	**>25%** In Operating Margin (NON-GAAP)

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ARLO in 2025

Arlo is set up for a successful year with past investments coming to fruition and numerous opportunities to drive service revenue growth and shareholder value.

1. **SaaS Platform Innovation**
   Powerful AI features and platform enhancements
2. **Comprehensive Device Launch**
   The largest product launch in our history in time for holiday
3. **Retail Expansion**
   Capturing additional shelf share throughout the year
4. **New Strategic Partners**
   Opening new growth vectors this year and beyond
5. **$300M+ in Service Revenue**
   Targeting substantial subscription service growth
6. **Rule of 40 SaaS Company**
   2025 guide puts Arlo in rarified air against all peers



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Appendix

GAAP to non-GAAP Reconciliations

Reconciliations of GAAP Measures to Non-GAAP Measures

Gross Profit, In Thousands, except percentage data

	Three Months Ended							
	April 2, 2023	July 2, 2023	October 1, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 29, 2024	December 31, 2024
GAAP gross profit:								
Products	$ 3,019	$ 4,303	$ 5,626	$ 6,025	$ 4,269	$ 1,150	$ 964	$ (7,264)
Services	32,198	37,555	37,513	41,324	43,111	45,704	47,452	52,118
Total GAAP gross profit	35,217	41,858	43,139	47,349	47,380	46,854	48,416	44,854
GAAP gross margin:								
Products	*4.5 %*	*6.6 %*	*7.1 %*	*7.6 %*	*6.3 %*	*1.7 %*	*1.3 %*	*(12.6) %*
Services	*73.3 %*	*74.6 %*	*73.5 %*	*73.9 %*	*76.0 %*	*75.8 %*	*76.7 %*	*81.2 %*
Total GAAP gross margin	*31.7 %*	*36.4 %*	*33.2 %*	*35.0 %*	*38.1 %*	*36.8 %*	*35.2 %*	*36.9 %*
Stock-based compensation expense - products	912	848	723	692	1,114	1,127	666	426
Stock-based compensation expense - services	(51)	119	145	145	257	165	289	(19)
Amortization of development of software cost - services	151	151	152	151	151	151	152	290
Non-GAAP gross profit:								
Products	3,931	5,151	6,349	6,717	5,383	2,277	1,630	(6,838)
Services	32,298	37,825	37,810	41,620	43,519	46,020	47,893	52,389
Total Non-GAAP gross profit	$ 36,229	$ 42,976	$ 44,159	$ 48,337	$ 48,902	$ 48,297	$ 49,523	$ 45,551
Non-GAAP gross margin:								
Products	*5.9 %*	*8.0 %*	*8.0 %*	*8.5 %*	*8.0 %*	*3.4 %*	*2.2 %*	*(11.9) %*
Services	*73.5 %*	*75.2 %*	*74.1 %*	*74.4 %*	*76.7 %*	*76.4 %*	*77.4 %*	*81.7 %*
Total Non-GAAP gross margin	*32.6 %*	*37.3 %*	*34.0 %*	*35.8 %*	*39.4 %*	*37.9 %*	*36.0 %*	*37.5 %*

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Reconciliations of GAAP Measures to Non-GAAP Measures

Operating Income (Loss), In Thousands, except percentage data

	Three Months Ended							
	April 2, 2023	July 2, 2023	October 1, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 29, 2024	December 31, 2024
GAAP operating loss	$ (14,140)	$ (8,029)	$ (2,276)	$ (458)	$ (10,610)	$ (12,801)	$ (5,453)	$ (6,028)
GAAP operating margin	*(12.7) %*	*(7.0) %*	*(1.8) %*	*(0.3) %*	*(8.5) %*	*(10.0) %*	*(4.0) %*	*(5.0) %*
Stock-based compensation expense	14,591	12,973	10,287	10,097	18,550	20,920	14,689	14,498
Other	783	492	415	222	630	1,117	1,575	778
Non-GAAP operating income (loss)	$ 1,234	$ 5,436	$ 8,426	$ 9,861	$ 8,570	$ 9,236	$ 10,811	$ 9,248
Non-GAAP operating margin	*1.1 %*	*4.7 %*	*6.5 %*	*7.3 %*	*6.9 %*	*7.2 %*	*7.9 %*	*7.6 %*
Trailing 12 months Non-GAAP operating income (loss)	*$ (5,873)*	*$ (1,430)*	*$ 11,205*	*$ 24,957*	*$ 32,293*	*$ 36,093*	*$ 38,478*	*$ 37,865*

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Reconciliations of GAAP Measures to Non-GAAP Measures

Free Cash Flow (Usage), In Thousands, except percentage data

	Three Months Ended							
	April 2, 2023	July 2, 2023	October 1, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 29, 2024	December 31, 2024
Net cash provided by (used in) operating activities	$ 10,329	$ 12,578	$ 7,459	$ 7,935	$ 19,806	$ 6,463	$ 18,366	$ 6,671
Less: Purchases of property and equipment	(923)	(1,031)	(494)	(399)	(356)	(295)	(961)	(1,076)
Free cash flow (usage) [1]	$ 9,406	$ 11,547	$ 6,965	$ 7,536	$ 19,450	$ 6,168	$ 17,405	$ 5,595
Free cash flow (usage) margin [1]	*8.5 %*	*10.0 %*	*5.4 %*	*5.6 %*	*15.7 %*	*4.8 %*	*12.6 %*	*4.6 %*

(1) Free cash flow (usage) is calculated as net cash provided by (used in) operating activities less capital expenditures. Free cash flow (usage) margin is the free cash flow (usage) divided by revenue.

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