

# Morgan Stanley Emerging Companies Conference

30 October 2020

Chris Hulls, Co-Founder & CEO



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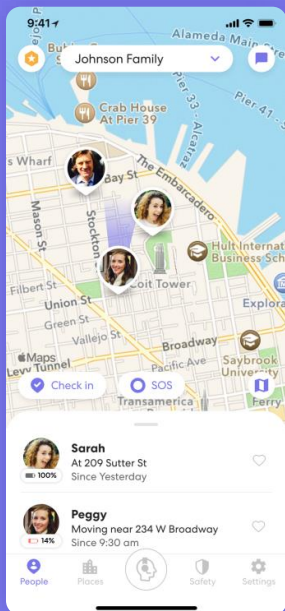
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# Life360

The world's leading family mobile app and safety membership



## As at September 2020

25m+ Monthly Active Users in 195 countries

884k Paying Circles

\$59.3m net cash

~200 employees

San Francisco based

## CY20 Q3 Results

~\$81m Annualised Monthly Revenue

+24% revenue growth YoY in spite of COVID

Second consecutive positive cash flow quarter

~30% ARPPC uplift from membership launch\*

Note : All references in this presentation to \$ are to US\$

\*Average Revenue Per Paying Circle uplift for first new membership cohort post launch versus CY20 H1

# Connecting families and saving lives

Peace of mind in action

**827,438**

Help Alerts triggered

**19,212,904,889**

miles driven with Life360 Crash Detection

**9,448**

ambulances dispatched

**8,904,425,236**

safe arrival notifications sent

“Life360 saved my life yesterday ... I'm an ecologist and I was working remotely in Queensland, alone, when I succumbed to heat stroke and ended up being passed out in dense vegetation for two hours before I was found.

Polair couldn't find me as well as ground search crew because of the dense vegetation I was in. But before I passed out I triggered the help alert on Life360 and my family and partner used the app to find me. Feeling very grateful!”

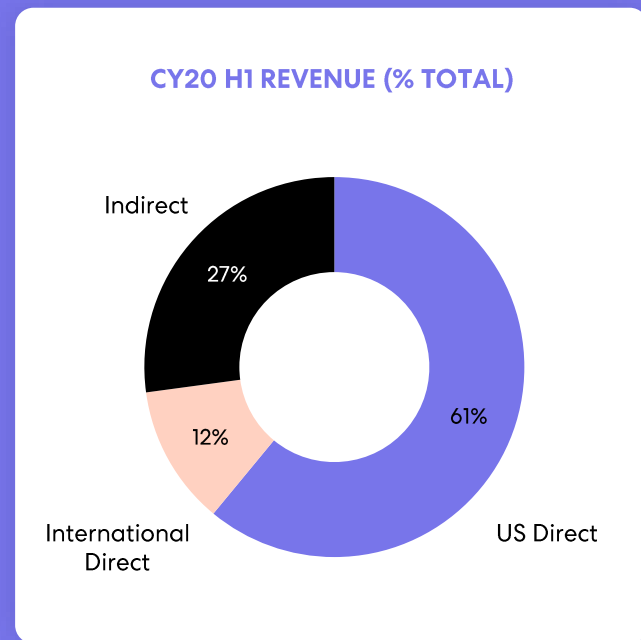
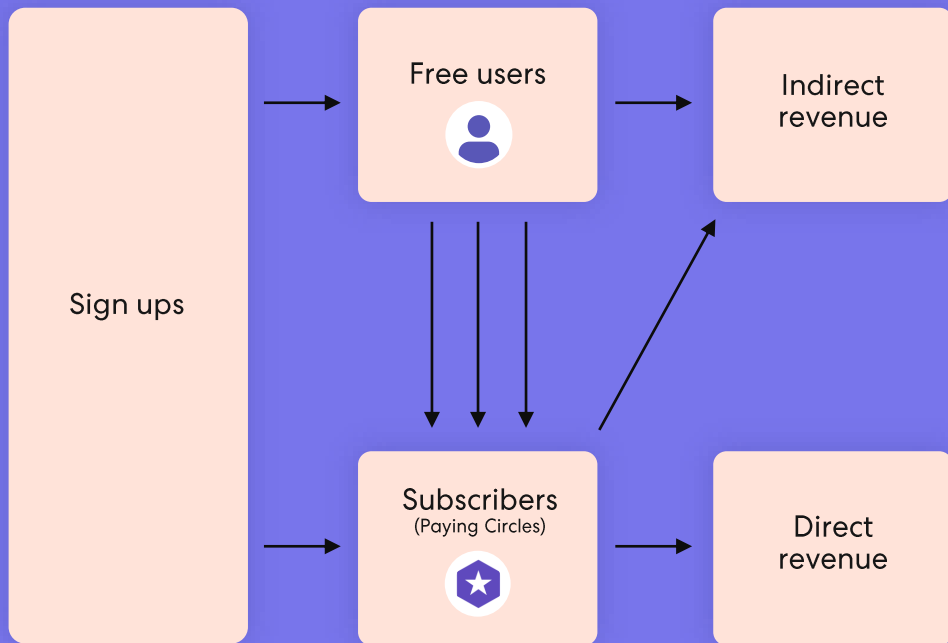
Amber (Life360 user), Australia



Note: Numbers are based on internal database sampling and are not exact

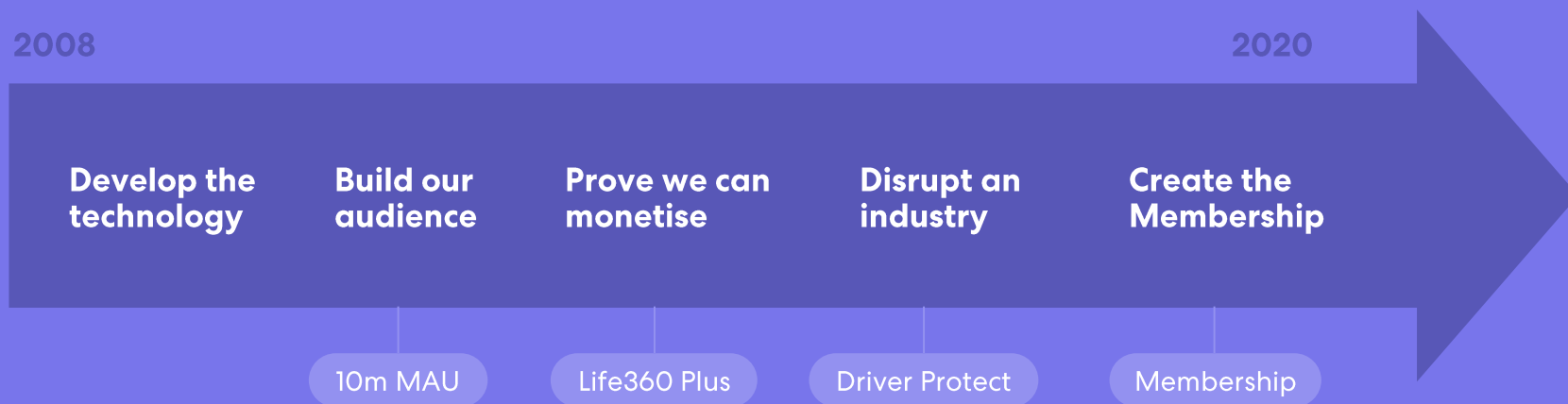
# Life360's "freemium" consumer model

Monetises free users and subscribers



# Life360 Membership: Putting the “360” into the Life360 name

Scaling from location tracking app to suite of membership services



# Membership allows us to offer services that hit the emotional triggers of every life stage



Location and Communication

Crash and Roadside Assistance

# Membership allows us to offer services that hit the emotional triggers of every life stage



Families with newborns



Families with young kids



Families with teens



Families with college kids



Empty nesters



Aging parents

Location and Communication

Crash and Roadside Assistance

Identity Protection

SOS




Disaster, Medical, and Travel Assistance

Ongoing Features & Services (i.e. wearables, Life360 insurance offerings, etc)



# Life360 Membership offering

## Membership tiers

<p><b>Basic Life360 Account</b></p> <p>Free</p> <ul style="list-style-type: none"><li>✓ Real-time Location Sharing</li><li>✓ 2 Place Alerts</li><li>✓ 2 days of Location History</li><li>✓ Unlimited Check-Ins</li><li>✓ Crash Detection</li><li>✓ Family Driving Summary</li><li>✓ SOS Alert</li></ul>	<p> <b>Silver</b></p> <p>Make daily coordination a breeze</p> <p><b>\$4.99/mo</b></p> <p>All <b>basic</b> Life360 features, plus...</p> <ul style="list-style-type: none"><li>✓ 5 Place Alerts</li><li>✓ 7 days of Location History</li><li>✓ Crime Reports</li><li>✓ \$100 Stolen Phone Coverage</li></ul>	<p> <b>Gold</b></p> <p>Protect your family on the go</p> <p><b>\$9.99/mo</b></p> <p>All <b>Silver</b> features, plus...</p> <ul style="list-style-type: none"><li>✓ Unlimited Place Alerts</li><li>✓ 30 days of Location History</li><li>✓ Individual Driver Reports</li><li>✓ 24/7 Emergency Dispatch for Crash Detection &amp; SOS Alerts</li><li>✓ Roadside Assistance</li><li>✓ 5 miles free towing</li><li>✓ \$250 Stolen Phone Coverage</li><li>✓ \$25K in ID Theft Coverage</li><li>✓ ID Theft Restoration</li></ul>	<p> <b>Platinum</b></p> <p>Be prepared for anything, anywhere</p> <p><b>\$19.99/mo</b></p> <p>All <b>Gold</b> features, plus...</p> <ul style="list-style-type: none"><li>✓ Disaster Response</li><li>✓ Medical Assistance</li><li>✓ Travel Support</li><li>✓ Credit Monitoring</li><li>✓ 50 miles free towing</li><li>✓ \$500 Stolen Phone Coverage</li><li>✓ \$1M in ID Theft Coverage</li></ul>
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# Life360 Membership offering

Benefiting Life360's most important financial drivers



## Increase in total addressable market and brand reach

New features go beyond location to relevance at all life stages

+



## Increase in Premium conversion

Broader offering provides more opportunities to convert

+



## Increase in Average Revenue Per Paying Circle

Tiered offering and segmentation supports higher pricing

+



## Decrease in churn

Longer relevant lifecycle and higher value will reduce churn



## Significantly higher user Lifetime Value and company revenue

Q3 membership performance

**93k**

New and upsell subscribers

**~13%**

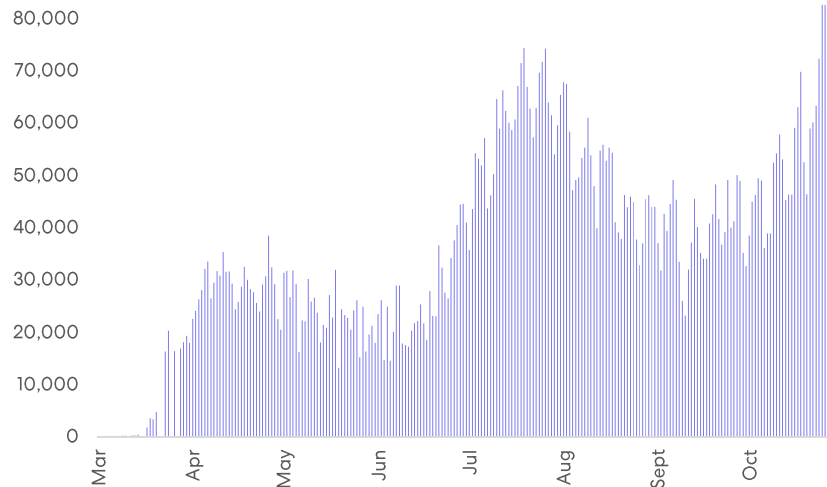
of US subscribers in the Membership tier

**~30%**

ARPPC uplift for new Membership cohort vs CY20 H1

# Strongly positioned to navigate COVID-19 challenges

Daily new US COVID-19 cases



## Organic growth and retention

Growing US MAU and Paying Circles despite pause in User Acquisition spend



## Building brand trust

Growing recognition of Life360's leadership in the family space



## Stable balance sheet

Net cash of US\$59.3 million and no debt

# Post-COVID Strategy and Membership Next Steps

Life360 is well positioned to return to accelerating growth in the post-COVID world

## Invest

Leverage strong Membership launch by bringing forward R&D investment in new features

## Evolve

Evolve from core location to emotion-based digital family communication

## Adapt

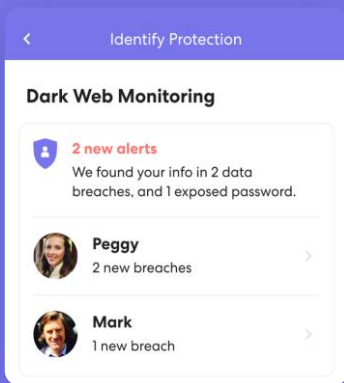
Build new marketing channels to drive growth when operating environment returns to normal

# Invest

Accelerating Membership due to successful early results – one example is launch of freemium identity theft

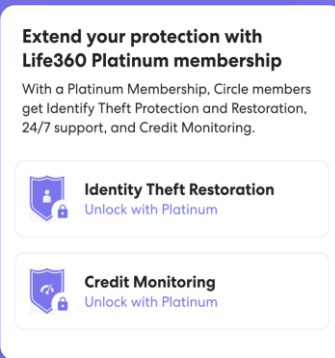
## Step 1

Show ID breaches for free



## Step 2

Provide ID breach solutions through premium upsell



- A subset of premium features will be offered to free users to drive discovery of the value of membership
- Features such as freemium identity theft expand the total addressable market beyond families with teens

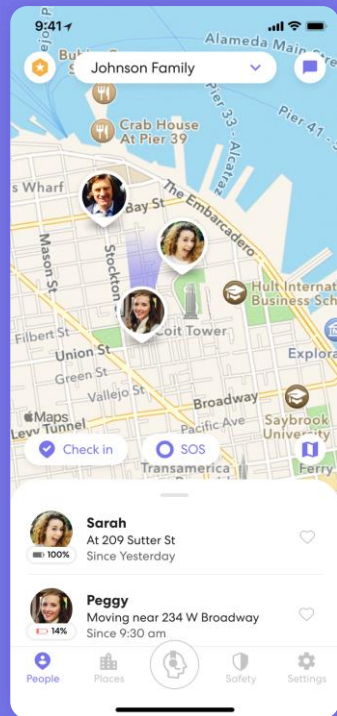
# Evolve

From “Where are you?” to “How are you?”

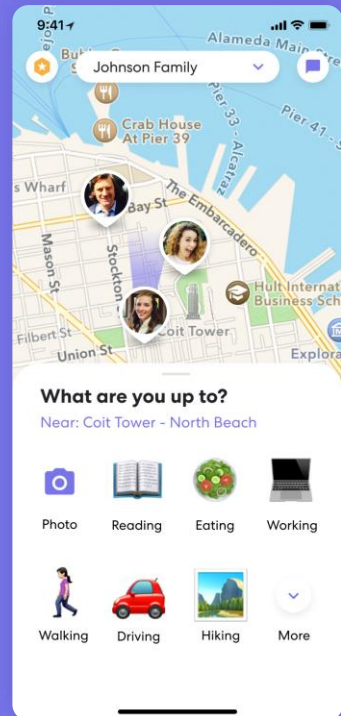
COVID is driving the rapid acceleration of all digital communication trends, allowing the speeding up of Life360’s long-planned evolution from “Where are you?” to “How are you?”

- Prioritising the free user experience, specifically communication features, for CY20 H2 and CY21
- Users are now primed for Life360’s expansion beyond pure location features. These initiatives will augment how families communicate emotion through digital platforms

## Parent-centric Where are you?



## Family-centric How are you?



Note: image is conceptual

# Evolve

From Parent centric to Family centric

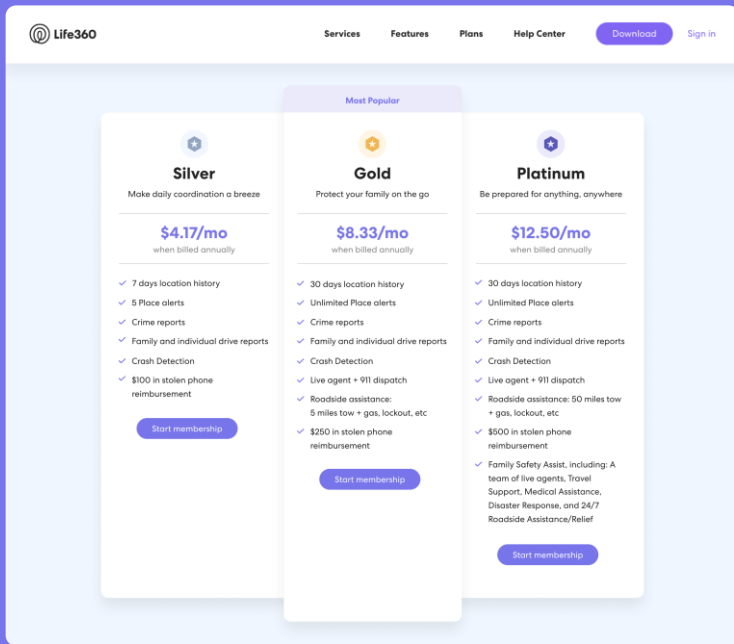
Broadening appeal to a teen audience while maintaining core focus on safety

- Launch of “Bubbles”, a feature providing teens greater location privacy while ensuring that security is never compromised
- Parents are able to “burst the bubble” in emergency situations
- Further opportunities are being explored to incorporate the needs of teenagers and young adults and enhance the value provided to families



# Evolve

From app only to full e-commerce



- Web-based sign-up will allow users to directly purchase a premium plan
- E-commerce provides new acquisition capabilities, the opportunity for customer segmentation and retargeting, and affiliate marketing
- Provides a platform for future localisation and international expansion
- Implementation likely to take effect over a multi-year period

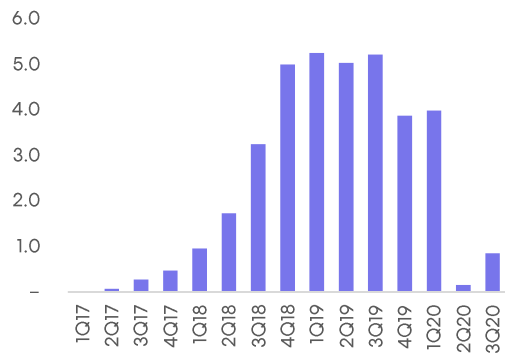


# Adapt

Our marketing spend to the COVID-19 environment

Disciplined user acquisition spend until the operating environment returns to normal

## USER ACQUISITION SPEND \$M



Accessing new channels to acquire customers

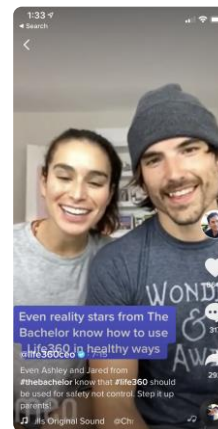
## Over-the-top TV

Programmatic advertising opportunities to target mobile and desktop users for faster conversion



## Influencer and celebrity channels

Extending audience reach and building brand credibility and trust



# Adapt

Marketing to all family members

## Expanding Life360's audience reach and developing new channels including engaging with teens through TikTok

- Now reaching teens as Life360's profile has grown through the pandemic
- Launching new content across multiple channels, including broadcast TV, TikTok and YouTube
- Creating new guerilla-style content that shifts brand perception in creative ways



Parody YouTube video reached 1 million views in ~24 hours

## TikTok Case Study

**Objective:** Address teens on TikTok who had organised 1 star campaign attacking Life360

**Strategy:** Prioritise building features for teens and use unexpected tactics to shift perception

### @Life360CEO TikTok account

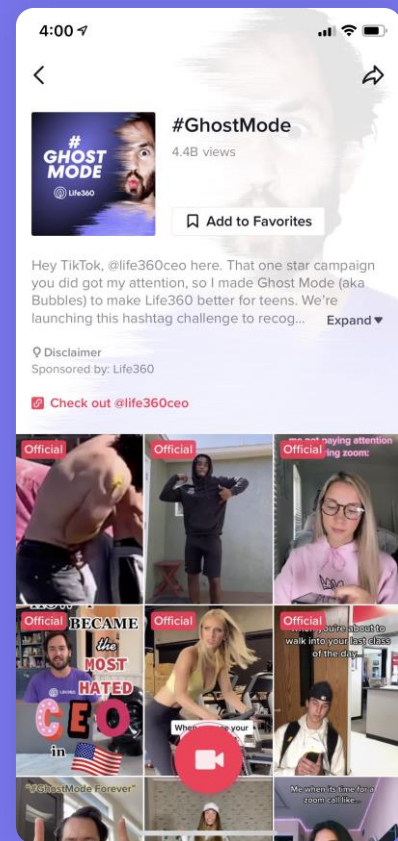
- Established human connection with teens
- Publicly creating “ghost mode” feature to demonstrate our commitment to balanced family relationships
- Drove over 50m views and 10m likes of #life360 content

**Result:** Significantly improved teen perception; app rating now climbing after initial fall



# TikTok campaign

- More than 4 billion views of #GhostMode campaign and overwhelmingly positive sentiment from teens
- Significant lift in daily average ratings, now above 4 stars



# Strongly positioned for the next decade of growth

Transitioning from an app to a comprehensive family safety brand



## Expanded Product suite

Membership provides a platform for our next generation of services



## Broadening reach

New channels are expanding our brand and cementing our leadership



## Robust roadmap

International expansion, lead generation and new app features

# Q&A



# Thank you

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