SONOS

The Power of the Sonos System

Investor Presentation
3Q26 Earnings

July 2026

The Power of the Sonos System

Forward-looking Statements

This presentation contains forward-looking statements that involve risks and uncertainties. These forward-looking statements include statements regarding our our outlook for the fiscal quarter and year ended October 3, 2026, long-term outlook; our long-term focus, financial, growth, and business strategies and opportunities; tariffs; growth metrics and targets; our ability to manage operating expenses; our business model; product mix, new products, product categories and services; our ability to expand our footprint with existing customers; our ability to add new households; our ability to expand geographically; profitability and gross margins; market growth and our market share; our seasonal sales volume; our total addressable market; our incremental revenue opportunity; our operating model and cost structure, and other factors affecting variability in our financial results.

These forward-looking statements are only predictions and may differ materially from actual results due to a variety of factors, including, but not limited to: difficulties in and effect of implementing improvements to our operating model and cost structure; the risk that restructuring and related charges may be greater than anticipated or not occur in the expected time frame; local law requirements in various jurisdictions regarding elimination of positions; our ability to accurately forecast product demand and effectively forecast and manage owned and channel inventory levels; our ability to successfully introduce software updates; our ability to maintain, enhance, and protect our brand image; the impact of global economic, market, and political events, including tariffs, global trade tensions, continued inflationary pressures, high interest rates and, in certain markets, foreign currency exchange rate fluctuations; changes in consumer income and overall consumer spending as a result of economic or political uncertainty or conditions, including tariffs; changes in consumer spending patterns; our ability to successfully introduce new products and services and maintain or expand the success of our existing products; the success of our efforts to expand our direct-to-consumer channel; the success of our financial, growth, and business strategies; our ability to compete in the market and maintain or expand market share; our ability to maintain relationships with our channel, distribution and technology partners; our ability to meet product demand and manage any product availability delays; supply chain challenges, including shipping and logistics challenges and component supply-related challenges, including memory costs and constraints; our ability to protect our brand and intellectual property; our use of artificial intelligence; and the other risk factors identified in our filings with the Securities and Exchange Commission (the “SEC”), including our Annual Report on Form 10-K and subsequent filings. Copies of our SEC filings are available free of charge at the SEC’s website at www.sec.gov, on our investor relations website at https://investors.sonos.com/reports-and-filings/default.aspx or upon request from our investor relations department.

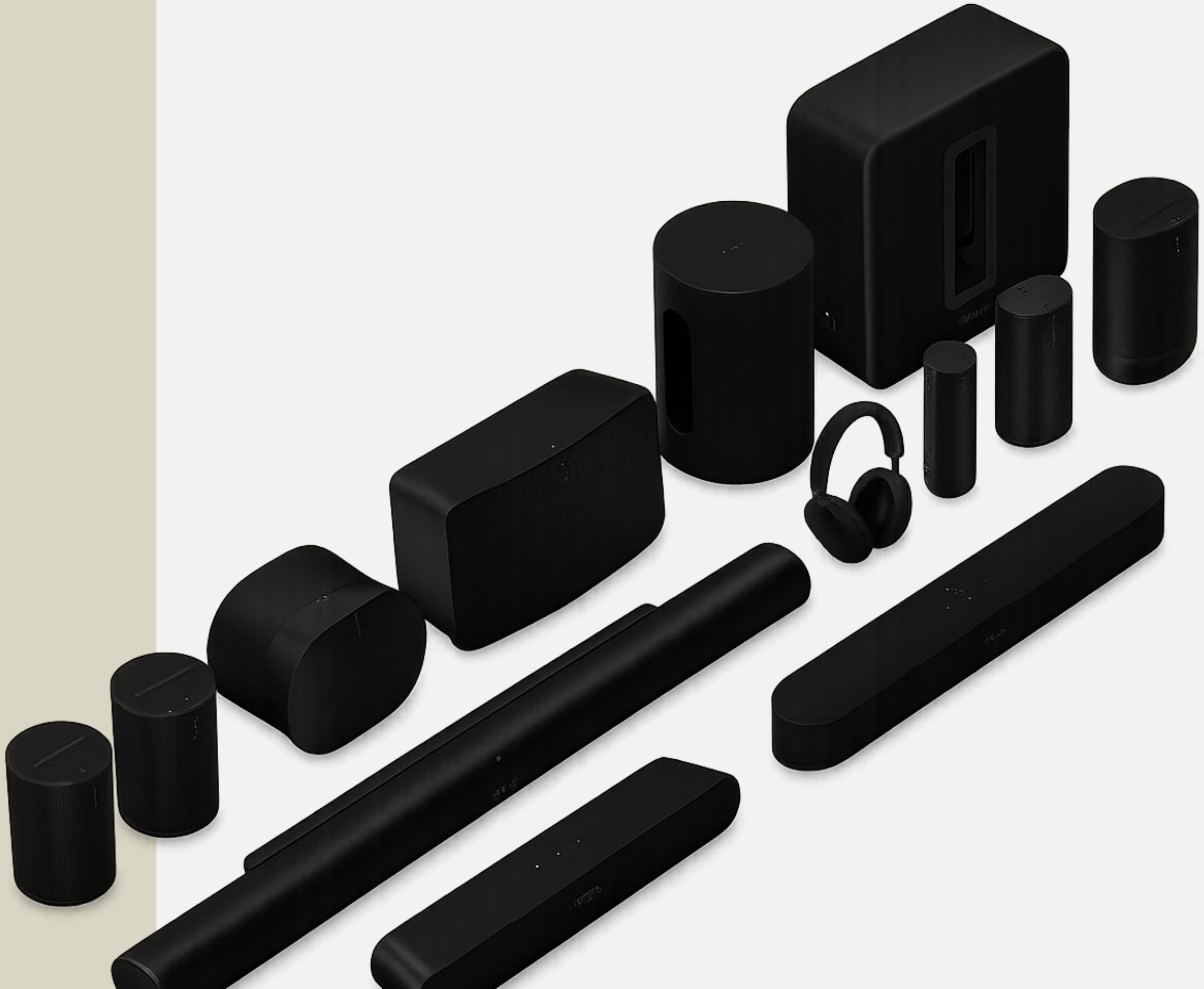
All forward-looking statements herein reflect our opinions only as of the date of this presentation, and we undertake no obligation, and expressly disclaim any obligation, to update forward-looking statements herein in light of new information or future events, except to the extent required by law.

Our Purpose

To elevate life through sound.

Our Product

The Sonos System: unites every dimension of sound into one connected platform.



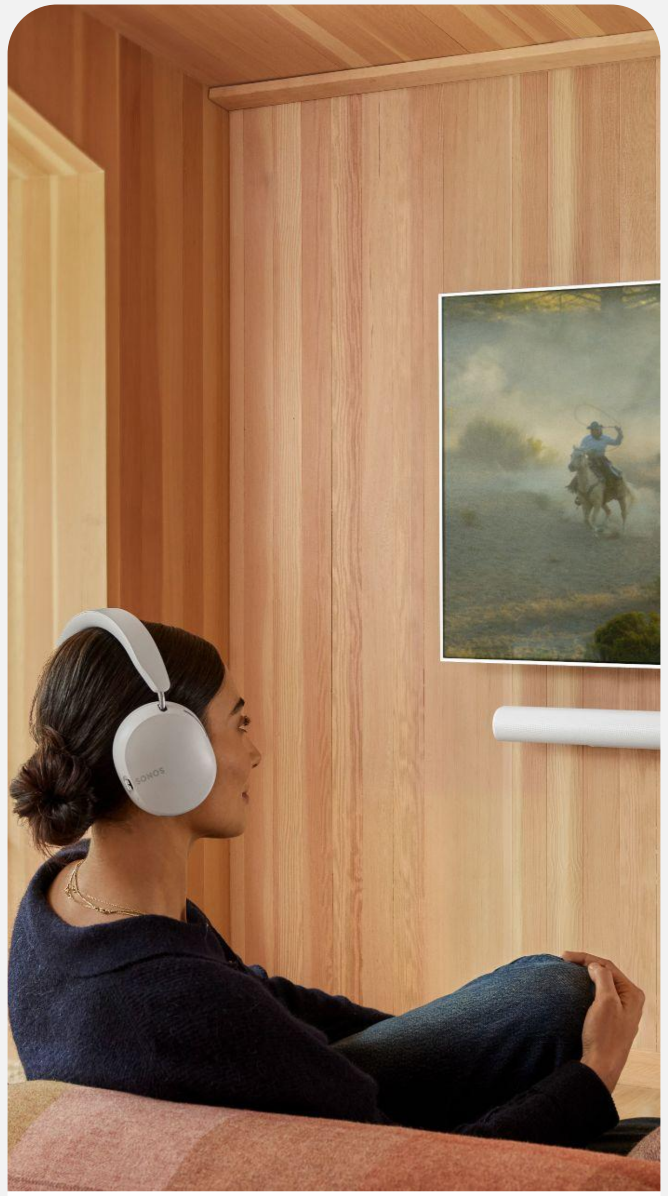
The Sonos System

Home Theater

Bringing sound to life for the most important seats in the home.

Speakers

Designed for every space inside and outside the home.



Headphones

Personalizing home theater and taking Sonos out into the world.

Components

Connecting pros and partners to the Sonos System.

Control & Content

Making the System easier, faster, and more connected.

A Profitable Global Business That's Positioned for Growth

$1.44B
FY25 Revenue

6%
Share of the Global Premium Audio Market

43.7%
FY25 GAAP Gross Margin
45.2% FY25 Non-GAAP Gross Margin

$132M
FY25 Adjusted EBITDA, 9.2% Margin
+23% YoY

17M+
Homes Worldwide

3.13
Products per Household on Average

45%
Products Registered to Existing Customers

#4
in Patent Power (IEEE)
4,900+ Global Patents & Applications

Source: Internal data, Futuresource CY2025, IEEE Spectrum 2025 Patent Scorecard, Premium defined as $100+ wireless speakers, $200+ soundbars, $300+ Hi-Fi systems, $250+ in-wall/in-ceiling speakers, $300+ OTE headphones, $250+ bookshelf speakers (pairs), and all AV receivers, Floor-standing speakers, home theater speakers and home theater in a box products and Hi-Fi separates
Note: Unaudited. Products per household defined as total registrations divided by total households. Percentages have been calculated using actual, non-rounded figures and, therefore, may not recalculate precisely. Adjusted EBITDA, Adjusted EBITDA margin and Non-GAAP Gross Margin are each non-GAAP measures. See Appendix for reconciliation of GAAP to Non-GAAP measures. Global patents and applications as of Nov 3, 2025. FY25 GAAP Net Loss -$61M (-4.2% margin)

Sonos is One of a Kind

Unique Platform Model	The Sonos System unites every dimension of sound — music, movies, stories and conversations — into one connected platform.
Large Opportunities for Growth	Only 6% penetration of $24B TAM, with a $12B revenue opportunity in the installed base.
World Class Innovation	Unrivaled innovation engine underpinned by deep patent moat and software leadership.
Category Defining Brand	#1 in premium home theater in US, trusted by consumers and professionals alike.
Structurally Improved Profitability	A lean, agile organization with sharp financial discipline.

Source: Circana / Retail Tracking Service for US, 12 months ending Sept. 2025, by dollar share. “Premium Home Theater” defined by Sonos as $150+ ASP, Futuresource CY2025, Premium defined as $100+ wireless speakers, $200+ soundbars, $300+ Hi-Fi systems, $250+ in-wall/in-ceiling speakers, $300+ OTE headphones, $250+ bookshelf speakers (pairs), and all AV receivers, Floor-standing speakers, home theater speakers and home theater in a box products and Hi-Fi separates
Note: Home Theater includes soundbars and wireless subwoofers

Sonos is Every Dimension in Sound

Home theater

Premium sound

Iconic design

Spatial audio

Multi-room

Seamless control

The Sonos System is greater than the sum of its parts.

Voice control

Portables

The Sonos app

AirPlay
Bluetooth
Spotify Connect
Analog

Prosumer components

Headphones

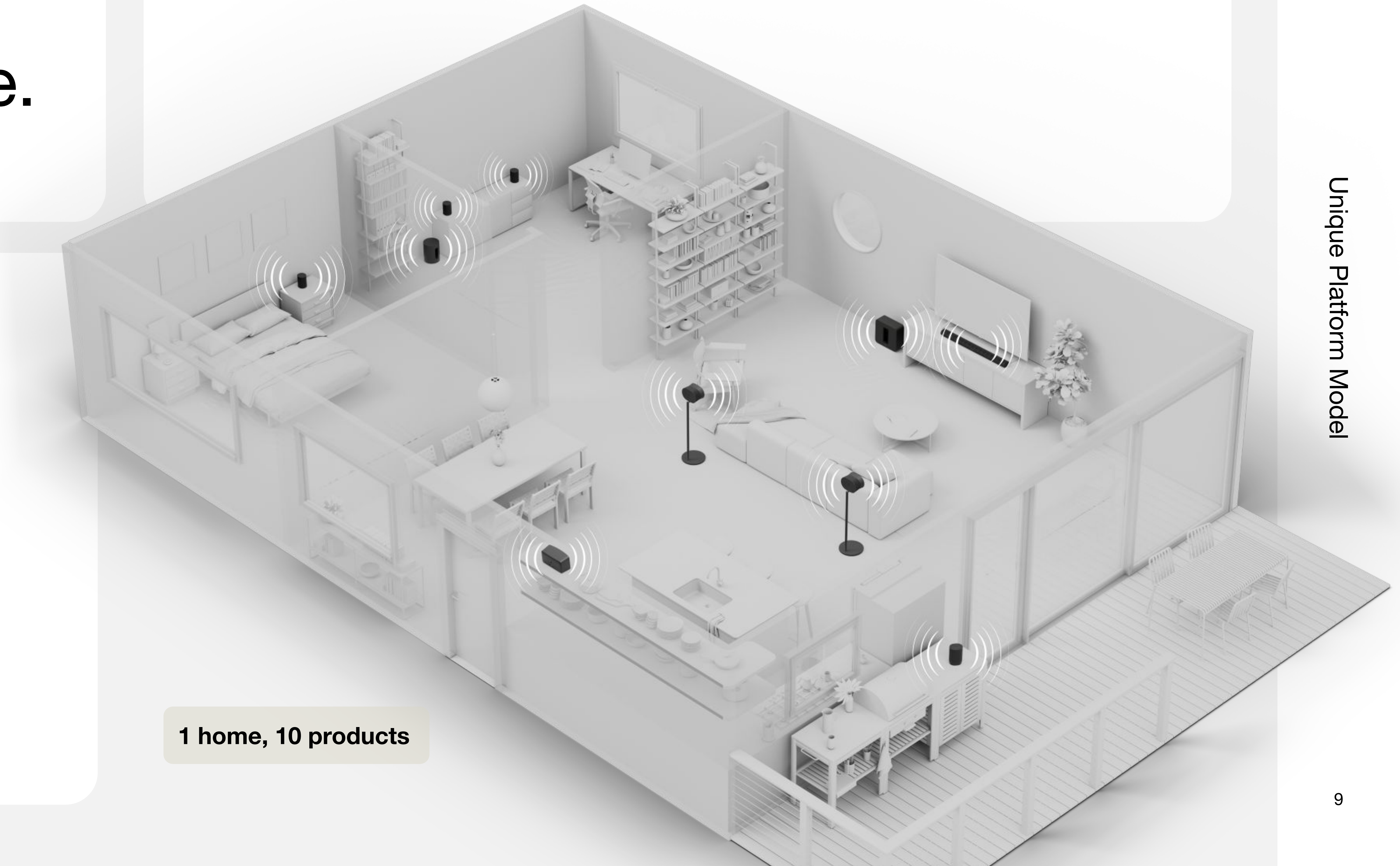
Sonos is a Platform for Growth

Differentiation

Our portfolio of integrated hardware and software defines our position as the premier platform for sound in the home.

Expansion

Value compounds with every product and room added.



Retention

New products and capabilities deepen engagement and loyalty.

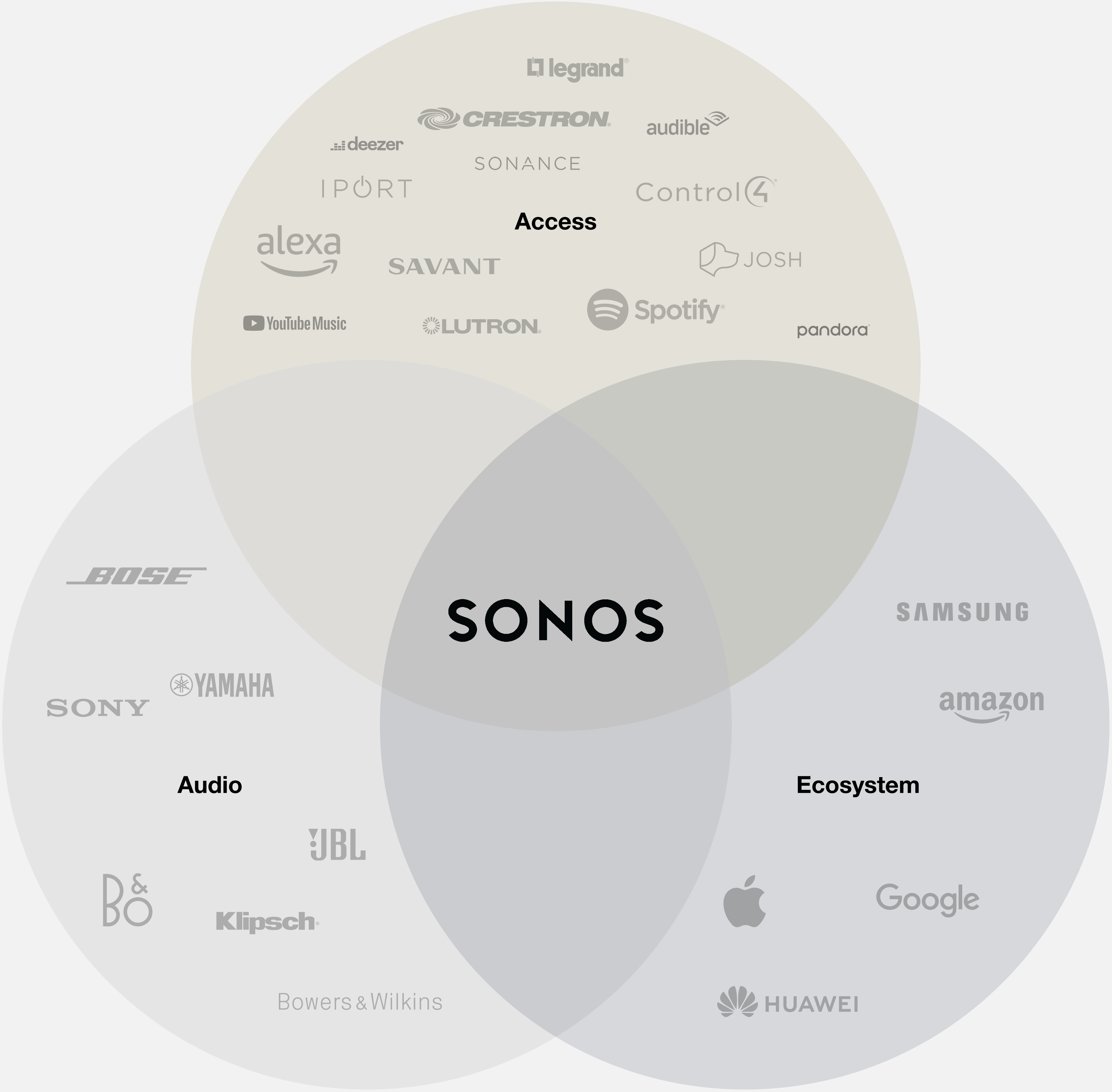
Sonos is the Premier Sound Platform

Audio brands don’t build ecosystems.

Tech giants won’t open their walled gardens.

Control and content players are isolated islands.

Only Sonos brings them all together

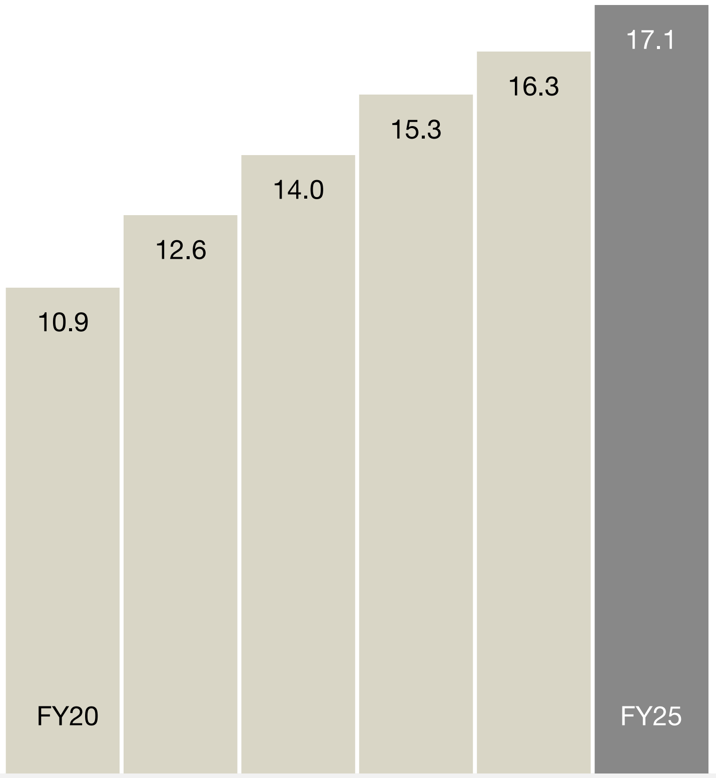


Sonos Platform Growth in FY25

More Households

Households grew
+5% YoY to 17.1M

In millions

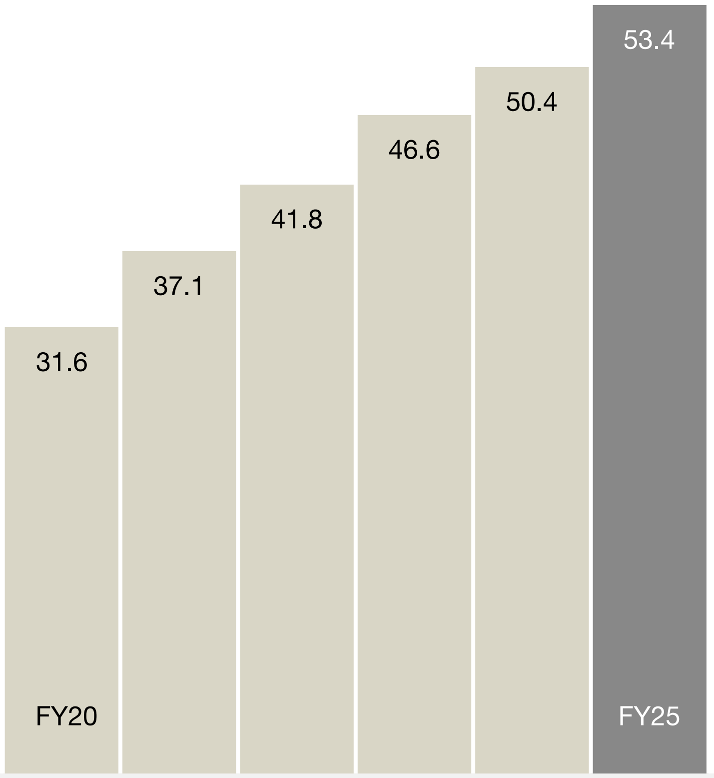


More Devices

Registered products grew
+6% YoY to 53.4M

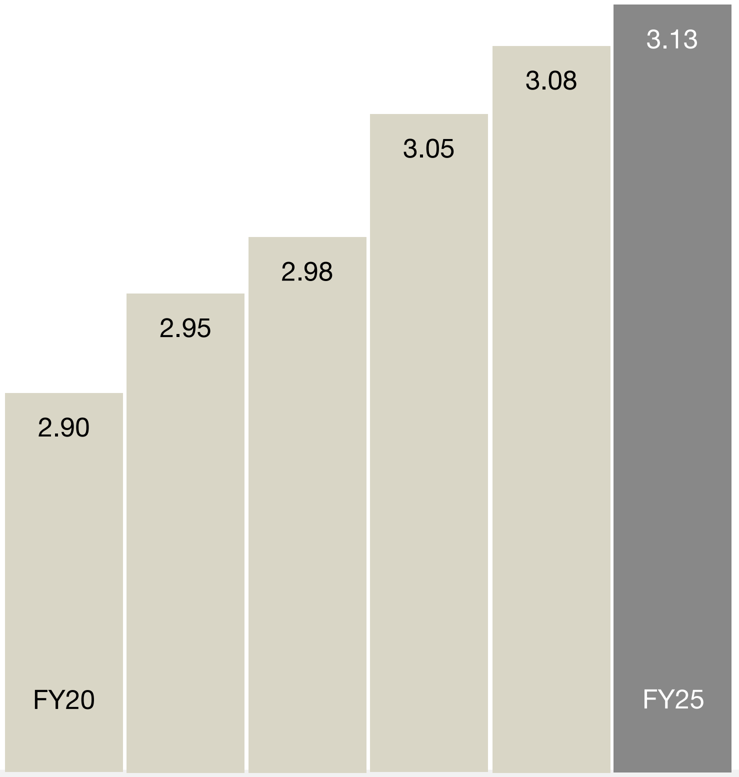
Existing households were
45% of registrations

In millions

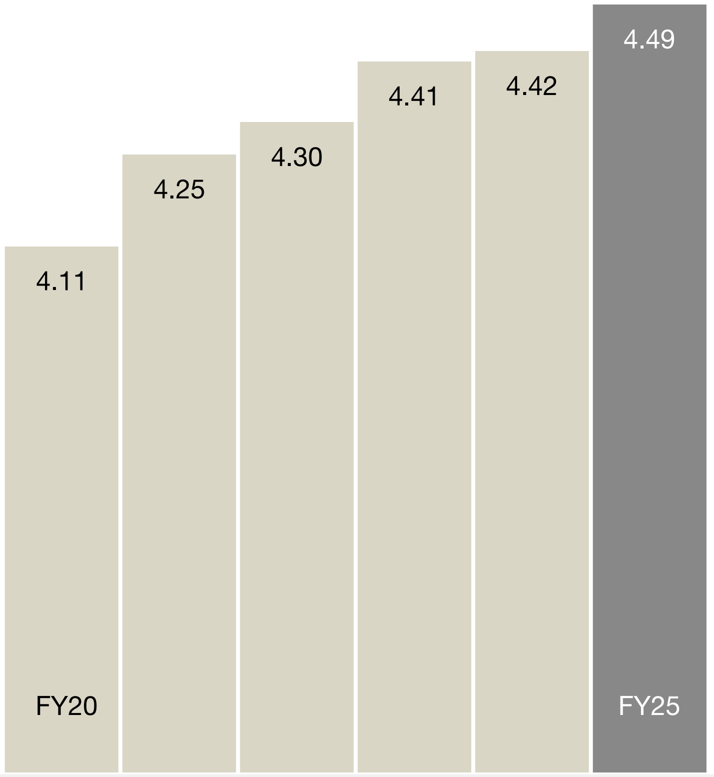


More Expansion

Devices per household grew YoY
3.08 → 3.13



Devices per multi-product household grew YoY
4.42 → 4.49



Source: Internal data
Note: Unaudited. Devices per household defined as total registrations divided by total households. Devices per multi-product household defined as products registered less single product households divided by households with >1 product.
Percentages have been calculated using actual, non-rounded figures and, therefore, may not recalculate precisely.

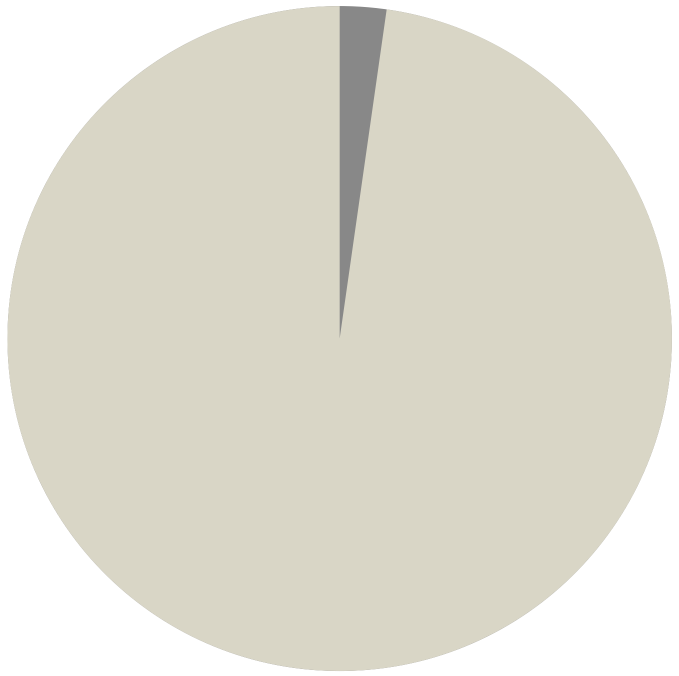
The global premium audio market is a **$24B opportunity.**

6%

current market share

FY25 Revenue

Untapped Opportunity



Source: Futuresource CY2025, Premium defined as $100+ wireless speakers, $200+ soundbars, $300+ Hi-Fi systems, $250+ in-wall/in-ceiling speakers, $300+ OTE headphones, $250+ bookshelf speakers (pairs), and all AV receivers, floor-standing speakers, home theater speakers and home theater in a box products and Hi-Fi separates

Five growth dimensions to drive new households and increase lifetime value

Product Innovation

Differentiated products that make the whole system stronger

Customer Advocacy

Loyalty earned through reliability, ease, and a coherent platform

Intentional Marketing

Full-funnel engine tying brand to a consistent system story

Geographic Expansion

Global footprint via products, partnerships, and local relevance

Emerging Trends

Positioned to lead as new tech reshapes daily life, e.g. conversational AI

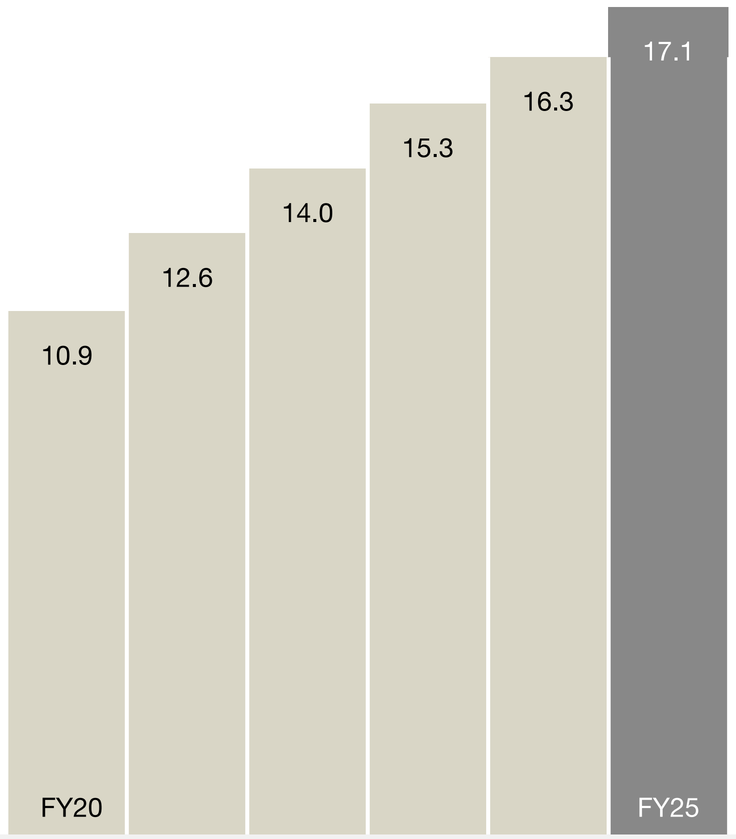
SONOS

Add New Households

Six consecutive years of household growth, from 10.9M in FY20 to 17.1M in FY25

A steadily expanding installed base is the foundation everything else compounds from

In millions

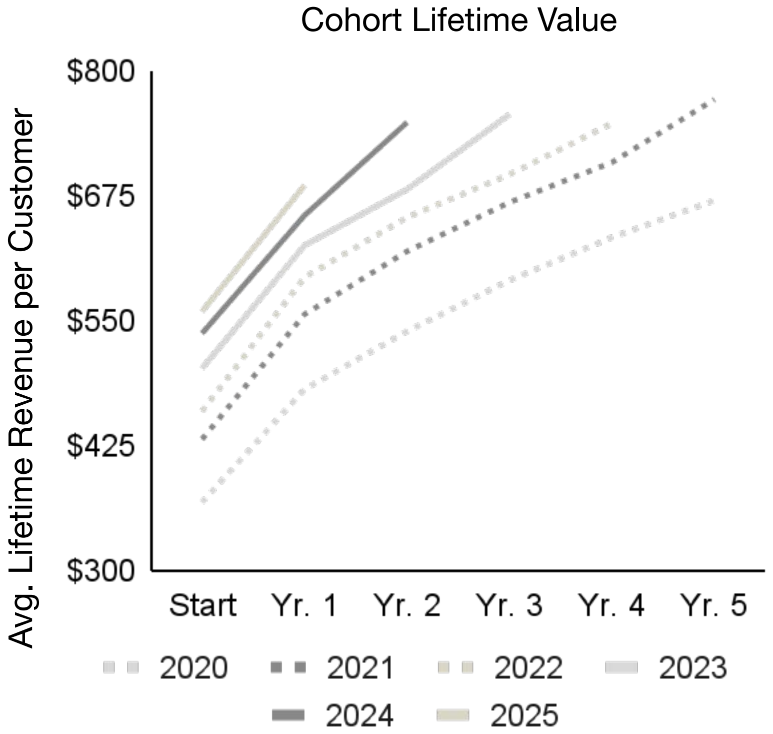


Increase Lifetime Value

Newer cohorts monetize higher than older ones. We increase lifetime value by:

Growing revenue per household (more products per home)

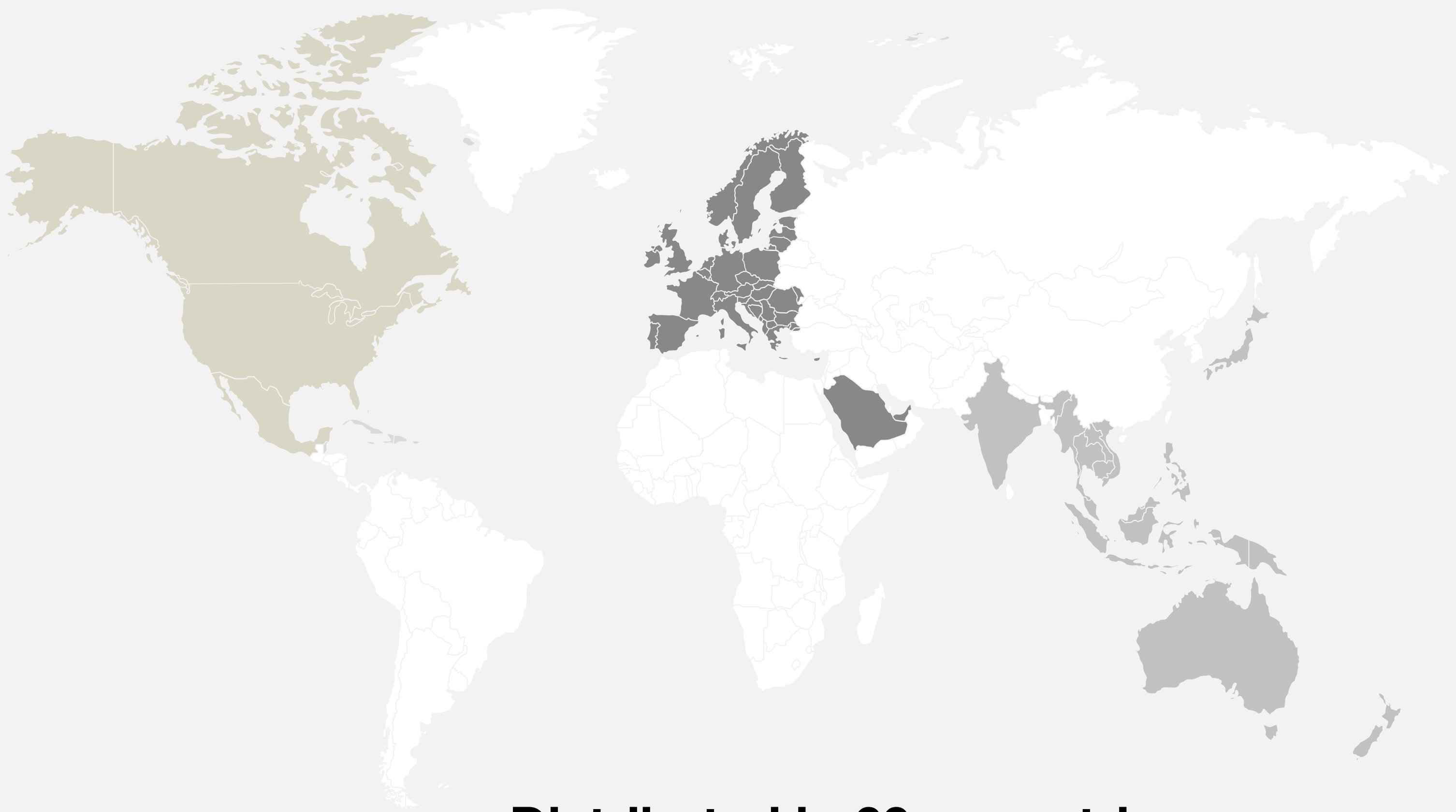
Extending monetization lifetime (core experience, upgrade cycle)



Source: Internal Data.
Note: Unaudited. Cohort defined as average customer acquired in respective fiscal year period

Global Presence

Based on the foundation we've built in our existing markets, we see significant opportunity to expand our geographic presence



Distributed in 60+ countries

#1

in premium home theater[1] in US

#2

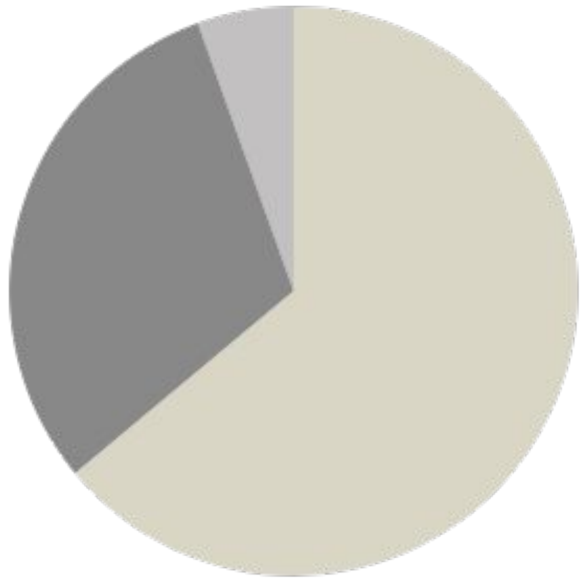
in premium home theater[1] in EMEA[2]

#2

in streaming audio in both US and EMEA[2]

FY25 Revenue By Geography

Americas	$923M	64%
EMEA	$441M	31%
APAC	$79M	5%



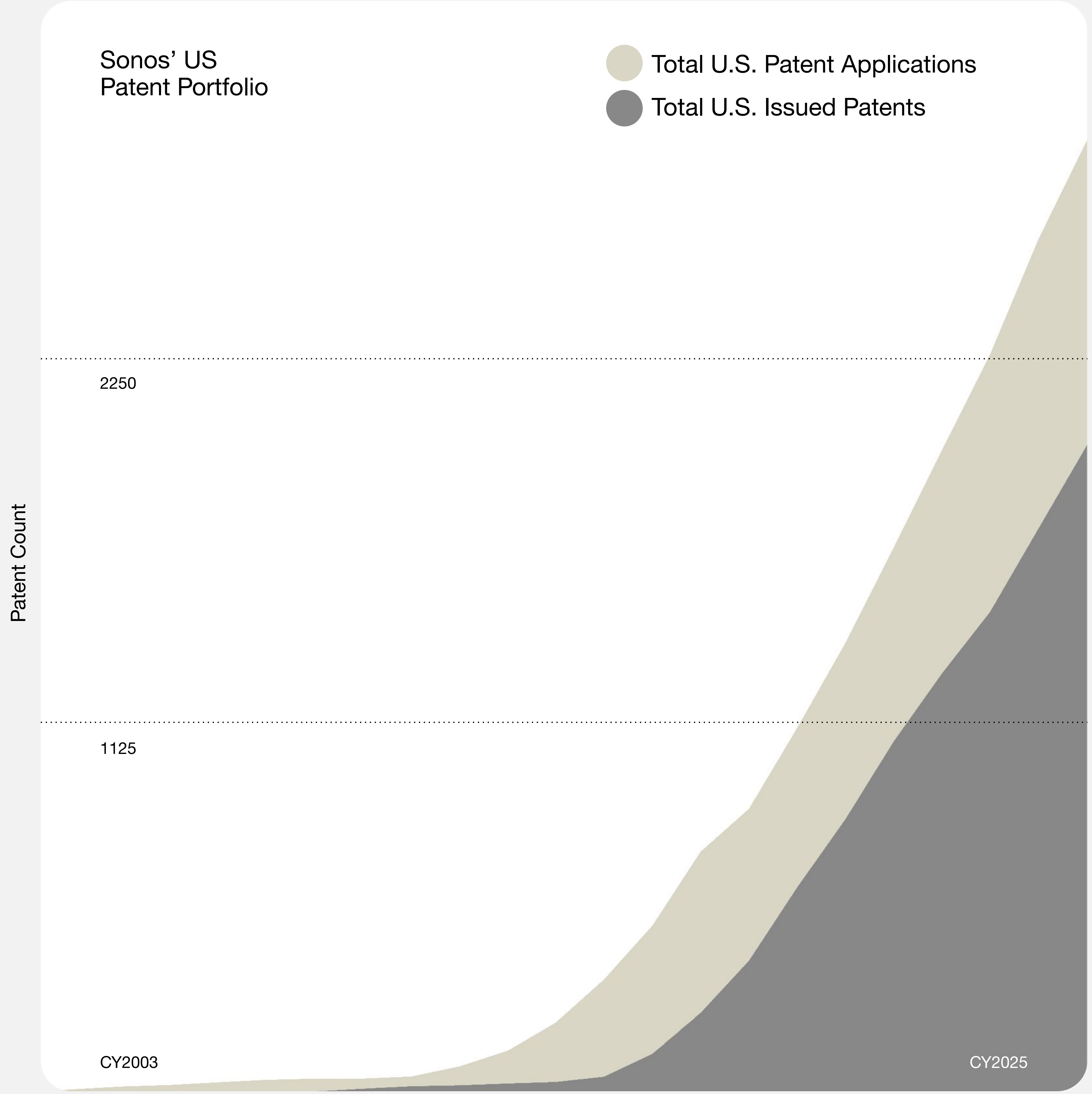
Source: Circana / Retail Tracking Service for US, NIQ for UK and DE, 12 months ending Sept. 2025, by dollar share. "Premium Home Theater" defined by Sonos as $150+ ASP

Notes:

1 - Home Theater includes soundbars and wireless subwoofers

2 - EMEA is UK and DE

Broad and Valuable IP Portfolio



Overview of Portfolio

- Over 2,000 issued US patents
- 850+ US applications pending
- 4,900+ patents globally

Established Value

- The Sonos IP portfolio has been tested and proven to have real value in litigation
- Rated #4 in Patent Power by IEEE
- Featured on IPO's Patent 300 List for 9th consecutive year

Foundational Innovation

- Core Playback & Hardware
- Content, Search & Recommendations
- Wireless & Networking
- Advanced Audio & Spatial Experience
- System Setup & Identity
- AI, Interoperability & Verticals
- Control & Interaction
- Trust, Rights & Commerce

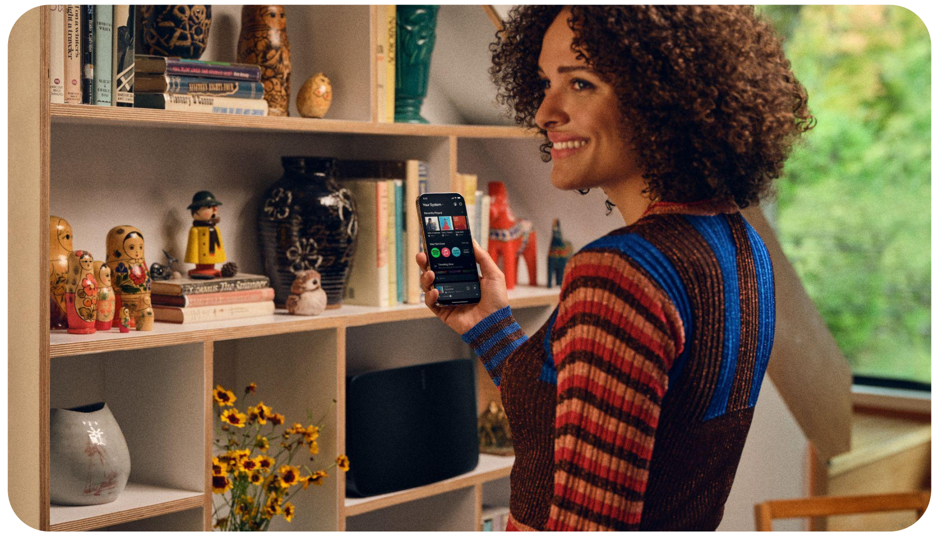
Source: Internal Data, IEEE Spectrum's Patent Power program, 2025 Intellectual Property Owners Association's "Top 300 Patent Owners"

The Sonos Brand: Premium, Trusted, Loved

Strength

The Standard for Connected Audio
Sonos defines what quality and design mean in modern home audio
Partner of choice to custom installers

Deeply Engaged Customers
45% of registrations come from existing customers
16.1B listening hours in FY25 (+10% YoY)
Households listen an average of 2.6 hours/day (+5% YoY)



Partnerships

Extended Reach & Reinforced Position
Integrations with 100+ streaming, voice, and smart home service providers

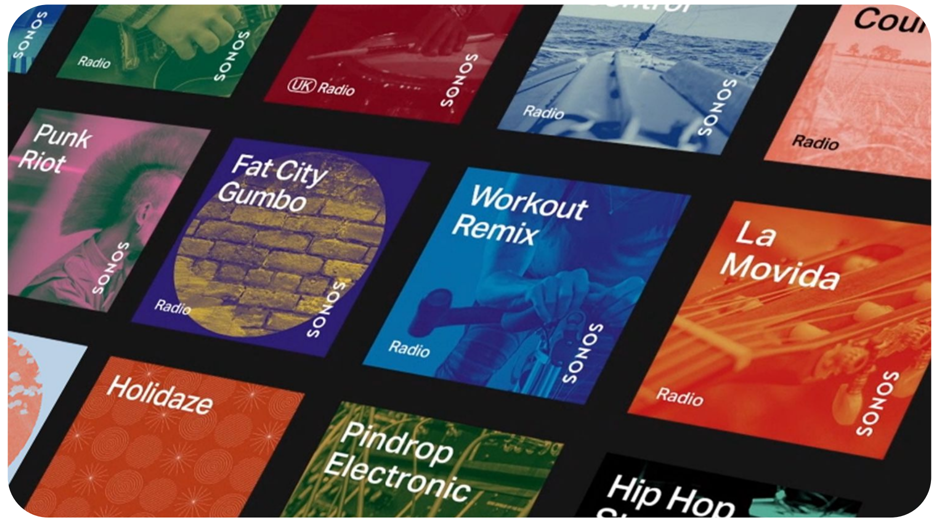
Choice Partner to Leading Home and Content Brands
New partnerships with Peloton and Philips Hue
Works with Sonos program

Music · Spotify · amazon music · YouTube Music · deezer
CRESTRON · Control4 · LUTRON · SONANCE
PELOTON · YAMAHA · SEAKIC · SONY
ALARM.COM · hue · SmartThings · VICTROLA

Scale

Global Footprint
17M+ households with 53M+ devices
Distributed in 60+ countries

Market Influence
#1 in premium home theater[2] in US, #2 in EMEA[1]
#2 in streaming audio in US and EMEA[1]



Source: Internal data, Circana / Retail Tracking Service for US, NIQ for UK and DE, 12 months ending Sept. 2025, by dollar share. “Premium Home Theater” defined by Sonos as $150+ ASP
Notes:
1 - EMEA is UK and DE
2 - Home Theater includes soundbars and wireless subwoofers

Third Quarter Fiscal 2026 Results

Third Quarter Fiscal 2026 Financial Highlights

Revenue

$375M

+9% YoY

First quarter of contribution from Play and Era 100 SL, strong growth from EMEA and APAC, and +1pt of favorable FX. Near high end of guidance

Non-GAAP GM %

45.5%

+80bps YoY

+11% Non-GAAP gross profit $ growth from higher revenue, partially offset by higher memory costs
GAAP[1] $189M +26% YoY, 50.4% GM, +700bps YoY

Non-GAAP OpEx

$135M

+3% YoY

In-line with Q1 & Q2 (~$137M). YoY growth due to higher R&D spend, grew ~600bps slower than revenue.
GAAP $158M, +3% YoY

Adjusted EBITDA[2]

$44M

+24% YoY

Driven by higher revenue and higher Non-GAAP GM
Would be $58M, +64% YoY without $14M YoY memory cost headwind

Non-GAAP EPS

$0.27

+52% YoY

Driven by higher revenue and higher Non-GAAP Gross Margin
GAAP EPS $0.25 +$0.28 YoY

Free Cash Flow

$40M

+$8M YoY

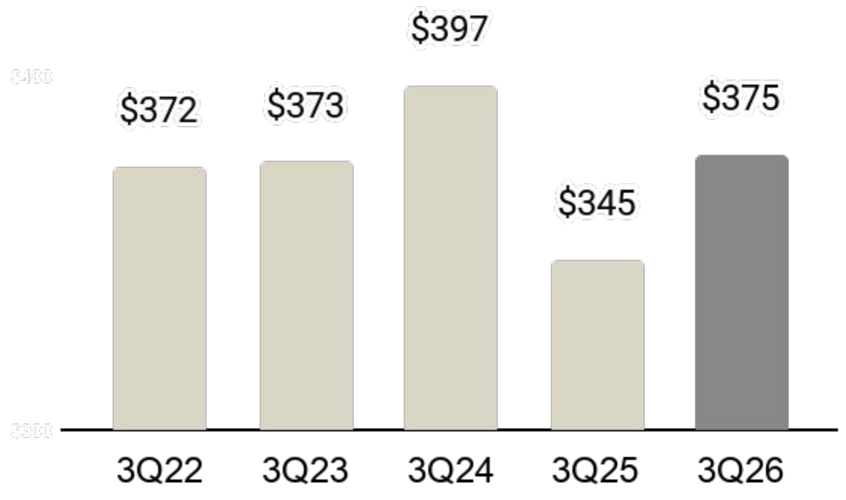
Strong cash earnings, including $24M tariff refunds, partially offset by unfavorable net working capital, which included a $20M cash outlay related to components

Note: In $ millions (unless noted). Adjusted EBITDA, Adjusted EBITDA margin, Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Operating Expenses, Non-GAAP EPS and Free Cash Flow are Non-GAAP measures. See Appendix for reconciliation of GAAP to Non-GAAP measures.

1 - GAAP GP includes $23.2M of tariff refunds
2 - GAAP Net Income of $30M, including $23.2M of tariff refunds

Third Quarter Fiscal 2026 Financial Summary

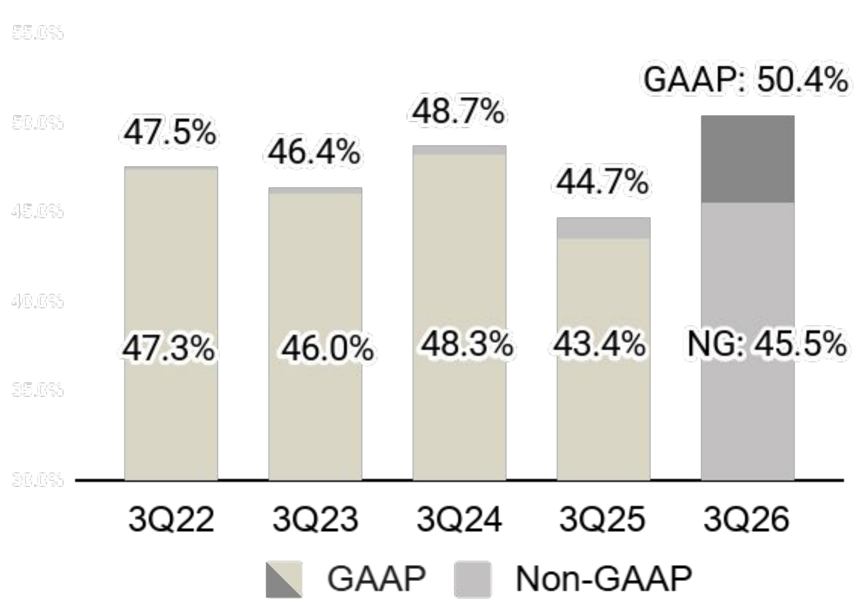
REVENUE



First quarter of contribution from Play and Era 100 SL, strong double digit growth from EMEA and APAC

Total revenue +9% YoY (+7.4% constant currency, FX +1.4pt tailwind)

GROSS MARGIN

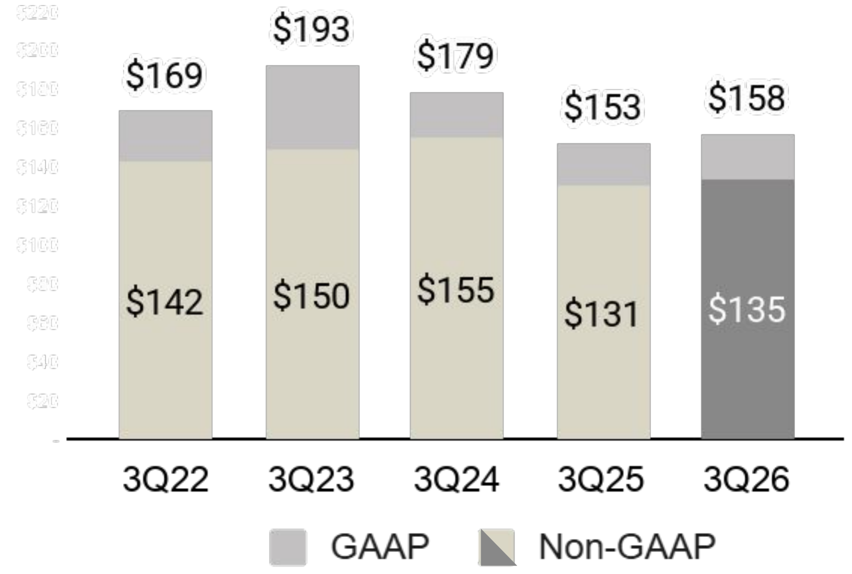


GAAP Gross Profit $ +26% YoY
NG Gross Profit $ +11% YoY

GAAP GP/GM include $23M of tariff refunds (620bps), NG GP/GM excludes tariff refunds

NG GM +80bps YoY despite 380bps headwind from higher memory costs due to last year's tariff mitigation actions

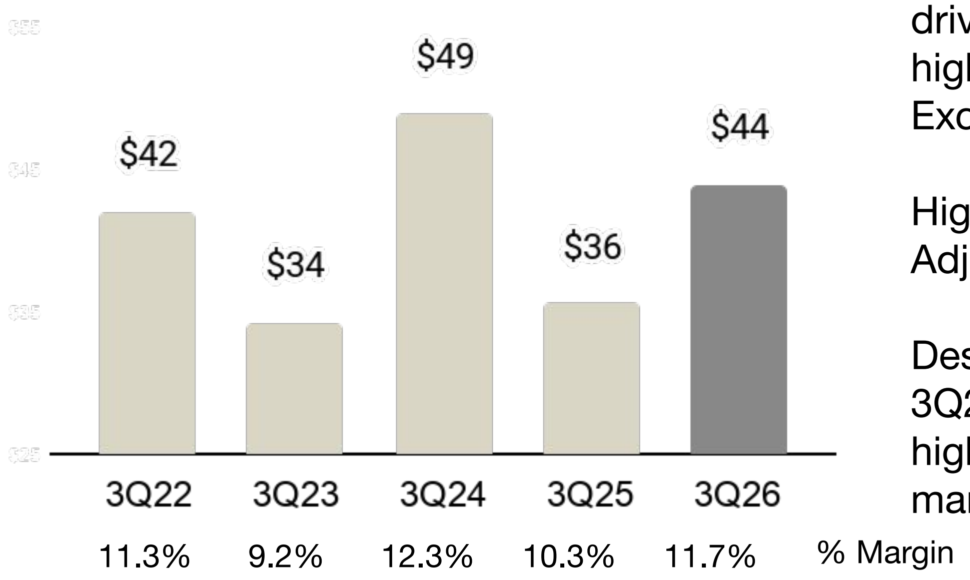
OPERATING EXPENSES



Operating expense results reflect continued operational discipline while investing in future growth

- GAAP +3% YoY, +1% QoQ
  - Includes $4M restructuring
- Non-GAAP +3% YoY, -1% QoQ

ADJUSTED EBITDA



Adjusted EBITDA +24% YoY driven by higher revenue and higher Non-GAAP Gross Margin. Excludes tariff refunds

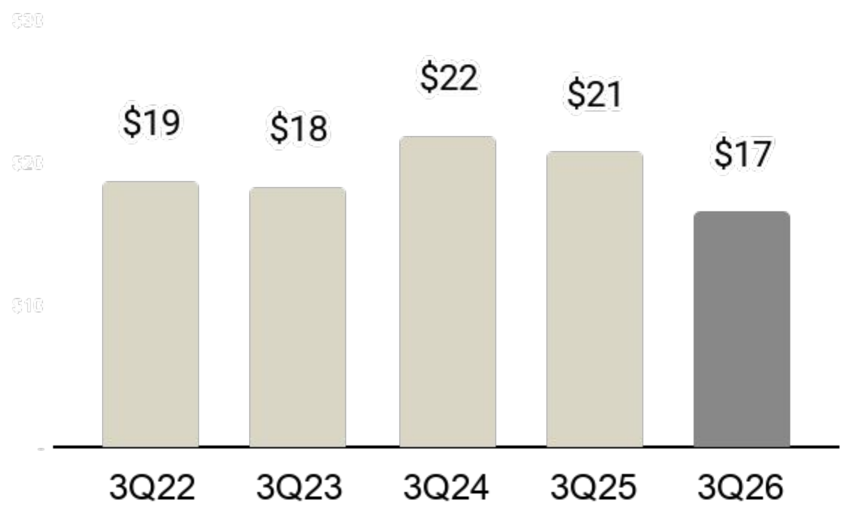
Higher memory prices reduced Adjusted EBITDA by $14M YoY

Despite higher memory prices, 3Q26 represented our 2nd highest Adjusted EBITDA $ and margin in Fiscal Q3 in last 5 years

Note: In $ millions (unless noted). Adjusted EBITDA, Adjusted EBITDA Margin, Non-GAAP Gross Margin, Non-GAAP Gross Profit and Non-GAAP Operating Expenses are Non-GAAP measures. See Appendix for reconciliation of GAAP to Non-GAAP measures.

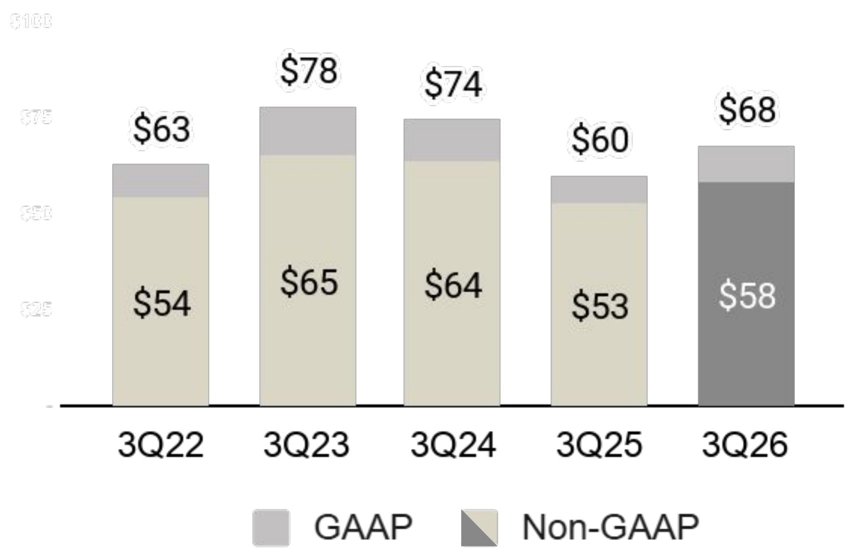
Third Quarter Fiscal 2026 Operating Expense Trend

STOCK-BASED COMPENSATION



SBC -20% YoY driven by savings from headcount reductions and delayering as well as comp over prior year restructuring of $1M

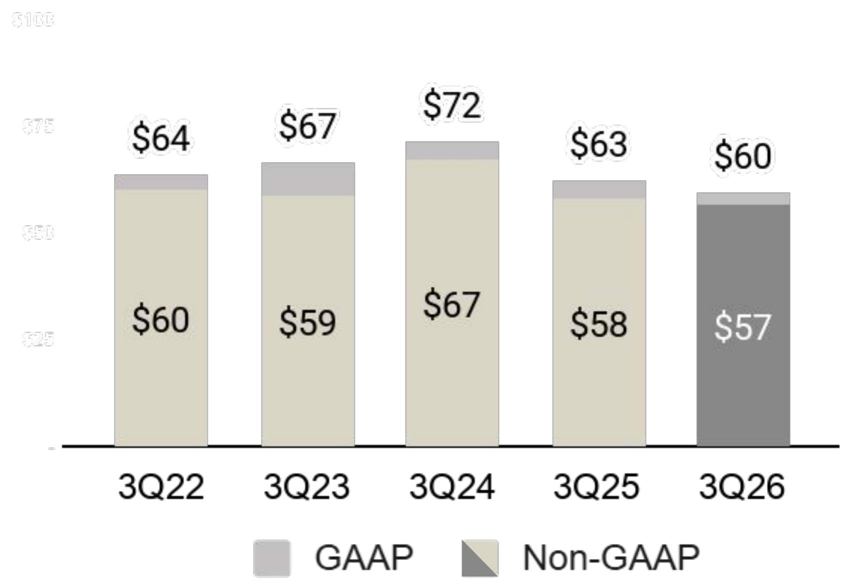
RESEARCH AND DEVELOPMENT



GAAP R&D growth driven by $4M in restructuring costs and higher employee compensation costs

- GAAP +14% YoY
- Non-GAAP[1] +10% YoY

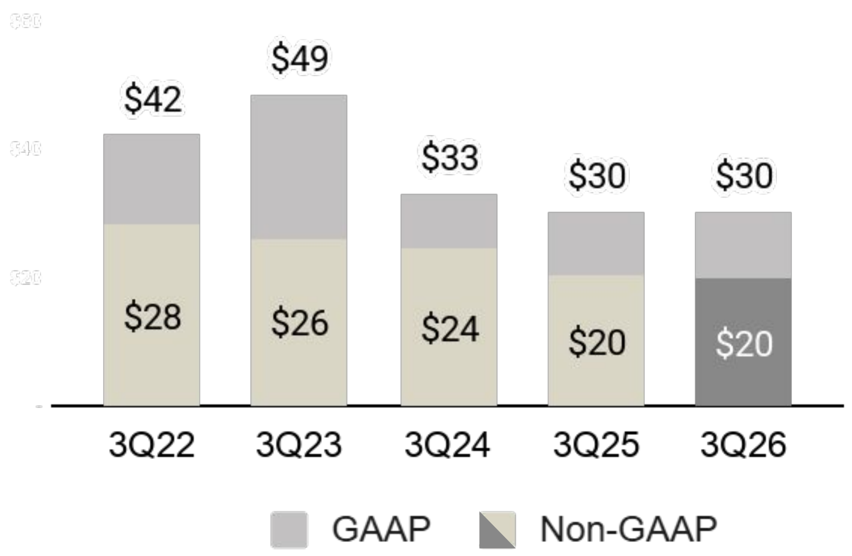
SALES AND MARKETING



GAAP S&M reduction primarily driven by lower depreciation related to in-store displays and comp over prior year restructuring

- GAAP -5% YoY
- Non-GAAP[1] -2% YoY

GENERAL AND ADMINISTRATIVE



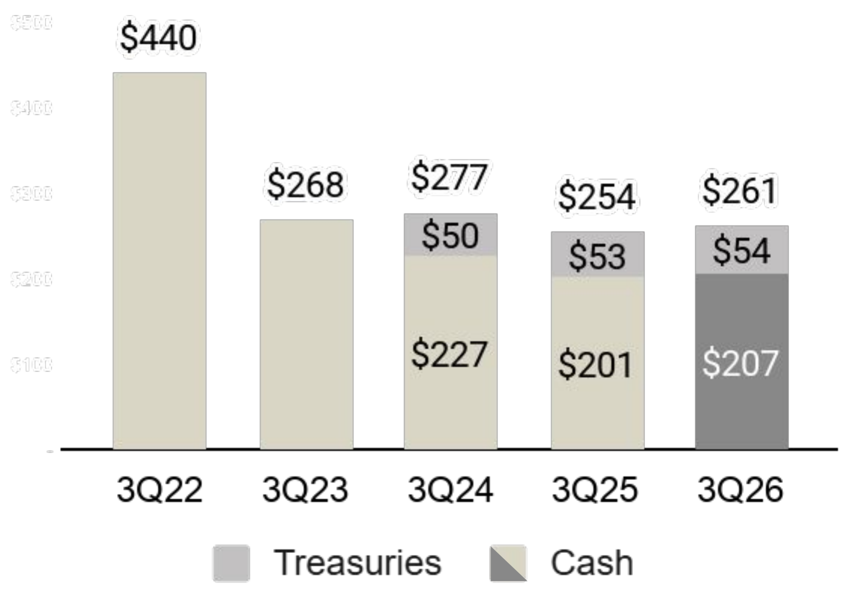
GAAP G&A flat primarily due to comp over prior year restructuring offset by higher legal spend

- GAAP Flat YoY
- Non-GAAP[1] -2% YoY

Note: In $ millions (unless noted). Non-GAAP R&D, Non-GAAP S&M, and Non-GAAP G&A are each Non-GAAP measures. See Appendix for reconciliation of GAAP to Non-GAAP measures.
[1]Non-GAAP R&D excludes stock-based compensation, amortization of intangible assets and restructuring and other charges included in the corresponding GAAP measure. Non-GAAP G&A, and Non-GAAP S&M exclude stock-based compensation, amortization of intangible assets, legal and transaction related costs and restructuring and other charges included in the corresponding GAAP measure.

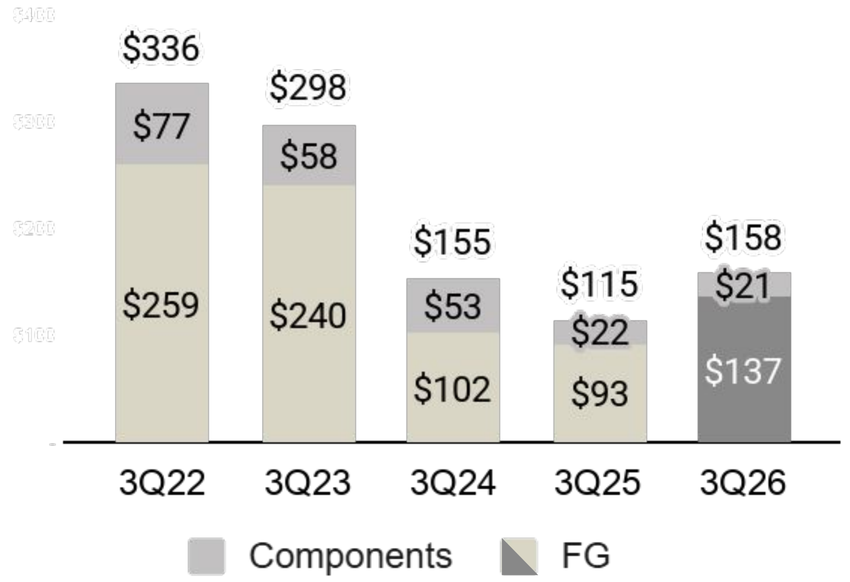
Third Quarter Fiscal 2026 Balance Sheet and Cash Flow

CASH BALANCES



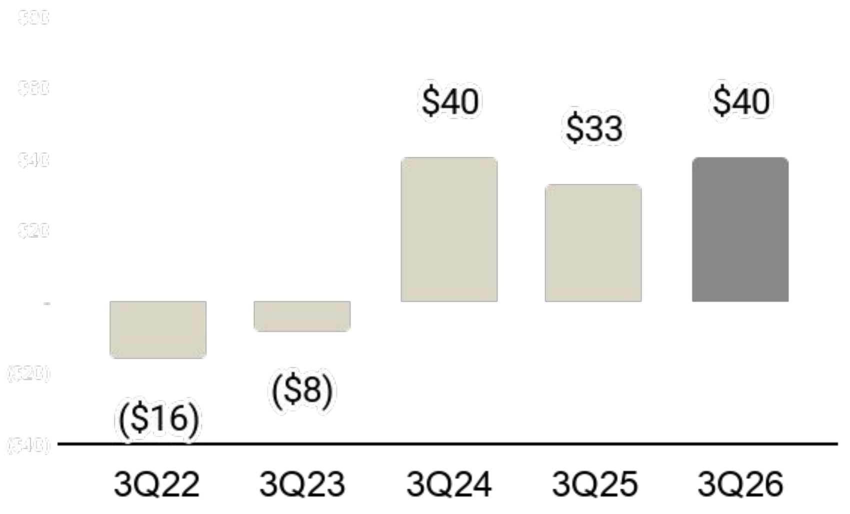
Cash and marketable securities of $261M ($54M short duration t-bills)

INVENTORIES



Total inventories +37% YoY primarily due to higher memory costs, new product launches and capitalized tariffs

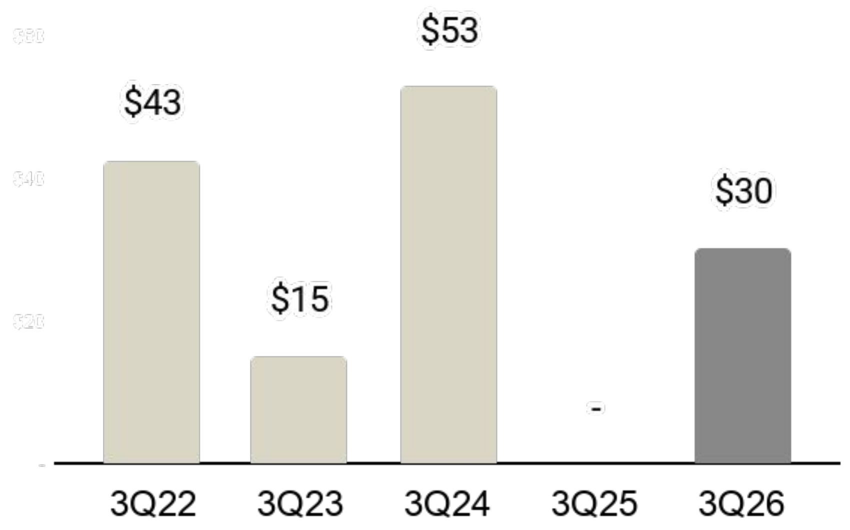
FREE CASH FLOW



3Q22	3Q23	3Q24	3Q25	3Q26	
-38%	-23%	82%	92%	92%	% Adjusted EBITDA Conversion

FCF +$8M YoY due to strong cash earnings, including $24M tariff refunds, partially offset by unfavorable net working capital, which included a $20M cash outlay related to components

CAPITAL RETURN



3Q22	3Q23	3Q24	3Q25	3Q26	
$43	$15	$53	-	$30	Repurchase ($mm)[1]
2.0	0.9	3.3	-	2.0	Shares Repurchased (mm)
$21.24	$16.10	$16.23	NA	$15.19	$/share

Spent $30M on share repurchases in 3Q26 vs no repurchases in 3Q25 to preserve operational flexibility while assessing tariff-related inventory pull-forward

Repurchased 2.0M shares at average price of $15.19 per share

$35M remaining on authorization

Note: In $ millions (unless noted and excluding $/share for share repurchases). Free Cash Flow is a Non-GAAP measure. See Appendix for reconciliation of GAAP to Non-GAAP measures.
1 - Share repurchase figures are inclusive of trading commission and excise tax.

Outlook

Fourth Quarter Fiscal 2026 Outlook

Revenue

$325M to $355M

+13% to +23% YoY

+18% at midpoint, +10% excluding 14th week ($24M benefit). FX expected to have a slightly unfavorable impact to Q4 revenue

GAAP Gross Margin

39.0% to 41.0%

-470 to -270 bps YoY

Non-GAAP Gross Margin expected to be approximately 120 bps higher than GAAP
GAAP Gross Profit $ +1% to +16% YoY; Non-GAAP Gross Profit $ +1% to +15% YoY
Embeds approximately 1,000 basis point YoY headwind from higher memory costs
Assumes no tariff refund benefit in Q4

GAAP OpEx

$160M to $170M

Flat to +6% YoY

Non-GAAP OpEx expected to be approximately $20M lower than GAAP, 14th week expected to add $5M to NG OpEx. +$5M q/q ex. 14th week due to spend related to new product introductions

Adjusted EBITDA

-$11M to $18M

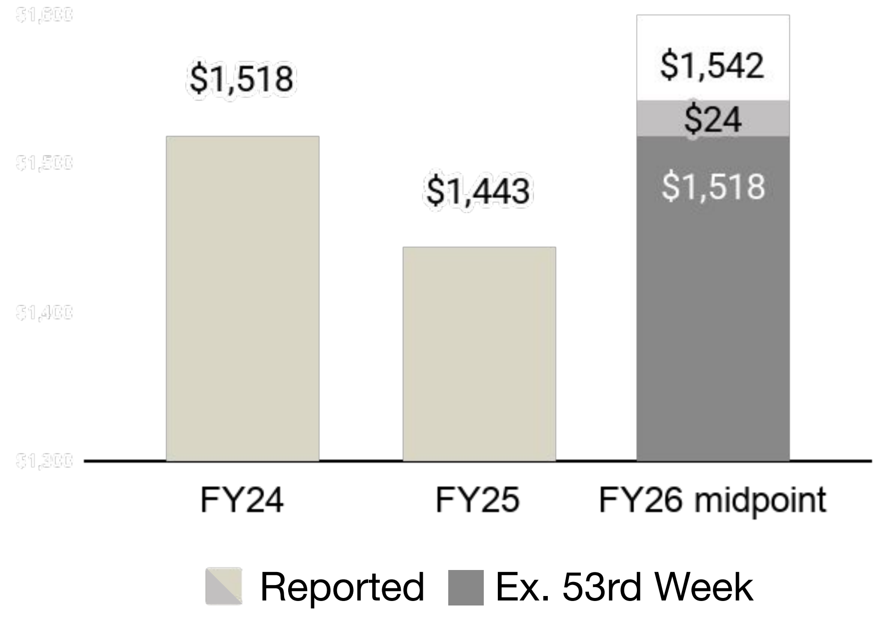
-3.5% to 4.9% Margin

Adjusted EBITDA positive $3M at midpoint, reduced by $35M million YoY due to expected impact of higher memory, ex. this would be up nearly 6x to $38M
GAAP Operating Profit expected to improve $6M YoY at midpoint
Non-GAAP EPS expected to improve YoY at midpoint

Note: All guidance figures presented above do not include any tariff refund benefit. Adjusted EBITDA, Adjusted EBITDA Margin, Non-GAAP Gross Margin, Non-GAAP Gross Profit, Non-GAAP EPS, Non-GAAP Operating Expenses are each Non-GAAP measures. We do not provide a reconciliation of forward-looking Non-GAAP measures to their comparable GAAP financial measures. See "Non-GAAP Measures" for more information. 4Q26 outlook only as of the date of this presentation. See "Forward-Looking Statements" for more information.

Fiscal 2026 Outlook at Midpoint of Q4 Range

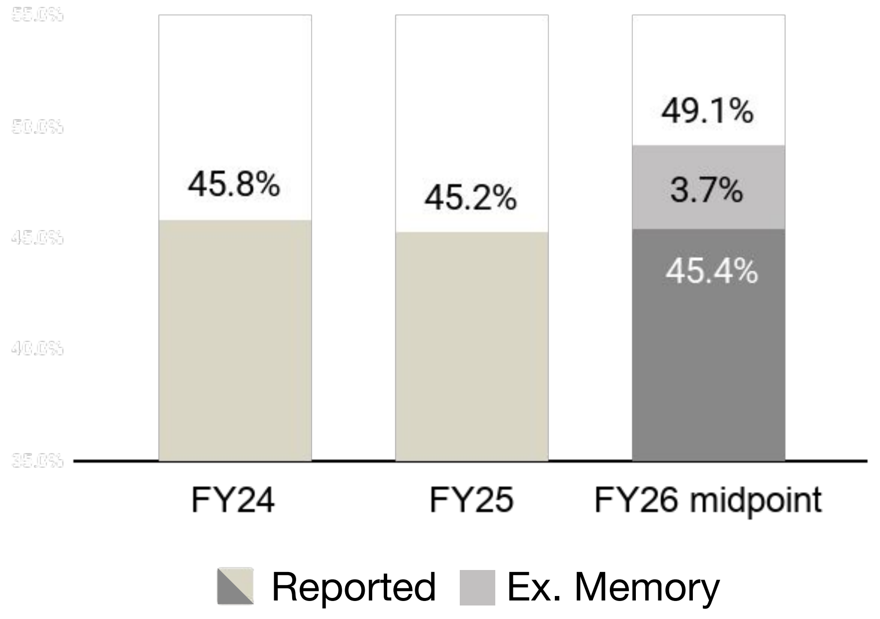
REVENUE



FY25: $1.44bn, -5% YoY
FY26: $1.54bn, +7% YoY
Ex. 53rd wk: $1.52bn, +5% YoY
53rd week expected to contribute ~$24M (1.7%) to sales in Fiscal 2026

As a result of the momentum we've built in Fiscal 2026, we expect to return to topline growth for the year

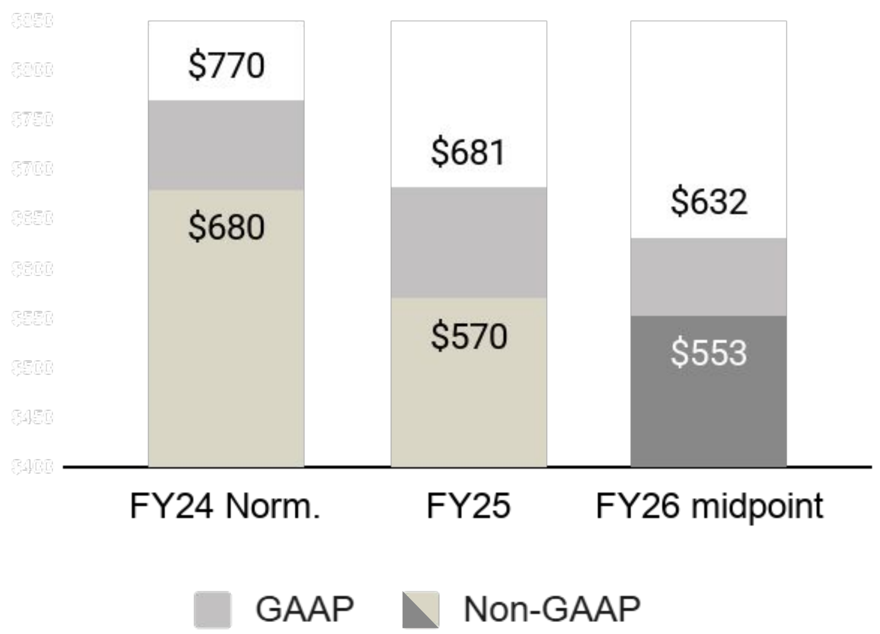
NON-GAAP GROSS MARGIN



NG GP $ +7% YoY in FY26, +16% excluding higher memory costs

FY26 NG Gross Margin +20bps YoY despite 370bps YoY impact from higher memory costs

OPERATING EXPENSES

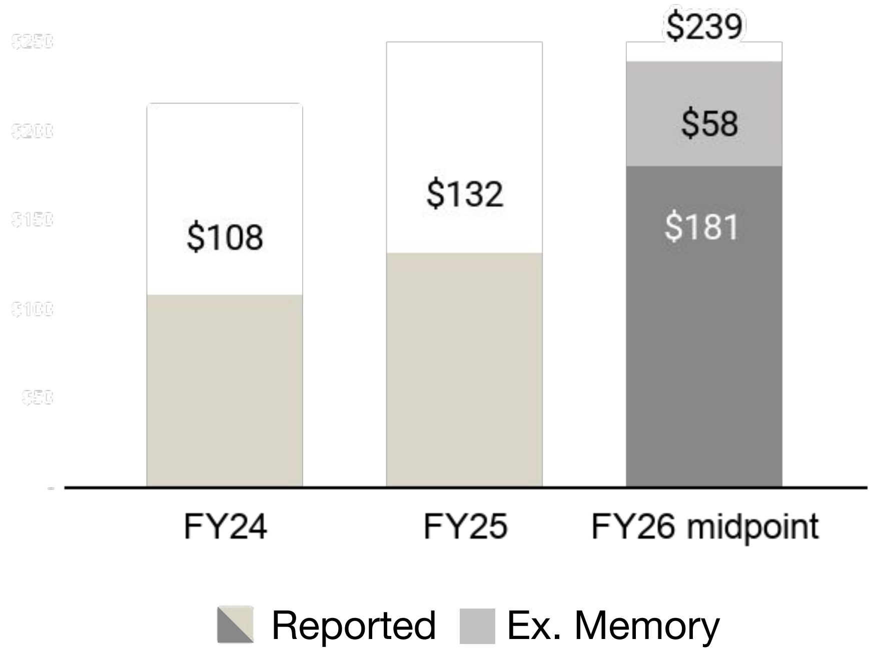


Reduced GAAP OpEx by $138M, -19% vs FY24 Normalized

Reduced NG OpEx by $127M, -18% FY24 Normalized. NG OpEx as % of Revenue down from 45% to 36%

53rd week expected to contribute ~$6M to FY26 GAAP OpEx and ~$5M to NG OpEx

ADJUSTED EBITDA



FY26 Adjusted EBITDA +68% vs FY24, Margin +460bps to 11.7%

Excluding YoY Memory headwind, FY26 Adjusted EBITDA +121% vs FY24, Margin +840bps to 15.5%

Note: In $ millions (unless noted). All figures presented above, guidance and historical, do not include any tariff refund benefit. Revenue ex 53rd week, Adjusted EBITDA, Adjusted EBITDA Margin, Non-GAAP Gross Margin, Non-GAAP Gross Profit, Non-GAAP Operating Expenses, Non-GAAP Gross Margin ex Memory, Non-GAAP Operating Expenses ex 53rd week and Adjusted EBITDA ex Memory are each Non-GAAP measures. We do not provide a reconciliation of forward-looking Non-GAAP measures to their comparable GAAP financial measures. See "Non-GAAP Measures" for more information. FY26 outlook only as of the date of this presentation. See "Forward-Looking Statements" for more information.

Appendix

Non-GAAP Measures

We have provided in this presentation financial information that has not been prepared in accordance with US generally accepted accounting principles ("GAAP"). We use these Non-GAAP financial measures to evaluate our operating performance and trends and make planning decisions. We believe that these Non-GAAP financial measures help identify underlying trends in our business that could otherwise be masked by the effect of the expenses and other items that we exclude in these Non-GAAP financial measures. Accordingly, we believe that these Non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects, and allowing for greater transparency with respect to a key financial metric used by our management in its financial and operational decision-making. Non-GAAP financial measures should not be considered in isolation of, or as an alternative to, measures prepared in accordance with US GAAP.

We define Adjusted EBITDA as net income (loss) adjusted to exclude the impact of depreciation and amortization, stock-based compensation expense, interest income, interest expense, other expense (income), income taxes, restructuring and other charges, legal and transactional related fees and other items that we do not consider representative of our underlying operating performance, including, for the third quarter fiscal 2026, IEEPA tariff refund benefit. We define Adjusted EBITDA margin as Adjusted EBITDA divided by revenue. We define free cash flow as net cash from operations less purchases of property and equipment. We define non-GAAP gross margin as GAAP gross margin, excluding stock-based compensation, amortization of intangible assets and restructuring and other charges and, for the third quarter fiscal 2026, IEEPA tariff refund benefit. We define Non-GAAP operating expenses as operating expenses less stock-based compensation expense, legal and transaction related costs, amortization of intangibles, and restructuring and other charges and, for the third quarter fiscal 2026, IEEPA tariff refund benefit. We define non-GAAP net ncome (loss) as GAAP net income (loss) less stock-based compensation, legal and transaction related fees, amortization of intangibles, other expense (income) and restructuring and other chargesfor the third quarter fiscal 2026, IEEPA tariff refund benefit and interest attributable to IEEPA tariff refund benefit. We calculate non-GAAP diluted earnings (loss) per share as non-GAAP net income (loss) divided by non-GAAP weighted average diluted shares outstanding during the period.

We do not provide a reconciliation of forward-looking Non-GAAP financial measures to their comparable GAAP financial measures because we cannot do so without unreasonable effort due to unavailability of information needed to calculate reconciling items and due to the variability, complexity and limited visibility of the adjusting items that would be excluded from the Non-GAAP financial measures in future periods. When planning, forecasting, and analyzing future periods, we do so primarily on a Non-GAAP basis without preparing a GAAP analysis as that would require estimates for certain items such as stock-based compensation, which is inherently difficult to predict with reasonable accuracy. Stock-based compensation expense is difficult to estimate because it depends on our future hiring and retention needs, as well as the future fair market value of our common stock, all of which are difficult to predict and subject to constant change. In addition, for purposes of setting annual guidance, it would be difficult to quantify stock-based compensation expense for the year with reasonable accuracy in the current quarter. As a result, we do not believe that a GAAP reconciliation would provide meaningful supplemental information about our outlook.

Reconciliation of GAAP to Non-GAAP Gross Margin

	3Q22	3Q23	3Q24	3Q25	3Q26	FY24	FY25
GAAP gross profit	**$ 175,848**	**$ 171,762**	**$ 191,641**	**$ 149,724**	**$ 189,310**	**$ 689,373**	**$ 630,530**
Stock-based compensation expense	448	450	655	1,633	1,257	2,614	6,148
Amortization of intangibles	213	973	973	3,278	3,278	3,891	12,360
Restructuring and other charges(1)	-	-		(514)	131	-	3,420
IEEPA tariff refund benefit(2)	-	-	-	-	(23,154)	-	-
Non-GAAP gross profit	**$ 176,509**	**$ 173,185**	**$ 193,269**	**$ 154,121**	**$ 170,822**	**$ 695,878**	**$ 652,458**
GAAP gross margin	47.3%	46.0%	48.3%	43.4%	50.4%	45.4%	43.7%
Non-GAAP gross margin	47.5%	46.4%	48.7%	44.7%	45.5%	45.8%	45.2%

Notes: $ in thousands, unaudited. Percentages and sums have been calculated using actual, non-rounded figures and, therefore, may not recalculate precisely. Non-GAAP gross margin is a Non-GAAP measure

1 - Restructuring and other charges for 3Q26, include employee-related costs resulting from a reorganization of certain corporate functions and organizational changes driven by new leadership. Additionally, the charges include costs related to exiting a contract manufacturing partnership to consolidate and improve supply chain efficiency and exit costs associated with the partial abandonment of office space.

2 - Tariff refunds relate to non-recurring cash received during the quarter following a U.S. Supreme Court ruling invalidating certain IEEPA tariffs.

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Reconciliation of Certain GAAP to Non-GAAP Operating Expenses

	3Q22	3Q23	3Q24	3Q25	3Q26	FY24	FY25
GAAP R&D	**$ 62,522**	**$ 77,758**	**$ 74,223**	**$ 59,750**	**$ 67,875**	**$ 304,558**	**$ 279,969**
Less: Stock-based compensation expense	7,858	8,637	9,735	7,944	5,909	37,913	36,414
Less: Amortization of intangibles	641	496	496	20	20	1,985	236
Less: Restructuring and other charges (1)	-	3,686	478	(824)	4,014	5,743	12,555
Non-GAAP R&D	**$ 54,023**	**$ 64,939**	**$ 63,514**	**$ 52,610**	**$ 57,932**	**$ 258,917**	**$ 230,764**
GAAP S&M	**$ 63,993**	**$ 66,600**	**$ 71,643**	**$ 62,576**	**$ 59,624**	**$ 290,609**	**$ 281,192**
Less: Stock-based compensation expense	3,826	3,590	4,510	3,466	2,884	17,499	15,783
Less: Amortization of intangibles	-	-	-	-	-	-	-
Less: Restructuring and other charges (1)	-	4,422	185	1,038	46	2,770	9,779
Non-GAAP S&M	**$ 60,167**	**$ 58,588**	**$ 66,948**	**$ 58,072**	**$ 56,694**	**$ 270,340**	**$ 255,630**
GAAP G&A	**$ 42,373**	**$ 48,665**	**$ 33,186**	**$ 30,327**	**$ 30,277**	**$ 142,252**	**$ 119,837**
Less: Stock-based compensation expense	6,647	5,652	7,030	6,309	6,280	26,268	23,219
Less: Legal and transaction related costs(2)	7,459	14,699	1,062	1,306	3,789	7,383	5,384
Less: Amortization of intangibles	24	24	24	24	24	96	95
Less: Restructuring and other charges (1)	-	2,220	630	2,281	214	3,340	7,736
Non-GAAP G&A	**$ 28,243**	**$ 26,070**	**$ 24,440**	**$ 20,407**	**$ 19,970**	**$ 105,165**	**$ 83,403**
GAAP Total Operating Expenses	**$ 168,888**	**$ 193,023**	**$ 179,052**	**$ 152,653**	**$ 157,776**	**$ 737,419**	**$ 680,998**
Less: Stock-based compensation expense	18,331	17,879	21,275	17,719	15,073	81,680	75,416
Less: Legal and transaction related costs(2)	7,459	14,699	1,062	1,306	3,789	7,383	5,384
Less: Amortization of intangibles	665	520	520	44	44	2,081	331
Less: Restructuring and other charges (1)	-	10,328	1,293	2,495	4,274	11,853	30,070
Non-GAAP Operating Expenses	**$ 142,433**	**$ 149,597**	**$ 154,902**	**$ 131,089**	**$ 134,596**	**$ 634,422**	**$ 569,797**

Notes: $ in thousands (unless noted), unaudited. Percentages and sums have been calculated using actual, non-rounded figures and, therefore, may not recalculate precisely. Non-GAAP R&D, Non-GAAP S&M, Non-GAAP G&A, and Non-GAAP Operating Expenses are each Non-GAAP measures

1 - Restructuring and other charges for 3Q26, include employee-related costs resulting from a reorganization of certain corporate functions and organizational changes driven by new leadership. Additionally, the charges include costs related to exiting a contract manufacturing partnership to consolidate and improve supply chain efficiency and exit costs associated with the partial abandonment of office space.

2 - Legal and transaction related costs consist of expenses related to our intellectual property litigation against Alphabet Inc. and Google LLC, which we do not consider representative of our underlying operating performance.

Reconciliation of Operating Income (Loss) to Adjusted EBITDA

	3Q22	3Q23	3Q24	3Q25	3Q26
Operating Income (Loss) (GAAP)	**$ 6,960**	**$ (21,261)**	**$ 12,589**	**$ (2,929)**	**$ 31,534**
Stock-based compensation	18,779	18,329	21,930	19,352	16,330
Legal and transaction related costs (1)	7,459	14,699	1,062	1,306	3,789
Amortization of intangibles	878	1,493	1,493	3,322	3,322
Restructuring and other charges (2)	-	10,328	1,293	1,981	4,405
IEEPA tariff refunds benefit (3)	-	-	-	-	(23,154)
Adjusted Operating Income (Non-GAAP)	**$ 34,076**	**$ 23,588**	**$ 38,367**	**$ 23,032**	**$ 36,226**
Depreciation	8,029	10,716	10,539	12,557	7,740
Adjusted EBITDA (Non-GAAP)	**$ 42,105**	**$ 34,304**	**$ 48,906**	**$ 35,589**	**$ 43,966**

Notes: $ in thousands, unaudited
1 - Legal and transaction related costs consist of expenses related to our intellectual property litigation against Alphabet Inc. and Google LLC, which we do not consider representative of our underlying operating performance.
2 - Restructuring and other charges for 3Q26, include employee-related costs resulting from a reorganization of certain corporate functions and organizational changes driven by new leadership. Additionally, the charges include costs related to exiting a contract manufacturing partnership to consolidate and improve supply chain efficiency and exit costs associated with the partial abandonment of office space.
3 - Tariff refunds relate to non-recurring cash received during the quarter following a U.S. Supreme Court ruling invalidating certain IEEPA tariffs.

Reconciliation of Net (Loss) Income to Adjusted EBITDA

	3Q22	3Q23	3Q24	3Q25	3Q26	FY24	FY25
Net (loss) income	**$ (597)**	**$ (23,571)**	**$ 3,709**	**$ (3,379)**	**$ 29,853**	**$ (38,146)**	**$ (61,144)**
Add (deduct):						-	-
Depreciation and amortization	8,907	12,209	12,032	15,879	11,062	52,378	62,321
Stock-based compensation expense	18,779	18,329	21,930	19,352	16,330	84,294	81,564
Interest income	(429)	(2,391)	(2,629)	(1,572)	(2,182)	(11,965)	(6,934)
Interest expense	196	274	106	117	110	441	465
Other (income) expense, net	9,858	(1,424)	2,464	(661)	(695)	(9,371)	6,498
Provision for (benefit from) income taxes	(2,068)	5,851	8,939	2,566	4,448	10,995	10,647
Legal and transaction related costs (1)	7,459	14,699	1,062	1,306	3,789	7,383	5,384
IEEPA tariff refund benefit (2)	-	-	-	-	(23,154)	-	-
Restructuring and other charges (3)	-	10,328	1,293	1,981	4,405	11,853	33,490
Adjusted EBITDA	**$ 42,105**	**$ 34,304**	**$ 48,906**	**$ 35,589**	**$ 43,966**	**$ 107,862**	**$ 132,291**
Revenue	$ 371,783	$ 373,356	$ 397,146	$ 344,764	$ 375,260	$ 1,518,056	$ 1,443,276
Net (loss) income margin	-0.2%	-6.3%	0.9%	-1.0%	8.0%	-2.5%	-4.2%
Adjusted EBITDA margin	11.3%	9.2%	12.3%	10.3%	11.7%	7.1%	9.2%

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Reconciliation of GAAP Net (Loss) Income to Non-GAAP Net Income

	3Q22	3Q23	3Q24	3Q25	3Q26
GAAP net (loss) income	**$ (597)**	**$ (23,571)**	**$ 3,709**	**$ (3,379)**	**$ 29,853**
Stock-based compensation	18,779	18,329	21,930	19,352	16,330
Legal and transaction related costs (1)	7,459	14,699	1,062	1,306	3,789
Amortization of intangibles	878	1,493	1,493	3,322	3,322
Restructuring and other charges (2)	-	10,328	1,293	1,981	4,405
Other (income) expense	9,858	(1,424)	2,464	(661)	(695)
IEEPA tariff refund benefit (3)	-	-	-	-	(23,932)
Non-GAAP net income	**$ 36,377**	**$ 19,854**	**$ 31,951**	**$ 21,921**	**$ 33,072**
Weighted-average shares GAAP, diluted	127,884,400	128,311,109	127,245,459	120,423,439	120,982,504
Weighted-average shares non-GAAP, diluted	**136,542,565**	**132,885,945**	**127,245,459**	**121,510,933**	**120,982,504**
GAAP (loss) earnings per share, diluted	$ -	$ (0.18)	$ 0.03	$ (0.03)	$ 0.25
Non-GAAP earnings per share, diluted	**$ 0.27**	**$ 0.15**	**$ 0.25**	**$ 0.18**	**$ 0.27**

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Reconciliation of Cash Flows Provided by (Used in) Operating Activities to Free Cash Flow

	3Q22	3Q23	3Q24	3Q25	3Q26
Cash flows provided by (used in) operating activities	$ (6,717)	$ 8,887	$ 63,483	$ 37,441	$ 46,234
Less: Purchases of property and equipment	(9,281)	(16,682)	(23,214)	(4,756)	(5,947)
Free cash flow	**$ (15,998)**	**$ (7,795)**	**$ 40,269**	**$ 32,685**	**$ 40,287**

Note: $ in thousands, unaudited

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