

SIGNIFICANT UPDATE

iROBOT Corp. | NASDAQ: IRBT

INVESTMENT RESEARCH REPORT

"Shark Infested Waters"

RECOMMENDATION: *Strong Sell*



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Financial Details of iRobot's Recent Distributor Deals Not Making Sense

New research into iRobot's recent distributor acquisitions further calls into question the reliability and accuracy of the Company's financial guidance. If iRobot cannot give further clarity, we believe its guidance should be suspended.

Distributor acquisitions need to be heavily scrutinized given the related-party nature of the transactions. In the case of iRobot, we believe investors should be extremely concerned that:

- Its Japanese and European distributors act as exclusive agents for iRobot with nearly 100% of revenues from iRobot products
- **IRBT paid >4x the sales multiple and 3x the book value for Robopolis (Europe) than Sales on Demand (SOD/Japan)**
 - Why should this be the case when Japan is supposedly growing much faster according to iRobot?
 - Both entities sell a comparable product set – iRobot products!
 - Our primary documents show nearly identical gross margins of 25% at SOD and approximately 20% at Robopolis
- **However, based on iRobot's own SEC financial disclosures it suggests that Robopolis gross margins are 45%**
 - These 45% margins are well above historical norms that are documented by Robopolis through French statutory filings
 - Are significantly higher than any electronic hardware product we're aware of
 - Robopolis' own financial figures advertised on its website also don't reconcile with its French statutory filings
 - The 2017E sales implied from Robopolis from iRobot's incremental margin contribution forecast doesn't make sense
- **Further evidence of issues with the Japanese distributor acquisition emerge from our research**
 - Recall, iRobot already revised the financial contribution of SOD and amended its transcript to correct Q4'16 sales growth
 - On the Q2 conference call iRobot admitted it hired additional finance and accounting staff in Japan
 - Based on our proprietary research, we estimate that 2017E sales in Japan are down 35%-40% vs prior years

Why Is iRobot Now Buying Distributors?

Investors need to ask themselves “why now” is iRobot acquiring its distributors and using material capital resources to fund this expensive endeavor when it could have done this at any point in the past:

- \$157m spent on acquiring two distributors (approximately 60% of its YTD average cash balance)
- Alternative uses for the capital include:
 - 1) More R&D to accelerate new product development where iRobot has traditionally failed (lawn mowers / telehealth)
 - 2) Synergistic technology or product acquisitions
 - 3) Initiating a regular or special dividend to eliminate excess cash
 - 4) Buying back more stock if iRobot viewed it as undervalued

iRobot has said acquiring distributors gives it more ability to maintain and accelerate its market position by gaining control over its distribution network and to give a consistent approach over sales, marketing, branding and service

- We had questioned in the past if iRobot had stuffed the channel by having its distributors acquire more product than it needed
- This may explain why iRobot failed to meet sales and earnings forecasts for two years post our initial report criticisms in 2014

More likely explanations as to why iRobot is now acquiring its distributors are that:

1. Its distributors have a better view of end market demand, and want to get out of the business before competition increases further and profits materially decrease
2. Intense competition is already forcing margin compression, which is starting to creep into iRobot’s financial statements. By acquiring its distributors, iRobot can soften some of the immediate margin impact by eliminating the middleman
3. By acquiring its distributors’ inventory, iRobot can effectively re-sell product that it has already sold (effectively sell the same product twice)
4. iRobot is using the acquisitions to cover-up prior issues / problems with its distributors (Japan/SOD), and now this might explain why iRobot is paying an unusually high multiple for Robopolis

A Close Look At IRBT's Distributor Acquisitions Raises Interesting Questions...

iRobot's distributors all sell its products on an exclusive basis, but to different regions. It concerns Spruce Point that iRobot paid substantially more for Robopolis and it tells investors that its gross margins are 44% - more than double the margins obtained in Japan. Furthermore, iRobot said that Japan would grow at 2x the rate of EMEA.

\$ in mm	Sales on Demand (SOD/Japan)	Robopolis SAS (France)	Note
Acquisition Price	\$16.6	\$141.0	
Announced / Closed	Nov 16 / April 17	July 17 / Q4'17	
Est. Distributor Sales (A)	\$110.3 (LTM 3/31/16)	\$156.7 (LTM 6/30/17 per IRBT)	Robopolis sales implied from IRBT reported multiple. SOD from 3 rd party report, converted at JPY 0.0085
Multiple of Sales Paid By IRBT	0.2x	0.9x	More than 4x multiple paid for Robopolis despite selling the same IRBT products
Estimated Sales Growth By Region Per IRBT	30%	High Teens %	SOD: Q1'17 Earnings Call Robopolis: Q2'17 Earnings Call
% Distributor Sales of IRBT products (B)	95%	100%	95% of SOD is iRobot products with 5% Swedish air purifiers
Reported Sales to Distributor By IRBT (C)	\$88.2	\$88.1	LTM 3/31/17 (SOD) and LTM 6/30/17 (Robo) Based on SEC filing
Implied Distributor Gross Margin	19%	44%	$= \frac{[(A) * (B)] - (C)}{(A)}$ 3rd party report on SOD confirms margins in the 20-25% range
Book Equity	\$18.0	\$51.1	Robopolis 2015A equity of \$39m, which we estimate grows at a 20% ROE for 18 months.
Price / Book Equity	1.0x	3.1x	IRBT says SOD was acquired for book equity. Why did it pay 3x for Robopolis?



Robopolis Reports Approx 20% Gross Margins

Recent Robopolis statutory filings in France suggest ~20% gross margins, not the 44% implied from iRobot's SEC disclosures.

SAS ROBOPOLIS

Période du 01/01/2015 au 31/12/2015

ETATS FINANCIERS

Compte de résultat

	France	Exportations	31/12/2015	31/12/2014
Produits d'exploitation (1)				
Ventes de marchandises	25 218 213	60 143 499	85 361 712	71 942 468
Production vendue (biens)				
Production vendue (services)	82 982	2 008 937	2 091 919	1 746 781
Chiffre d'affaires net	25 301 195	62 152 435	87 453 630	73 689 250
Production immobilisée				
Subventions d'exploitation			1 956 138	2 116 273
Reprises sur provisions (et amortissements), transferts de charges			313 280	631 654
Autres produits			145	49
Total produits d'exploitation (I)			89 733 193	76 437 226
Charges d'exploitation (2)				
Achats de marchandises			73 963 750	57 014 331
Variations de stock			-3 612 413	2 425 817
Variations de stock				
Autres achats et charges externes (a)			8 001 181	7 200 235
Impôts, taxes et versements assimilés			323 433	263 004
Salaires et traitements			1 495 110	1 317 067
Charges sociales			620 060	538 623
Dotations aux amortissements et dépréciations :				
- Sur immobilisations : dotations aux amortissements			60 650	65 006
- Sur immobilisations : dotations aux dépréciations				
- Sur actif circulant : dotations aux dépréciations			245 519	313 280
- Pour risques et charges : dotations aux provisions				
Autres charges			58	93 324
Total charges d'exploitation (II)			81 106 984	69 247 417
RESULTAT D'EXPLOITATION (I-II)			8 626 209	7 189 808
Quotes-parts de résultat sur opérations faites en commun				
Bénéfice attribué ou perte transférée (III)				
Perte supportée ou bénéfice transféré (IV)				
Produits financiers				
De participation (3)				1 500 000
D'autres valeurs mobilières et créances de l'actif immobilisé (3)			111	
Autres intérêts et produits assimilés (3)			290 863	203 180
Reprises sur provisions et dépréciations et transferts de charges				
Différences positives de change			11 625	250
Produits nets sur cessions de valeurs mobilières de placement				
Total produits financiers (V)			302 600	1 703 430
Charges financières				
Dotations aux amortissements, aux dépréciations et aux provisions				
Intérêts et charges assimilés (4)			159 773	275 936
Différences négatives de change			11 674	
Charges nettes sur cessions de valeurs mobilières de placement				
Total charges financières (VI)			171 447	275 936
RESULTAT FINANCIER (V-VI)			131 152	1 427 493
RESULTAT COURANT avant impôts (I-II+III-IV+V-VI)			8 757 361	8 617 302

Source: [French corporate registry](http://french.corporate-registry.net)

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Source: [French corporate registry](http://www.sirene.fr)

Robopolis Revenues

In millions	2014	2015
Product Sales	€71.9	€85.4
US\$	\$91.8	\$91.1
Services	€1.7	€2.1
US\$	\$2.2	\$2.3
Total Sales	€73.7	€87.5
US\$	\$94.0	\$93.3

Robopolis Cost of Revenues and Gross Margin

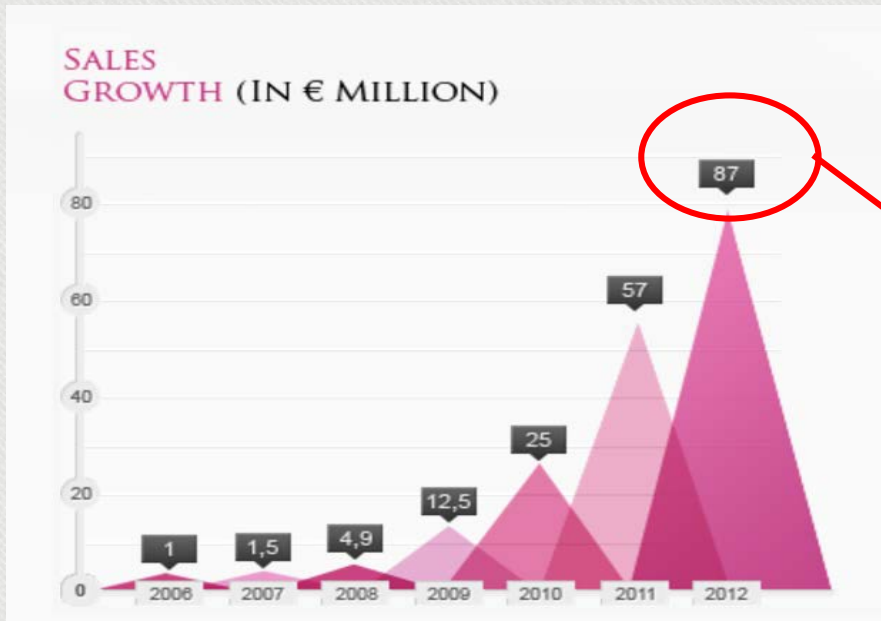
In millions	2014	2015
Cost of Goods	€57.0	€73.7
US\$	\$94.0	\$93.3
Gross Profit	€14.9	€11.4
US\$	\$19.0	\$12.2
% margin	15.9%	12.2%
Inventory Variation	€1.7	€2.1
US\$	\$2.2	\$2.3
Adj. Gross Profit	€14.3	€17.1
US\$	\$18.2	\$18.2
% margin	19.3%	19.5%

Source: Converted at [IRS](http://www.irs.gov) average Euro rate

Robopolis Revenue Discrepancy

Here's more evidence of revenue discrepancies with Robopolis
Look carefully and you will see that the revenues it advertises on its website appears overstated by 44%
Why has Robopolis website stopped reporting results post 2012?

Sales Advertised on Robopolis Website



Source: [Robopolis website](#)

Robopolis Sales Reported To French Regulators

LAST KEY FIGURES - ROBOPOLIS

Close	Turnover	Profit/loss
31/12/2015	87,454 K€	5,947 K€
31/12/2014	73,689 K€	6,165 K€
31/12/2013	68,452 K€	3,643 K€
31/12/2012	60,468 K€	2,909 K€

Source: [French Corporate Registry](#)

Note: 2016 financial results should be available but they are not.
 Has Robopolis/iRobot tried to suppress their release?

Close Look At Robopolis Guidance

The guidance of incremental revenue expected in Q4'17 from the Robopolis acquisition relates directly to the margin captured from eliminating the middle man distributor

Q2'17 Earnings Call:

Mark Strouse: "Hi, good morning everybody. Thanks for taking my questions. So, I just wanted to start with the impact of the Robopolis acquisition, just trying to make sure I'm thinking about it right. So, when you say the 4Q revenue impact will be \$25 million to \$35 million, is that the total revenue that Robopolis will generate or is that the incremental revenue that you get from eliminating the distribution tier essentially capturing that gross margin?"

CFO Alison Dean: "Yes, that's the incremental revenue iRobot will record have to having acquire them. So, it is the delta of the increased price points we're seeing."

(In \$millions except Earnings Per Share)

Fiscal Year 2017:	Previous	Updated (excl effect of acquisition)	Anticipated effect of acquisition*	Updated (incl effect of acquisition)
Revenue	\$780 - \$790	\$815 - \$825	\$25 - \$35	\$840 - \$860
Operating Income	\$60 - \$70	\$67 - \$75	(\$18) – (\$12)	\$50 - \$60
Earnings Per Share	\$1.45 - \$1.70	\$1.80 - \$2.00	(\$0.45) – (\$0.30)	\$1.35 - \$1.70



Robopolis Guidance Not Adding Up

iRobot said that LTM 6/30/17 Robopolis revenues were \$156.7m. If you annualize the normalized margin contribution per Robopolis French filings we estimate annualized Robopolis revenues are many multiples higher than reported by iRobot – something doesn't add up. Even if you assume 44% gross margins from Robopolis, the implied annual sales shows significant acceleration. IRBT has only called for "high teens" improvement from EMEA in 2017 (1)

If You Believe Robopolis Financial Filings

Incremental Robopolis Margin in Q4'17 Per IRBT guide: (A)	\$25m		\$35m	
Robopolis Gross Margin Range (per French Filing) (B)	19.0%	20.0%	19.0%	20.0%
Implied Robopolis Q4'17 Total Sales (A) / (B)	\$131.6	\$125.0	\$184.2	\$175.0
Robopolis 2017E Sales (2)	\$394.7	\$375.0	\$552.6	\$525.0
Multiple LTM Robopolis Sales	152%	139%	253%	235%

If You Believe IRBT That Robopolis Does 44% Gross Margins

Incremental Robopolis Margin in Q4'17 Per IRBT guide: (A)	\$25m	\$35m
Robopolis Gross Margin Range (per IRBT) (B)	44.0%	44.0%
Implied Robopolis Q4'17 Total Sales (A) / (B)	\$56.8	\$79.5
Robopolis 2017E Sales (2)	\$170.5	\$238.6
Multiple of LTM Robopolis Sales	9%	52%

1) [Q2'17](#) call "Our full year 2017 EMEA revenue growth outlook before any expected positive revenue impact of our Robopolis acquisition has improved from mid-teens to high-teens over 2016." IRBT said 2016 EMEA sales were \$165.2 (25% of total) ([press release](#)). Thus "high teens" growth gets to ~\$195m

2) Assumes one-third of sales happen in Q4 during holiday season, so the Q4'17 implied figures is multiplied by 3x



Spruce Point obtained credit research from Japan on SOD. Gross margins at SOD are approximately 25%

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OPERATION AND OUTLOOK

[Composition of Business]

	March 2015	March 2016	(%)
Sale of automatic vacuuming robots	95.0	95.0	
Sale of air purifiers	5.0	5.0	

[Line of Business]

The subject is a general sales agent in Japan for automatic vacuuming robot "Roomba". It is a general sales agent in Japan for iRobot Corp. a US-based robotics manufacturer and is engaged in the import and sale. It became a general sales agent for a Sweden-based Blueair manufacturer in March 2010.

It deals in America's automatic vacuuming robot for home use "Roomba Series" (retail prices from 50,000 yen to 125,000 yen) with the use of the latest robot technology and Swedish-made air purifier "Blueair Series" (retail prices from 50,000 yen to 120,000 yen). Sales of "Roomba" series account for about 95% of total.

Sales are made directly to major department stores across the nation, Tokyu Hands Inc., etc. partly. Sales made through wholesalers such as Kakuta Radio & Electric Co., Ltd., Kaga Solution Network Co., Ltd., etc. account for about 40% (end users are Bic Camera Inc., Yodobashi Camera Co., Ltd., etc.) account for about 40% and sales made directly to major department stores such as Takashimaya Co., Ltd., Mitukoshi, Ltd., Tokyu Department Store Co., Ltd. and Daimaru Matsuzakaya Department Store Co., Ltd. and volume retailers of home electric appliances such as K's Holdings Corp. account for about 60%. Its products are sold at about 150 stores across the nation.

"Roomba" vacuuming robots have become well-known in the nation while it has launched a low priced model. As a result, the number of users has increased. Additionally it conducts online sales to general consumers. iRobot Corp. is the main supplier. It does not use any subcontractor.

[Characteristics of the Company]

The subject was established in April 2004 by Tami Kobata from Dentsu Inc. and others as an importer and seller of home electric appliances and has developed a new market for vacuuming robots.

It sold more than 1 million units of iRobot Corp.'s "Roomba" automatic vacuuming robots for home use in the domestic market. iRobot Corp. once formed marketing alliances with Takara and other toy manufacturers but sales were slow. Then it concluded the sole agency contract with the subject to sell them as useful home electric appliances.

"Roomba" is a robot with land mine detection equipment applied advanced artificial intelligence and cleans up floors thoroughly by making use of 26 built-in sensors such as ultrasound sensors and ear sensors. This equipment has a suction power of 450W and automatically returns to a home position when its battery level falls. Unlike imported home electric appliances, it has set up a technical center exclusively for repair at home and has introduced a system to offer free maintenance service (disassembling, cleaning, confirmation on operation, and software upgrade) in the 10th month after purchase. Thus it focuses on after-sale services. It recruits engineers on an as-needed basis and has set up the R&D organization to launch products customized to meet requirements in the Japanese market.

[Operating Performance]

In the fiscal year ended March 2016, it received orders for "Roomba 880" and others from Kakuta Radio & Electric Co., Ltd., K's Holdings Corp., etc. Orders for "Braava" floor cleaning robot gradually increased. It had monthly sales of 5,000 units of "Braava." Sales of "Blueair" leveled off. Semiannual sales were a little less than 6,000 million yen. In the latter half, it launched "Roomba 980" at the price of 125,000 yen in October. Orders for it from Chinese and other tourists visited to Japan as end users increased. Sales of "Braava" were brisk. Sales of "Blueair" leveled off. Total annual sales grew 2.3% from the previous year to 12,975 million yen.

Due to a rise in purchase costs of "Roomba 980," the gross profit ratio dropped 8.7 points to 25.67%. It worked on reducing selling & administrative expenses. Operating result moved into the black of 266 million yen. It had non-operating profits of 1,085 million yen and non-operating expenses of 1,298 million yen. Ordinary income decreased 96.7% to 52 million yen. After posting extraordinary loss on retirement benefits for officers of 19 million yen, net income decreased 96.8% to 32 million yen.

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SALES ON DEMAND KABUSHIKI KAISHA
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ANALYSIS OF FINANCIAL STATEMENTS

TDB COMPANY CODE: 985292251
TIC: 40611

ITEM (FORMULAS)	From 01 Apr. 2013 To 31 Mar. 2014		From 01 Apr. 2014 To 31 Mar. 2015		From 01 Apr. 2015 To 31 Mar. 2016	
	Analysis	Comparison Average	Analysis	Comparison Average	Analysis	Comparison Average
GENERAL INDEX						
Ratio of Ordinary Income to Total Liabilities & Net Worth OI / L & NW (%)	15.65	-20.65 5.91 A	14.69	-0.96 7.48 A	0.57	-14.12 6.38 D
PROFITABILITY						
Ratio of Ordinary Income to Net Sales OI / NS (%)	10.25	-11.79 2.98 A	12.69	2.44 3.52 A	0.41	-12.28 3.07 D
Ratio of Gross Profit to Net Sales GP / NS (%)	38.58	-9.29 25.38 A	34.37	-4.21 24.03 A	25.67	-8.70 24.63 B
Ratio of Operating Profit to Net Sales OP / NS (%)	6.10	-9.36 2.57 A	-0.94	-7.04 2.76 E	2.05	2.99 2.73 B
Average Interest Ratio on Borrowings IP / B (%)	1.49	-1.64 1.89 B	1.06	-0.43 1.78 B	1.17	0.11 1.56 B
EFFICIENCY						
Turnover Ratio of Total Liabilities and Net Worth NS / L & NW (Times)	1.53	-0.12 2.52 D	1.16	-0.37 2.81 E	1.40	0.24 2.63 E
Turnover Period of Inventory Assets IA / MS (Months)	1.96	0.31 0.84 E	3.29	1.33 0.84 E	3.17	-0.12 0.90 E
Turnover Period of Trade Receivables (NR & AR) / MS (Months)	2.54	1.47 1.68 D	2.19	-0.35 1.64 D	2.12	-0.07 1.56 D
Turnover Period of Trade Payables (NP & AP) / MS (Months)	1.88	-0.25 1.04 E	1.42	-0.46 1.03 D	0.78	-0.64 0.95 C
Turnover Period of Fixed Assets FA / MS (Months)	0.48	0.08 2.02 B	0.61	0.13 1.56 C	0.64	0.03 1.62 C
SAFENESS/STABILITY						
Net Worth Ratio NW / L & NW (%)	46.09	0.03 32.30 B	47.60	1.51 30.62 A	52.94	5.34 30.69 A
Current Ratio CA / CL (%)	192.39	-18.07 250.27 C	202.27	9.88 269.68 C	220.09	17.82 268.37 B
Fixed Ratio FA / NW (%)	13.15	1.28 169.72 A	12.34	-0.81 135.21 A	14.10	1.76 105.47 A
Ratio of Interest-Bearing Liabilities to Monthly Sales IBL / MS (Times)	1.68	1.02 2.39 C	3.35	1.67 2.09 D	2.95	-0.40 2.54 D

NOTES:

*Net Worth = NW
Gross Profit = GP
Inventory Assets = IA
Notes Payable = NP
Fixed Assets = FA

** Rank in Industry Comparison:

Liabilities = L
Operating Profit = OP
Monthly Sales = MS
Accounts Payable = AP
Fixed Liabilities = FL

A= Less than high rank 20%, B= From 20 to Less than 40%, C= From 40 to Less than 60%, D= From 60 to Less than 80%, E= Subordinate position 20%

Ordinary Income = OI
Interest Payable = IP
Notes Receivable = NR
Current Assets = CA
Interest-Bearing Liabilities = IBL

Net Sales = NS
Borrowings = B
Accounts Receivable = AR
Current Liabilities = CL

Japan Distributor Guidance Not Adding Up

Recall that iRobot revised the full year contribution from its Japanese distributor acquisition from \$20-\$25m to \$10-\$12m from Q4'16 to Q1'17. This contribution should also be considered incremental margin contribution. Based on our research, which suggests SOD gross margins of 25%, SOD's 2017E full year run-rate revenues are approximately \$53 to \$64m – a rate well below the \$100m+ of sales historically reported

Incremental SOD Margin in 2017 Per IRBT guidance: (A)	\$10m	\$12m
SOD Gross Margin Range (per Japanese Report) (B)	25%	25%
Implied SOD Sales 4/3/17-12/31/17 Total Sales (A) / (B)	\$40.0	\$48.0
SOD 2017E Sales (1)	\$53.3	\$64.0

- 1) Annualizes the implied sales by multiplying the \$40-\$48m by (12 / 9)

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CONDENSED INCOME STATEMENT

	From 01 Apr. 2013 To 31 Mar. 2014	From 01 Apr. 2014 To 31 Mar. 2015	(Yen) From 01 Apr. 2015 To 31 Mar. 2016
Sales	14,853,942,472	12,679,174,391	12,975,146,896
Operating Expenses	13,948,546,820	12,797,793,786	12,708,782,604
Cost of Sales	9,122,694,891	8,320,943,062	9,644,774,252
Gross Profit	5,731,247,581	4,358,231,329	3,330,372,644
Selling and General Expenses	4,825,851,929	4,476,850,724	3,064,008,352
Operating Profit	905,395,652	-118,619,395	266,364,292
Non-Operating Profit	653,423,231	1,777,957,364	1,085,136,111
Non-Operating Expense	35,615,362	50,110,650	1,298,656,279
Ordinary Income	1,523,203,521	1,609,227,319	52,844,124
Extraordinary Profit	0	0	0
Extraordinary Loss	9,633,333	11,792,722	19,074,633
Pretax Income	1,513,570,188	1,597,434,597	33,769,491
Corporation Taxes etc	554,028,008	576,189,004	1,139,000
Net Income	959,542,180	1,021,245,593	32,630,491
Unapprop. Income (Begin. of Term)	-	-	-
Unapprop. Retained Earnings (End of Term)	-	-	-

The previous few years SOD had been reporting revenues >\$100m

Heed iRobot's Warning Carefully


iRobot's financial projections should be viewed skeptically. The Company is even signaling to investors that there might be problems by saying it had to hire additional finance and accounting staff *"to implement policies, procedures and reporting consistent with those in the US"*
How different can selling a Roomba in Japan vs. the US really be?

"As a result, we are adjusting our expectations regarding growth in full year 2017 China revenue. We now expect nominal full year 2017 revenue growth following the decline in 2016. In Japan, where our integration efforts have been underway since early this year, we are progressing well against our short and long-term integration goals. We've hired additional finance accounting staff to implement policies, procedures and reporting consistent with those in the US and are on track to deliver very strong year-over-year revenue growth of 20 to 25%."


Distributor Deals Deflect Attention From Core Roomba Issues

The core Roomba product remains under pressure. In Q2'17, iRobot reported 15.9% of sales from Amazon. We believe a majority of which came from Prime Day. Yet, a casual search for “Robotic Vacuum Cleaners” on Amazon shows that iRobot is not even the “Best Seller” or “Amazon Choice”

Best Seller




Eufy RoboVac 11, High Suction, Self-Charging Robotic Vacuum Cleaner with Drop-Sensing Technology and HEPA Style Filter for Pet Fur and Allergens, Designed for Hard Floor and Thin Carpet
by eufy

\$219⁹⁹ ~~\$499.99~~ 
Get it by **Tomorrow, Aug 19**
FREE Shipping on eligible orders


More Buying Choices
\$219.99 (7 used & new offers)

★★★★★ ~ 1,542

Product Description
... to ensure that expelled air is cleaner and safer. Worry-Free Warranty ...



iRobot Roomba 650 Robot Vacuum with Manufacturer's Warranty
by iRobot

\$299⁹⁹ ~~\$374.00~~ 
Get it by **Tomorrow, Aug 19**
FREE Shipping on eligible orders


More Buying Choices
\$232.49 (69 used & new offers)
See newer version »

★★★★★ ~ 5,439


Home Gift Guide

Product Description
... The Roomba 650 Vacuum Cleaning Robot provides a thorough clean, all at ...

Amazon's Choice




ILIFE V3s Robotic Vacuum Cleaner with Smart Auto Cleaning Dry Mopping Remote control for Pets Hair
by ILIFE

\$149⁹⁹ ~~\$199.99~~ 
Get it by **Tomorrow, Aug 19**
FREE Shipping on eligible orders


More Buying Choices
\$139.95 (4 new offers)
See newer version »

★★★★★ ~ 2,179

Product Description
... 12 months Package contents:robot vacuum x1,User manual x1,remote control ...



ILIFE A4s Robot Vacuum Cleaner with Strong Suction and Remote Control, Super Quiet Design for Thin Carpet and Hard Floors
by ILIFE

\$194⁹⁹ 
Get it by **Tomorrow, Aug 19**
FREE Shipping on eligible orders

More Buying Choices
\$167.00 (8 new offers)

★★★★★ ~ 582

Product Features
... quiet compared to other vacuums. Allergies are reduced by its ...

Source: [Amazon.com](https://www.amazon.com)

Distributor Deals Deflect Attention From Problems With New Growth Products

Spruce Point views iRobot as a one-trick pony reliant on its stagnant Roomba product. iRobot has had numerous other product failures (military, lawn mower bots, and telehealth). We think it is desperate to show it can offer upside to investors with its Braava brand, a wet product solution, which became available on its website in Q1'16, at US retail locations in Q2'16, and in China/Japan/EMEA in Q3'16. Recent commentary suggests Braava's growth is already slowing (even from a low base), and management is obfuscating disclosures by no longer providing sales in geographic regions

[Q4'16 Conference Call:](#)

"In 2016, Braava and Braava Jet revenue grew roughly 75%. This is significant given that Braava jet was only introduced in Asia in the third quarter. As we have said, the predominantly hard floor surfaces in the region coupled with a need for daily mopping particularly in China makes the product ideal for these households.

[Q1'17 Conference Call:](#)

"As we have previously said, the predominantly hard floor surfaces in Asian homes, coupled with the need for daily mopping, particularly in China, make the Braava robots ideal for those households. **In Q1 of 2017, revenue from the sale of Braava robots comprised roughly 25% of our revenue in Japan, and 40% of our revenue in China, compared with 10% and 25% respectively for Q1, 2016.** This growth as a percentage of revenue supports our enthusiasm for the potential of wet floor care in Asia"

[Q2'17 Conference Call:](#)

"While Roomba is driving overall revenue growth this year. We continue to be pleased with the performance of our wet floor care robot Braava and Braava Jet. **We are seeing continued adoption of the category and expect high teen growth for the year versus 2016.**"

Unidentified Analyst

"Okay, great. Thank you. And then I just had one last thing, the Braava Jet, can you breakout maybe how it did versus the expectations both in US and internationally?"

Alison Dean

What I can tell you is that what we did in Q2 for the category of Braava and Braava Jet was per our expectations. **I don't have specific international numbers in front of me here today but year-to-date that's been performing as we had anticipated.**