

Life360 2025 Q1 Results

Conference Call Remarks

May 12, 2025

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Raymond Jones

Greetings everyone and welcome to our first quarter 2025 earnings conference call. This call is being conducted as a Zoom audio webinar. All participants will be in a listen only mode until the question and answer session. When we come to the Q&A, please raise your hand by pressing the “raise hand” icon at the bottom center of your screen and your line will be unmuted in turn. Participants who have joined by telephone will be in a listen only mode throughout.

As a reminder, we will make forward-looking statements regarding future events and potential financial performance during this call, which are subject to material risks and uncertainties that can cause actual results to differ materially from such statements. A summary of these risks may be found in the risk factors section in our Form 10-K filing with the SEC dated February 27, 2025 and our most recent Form 10-Q. These forward-looking statements are based on assumptions that we believe to be reasonable as of today’s date, May 12, 2025, and we have no obligation to update these statements as a result of new information or future events, except when required by law. Additionally, we will present both GAAP and non-GAAP financial measures on today’s call. These non-GAAP measures are not intended to be considered in isolation from, a substitute for, or superior to our GAAP results, and should be read in conjunction with the Company’s consolidated financial statements prepared in accordance with GAAP. A description of these non-GAAP financial measures, as well as a reconciliation to the nearest GAAP financial measures are included at the end of the Company’s earnings media release issued earlier today, which has been posted on the investor relations page of the Company’s website. We have posted an updated investor presentation on the investor relations page which includes additional complementary graphics and data. Please note that it has been provided as an additional reference and that we will not be using the presentation as an exhibit during today’s call.

We will begin with an overview of results from our Co-Founder and CEO, Chris Hulls, followed by a business update from our Chief Operating Officer, Lauren Antonoff. Then, our Chief Financial Officer, Russell Burke, will walk through the Q1 2025 financials. Chris will return with comments on our updated 2025 outlook before we open the call for Q&A. We ask that participants please limit themselves to one question to ensure we can hear from as many of you as possible. With that, I’ll turn the call over to Chris.

Chris Hulls

Good afternoon to everyone joining us from the U.S., and good morning to those tuning in from Australia. Thank you for being here for our first-quarter results call.

Q1 2025 Results

Life360 started strong in Q1 2025, achieving record-breaking results across both Monthly Active Users and Paying Circles, while continuing to advance our broader vision of becoming a super-app for everyday family life. These results underscore the strength of our product-market fit, the value of our subscription model, and the resilience of our business in an uncertain environment.

Our member base grew by 4.1 million new MAUs this quarter, reaching 83.7 million—up 26% year-over-year. We also saw strong momentum in our subscription business, with Paying Circles growing 26% year-over-year to 2.4 million, including a record Q1 net increase of 137,000 Paying Circles.

International expansion continues to be a powerful growth driver. International MAUs rose 39% year-over-year, and Paying Circles were up 33%, even with price changes to legacy subscribers outside of our core Triple Tier markets. Importantly, Average Revenue Per Paying Circle in international markets grew by 39% year-over-year, thanks to our updated premium pricing strategy. These improvements are enabling us to further scale our multi-tier approach in international markets.

In today's environment—where economic uncertainty, shifting markets, and everyday anxieties weigh heavily on families—people are seeking stability and trust more than ever. Life360 meets that need. Whether it's knowing your child got home safely, being alerted to a car crash in real time, or simply staying connected across generations, our platform offers peace of mind in a world that can feel unpredictable.

Our Q1 performance reflects not only the strength of our model, but the growing demand for services that bring peace of mind in a world that feels increasingly uncertain. As a daily essential for millions of families, we're not just helping people through uncertain times—we're building something they can rely on no matter what lies ahead. That's the kind of value that resonates with consumers today—and it's the kind of reliable durability that investors can feel confident about.

We are encouraged by a recent federal court ruling related to Apple's App Store policies that allows apps to direct users to external payment platforms. In response, we are implementing web-based checkout options, with our first updates launching in June. We're taking a thoughtful, compliant approach and will test different flows to optimize the user experience. While still early, we see this as a meaningful opportunity and are moving quickly to position ourselves for long-term benefit.

Before I turn it over to Lauren, I want to share a milestone that brings Life360’s journey full circle. As many of you know, the idea for Life360 was born in the wake of Hurricane Katrina, when I saw how hard it was for families to reconnect after a disaster. That moment inspired our mission to keep families safe and connected when it matters most.

Today, nearly two decades later, we’re proud to announce a partnership with AccuWeather, the global leader in weather forecasting. This collaboration will bring real-time, location-specific severe weather alerts to our members. It’s a powerful evolution of our platform—combining our core location technology with critical, life-saving information. It’s a reminder that Life360’s mission is as relevant today as it was when we started.

With that, I’ll turn it over to Lauren to share more on what she’s seeing on the frontlines.

Lauren Antonoff

Growing Users and Subscribers

Thanks, Chris.

2025 is off to a strong start! We’re creating enduring value by helping families stay connected to the people, pets, and things they love. Most of our growth continues to come organically—through word of mouth and referrals. Even in our most mature U.S. regions, we’re seeing strong momentum, underscoring the meaningful runway ahead. While penetration is increasing, we continue to believe that we’re still early in our journey—both in the U.S. and especially in international markets.

As we scale, our clear objective is to create long-term, durable value in a disciplined way—not just short-term wins. We’ve put an emphasis on experimentation so that we’re continually learning from our customers and discovering what works. Our results reflect this: consistent subscriber growth, increased engagement, and expanding lifetime value.

Internationally, we remain significantly underpenetrated. Given the huge **opportunity**, we’re executing full-funnel marketing campaigns across our focus markets to boost brand awareness and drive MAU growth. We’re also increasing the value we deliver to members **beyond** these regions by expanding emergency dispatch features including SOS and crash detection, to drive global adoption of our **premium** tiers.

Our **freemium model** remains the heart of our strategy. We introduce users to the platform and then guide them toward premium features that offer unmatched peace of mind. That’s what drives our consistent, compounding subscriber growth.

Given the importance of our free member base, this year we're focused on elevating the **core Life360 app experience**. In Q1, we launched a major update to our iOS map—delivering a faster, more intuitive interface and improved location accuracy. We're working on a similar update for Android for later this year. We're also **making progress** on new premium experiences tailored to specific use cases, like pet safety, to deepen engagement and broaden our value proposition. These enhancements, paired with targeted marketing, are designed to accelerate the conversion of free users into long-term subscribers.

Speaking of marketing, I want to make sure you caught the latest iteration of our “Family-Proof Your Family” brand campaign, which launched a couple weeks ago. It confronts a hard truth most brands would shy away from—we want to **destigmatize the anxieties and intrusive thoughts** that occur **whenever** our kids step out the door. The hero creative, aptly named “[I Think of You \(Dying\)](#),” illustrates a mother’s worst fears in a morbidly comedic way, by imagining all the horrible ways she worries that her daughter could die. Most of us who are mothers aren’t eager to admit that we worry about the people we love and imagine all these worst-case scenarios about how they might get hurt — but it’s one of those **shared experiences** that hits home and is really resonating. We took an innovative approach, and tapped into a real human truth - albeit one that is almost taboo to say out loud - to highlight the power at the core of the Life360 experience - peace of mind and the love we have for our families.

Families trust us because we show up for them every day. That trust and our relationship with our members is how we’ve won the right to build a family super app as the foundation of a business that lasts and scales far into the future.

Advancing Our Integrated Hardware Strategy

Hardware is a key part of how we go beyond the phone to make everyday family life better. Over the past quarter, we’ve made huge strides in our hardware strategy, which is designed to drive Life360 subscription growth. I’m thrilled to share that you can now activate and use Tile within Life360, without a separate Tile app. This lets our BLE trackers serve as a key entry point to the Life360 ecosystem. We’re nearing full integration of Tile into the Life360 app, which will soon become the default activation platform for all new devices—a major step in streamlining the experience and driving engagement. In Q1, we saw continued growth in the **number** of U.S. premium subscribers linking Tile devices to their account—despite the challenging environment for consumers—further reinforcing how hardware enhances our broader subscription model. We expect member growth to accelerate as Life360 becomes the **primary onramp** for Tile customers.

As you know, we’re also preparing to expand our hardware lineup to better serve evolving family needs. Our first GPS-enabled tracking device for pets remains on track for a **Q4 2025** launch. Some of you may have already seen early beta versions in the app.

While we **initially** planned to start with a U.S.-based launch, in light of recent tariff impacts on devices made in China, we made a call to shift the focus of our initial roll out to key international

markets. This strategic pivot mitigates tariff exposure and accelerates our entry into new global markets ahead of broader distribution in 2026. I'm super proud of the team for leveraging a challenge to **expedite** our international plans, while mitigating risks. This flexibility is another way we're leaning into the value of our expanding global presence.

Creating New Revenue Streams

Q1 was also an exciting time for our advertising platform. We launched a successful case study with Uber, showcasing how our airport landing notifications drove a 12% click-through rate and over 60,000 rides—well above industry benchmarks.

We've started alpha testing of our first native ad format—geo-contextual notifications—which we plan to test launch with new partners in Q2. You can think of this as a way to alert members when someone in their Circle stops by the local grocery or coffee shop. It's a great opportunity to add something to the shopping list. These **ads** allow brands to reach families in relevant, real-world moments while delivering value to members. We are designing ad experiences with the explicit goal of making everyday family life better. The experiences we've created with Uber and Accuweather are great examples of this mindset in action.

I'll add that we see AI as a critical component to delivering uniquely relevant connections between advertisers and consumers. The integration of the Fantix team expands our personalization tools and accelerates our delivery of smarter, privacy-first audience insights. We recognize that tariffs may weigh on ad budgets near-term, particularly in retail and DTC, but the capabilities we gained by bringing ad expertise in-house strengthen our long-term position. With enhanced offsite targeting and measurement offerings, we're well-positioned to drive better ROI for advertisers alongside experiences designed for our members. This is a huge opportunity, though we recognize that it will take time to scale.

In parallel, our data business continues to grow. We're seeing consistent progress with Placer.ai and early progress at Hubble, which we believe has long-term potential to enhance device discovery and unlock future enterprise revenue opportunities. We also recently formed a strategic partnership with Aura, expanding our reach through their employee benefits channel and creating new opportunities.

At Life360, we're not just delivering growth—we're executing on a strategic plan to deliver **consistent long term** growth. We're innovating with purpose, to make everyday family life better. And we're executing with consistency. That's how we plan to win—not just in 2025, but over the long term.

With that, I'll hand it over to Russell to walk through the financials and our continued focus on increasing profitability.

Russell Burke

Thanks, Lauren, and thank you all for joining us today. As a reminder, the Q1 financials I'll be referencing are unaudited and denominated in U.S. dollars.

We're pleased to report record-breaking Q1 results, driven by continued strength in our subscription business and growing contributions from our other revenue streams.

Q1 revenue increased 32% year-over-year to \$103.6 million, reflecting strong momentum in both subscription and other recurring revenue. Subscription revenue grew 33% year-over-year, accelerating from Q4. Core Life360 Subscription—excluding hardware subscriptions—increased 37%, driven by 26% global Paying Circle growth and 8% higher ARPPC. This performance reflects improved retention across U.S. markets, supported by targeted marketing and deeper product engagement.

Hardware revenue declined 13% year-over-year to \$8.9 million, primarily due to softness at physical retail and increased discounts. Gross margin in hardware was impacted by fixed-cost deleverage. While direct-to-consumer and online sales remain solid, retail store performance continues to be soft, in line with broader consumer electronics trends. Looking ahead, we anticipate these demand patterns to persist. While we anticipate partial tariff exemptions for our devices, we do expect tariffs to impact both revenue and costs in the near term. We've already adjusted our strategy based on current conditions and remain prepared to adapt further as the landscape evolves. Importantly, hardware continues to serve as a strategic onramp into our subscription ecosystem—supporting long-term value creation even as short-term demand fluctuates.

Other revenue grew 99% year-over-year to \$12.8 million, driven by strong contributions from advertising and data partnerships, which are both performing in line with our expectations. March Annualized Monthly Revenue reached \$393 million, up 38% year-over-year—underscoring the strength and durability of our high-quality recurring revenue streams.

Gross profit grew 39% year-over-year to \$83.5 million, with gross margin expanding to 81%, up from 77% in the prior year. This improvement was driven by a favorable revenue mix, including higher-margin other revenue.

Operating expenses, excluding commissions, increased 21% year-over-year, demonstrating continued operating leverage as revenue and gross profit outpaced spend. R&D increased 12%, primarily reflecting investments in people, technology, and third-party services. Sales and marketing rose 43% due to investments in brand and acquisition campaigns ahead of key product launches. Commissions grew in line with subscription revenue. G&A grew 9%, consistent with overall company growth and continued organizational scaling.

We continue to deliver meaningful progress on profitability. Net income was \$4.4 million, a sharp improvement from a \$9.8 million loss in Q1 of last year. Adjusted EBITDA rose to \$15.9 million, up

from \$4.3 million in Q1 2024—our tenth consecutive quarter of positive AEBITDA—driven by subscription growth and disciplined cost management.

For modeling purposes, investors should expect Q2 to include higher sales and marketing investment, along with the impact of some personnel costs shifting from Q1 and Q3. As a result, Q2 will represent our trough for adjusted EBITDA in 2025, with profitability expected to improve in the second half as earlier investments support global growth initiatives.

Looking briefly at the balance sheet and cash flow in Q1, we ended the quarter with \$170.4 million in cash, cash equivalents, and restricted cash, up \$9.9 million from Q4. Operating cash flow was positive for the eighth consecutive quarter at \$12.1 million, slightly below Adjusted EBITDA due to the timing of receipts and payables. Investing outflows of \$4.3 million were primarily related to cash paid for the Fantix asset acquisition and internal software development. Financing inflows were \$2.2 million and related mainly to net proceeds of option exercises and RSU settlements.

Thanks for your attention. I'll now hand it back to Chris to walk through our updated earnings guidance.

Chris Hulls

As we look ahead, we remain confident in the durability of our business, which delivers peace of mind to families and is built to perform through cycles. Despite ongoing economic pressures and cautious consumer spending, our subscription growth remains strong and consistent.

We're actively managing the impact of new tariffs on our hardware products and have already adapted our strategy—shifting the launch of our pets device to focus initially on international markets, where we continue to see strong performance. This pivot reflects both the strength and flexibility of our model, and our commitment to optimizing return on investment. We remain on track for a Q4 2025 pet tracker launch and continue to view hardware as a strategic differentiator—one that drives long-term subscription growth and deepens engagement across our ecosystem.

We're executing with focus: expanding internationally, scaling our connected device portfolio, and growing our advertising business with discipline, while closely monitoring evolving market dynamics. Across all areas, we remain disciplined on cost and committed to long-term value creation.

We are a durable, high-impact business—serving families today and creating meaningful value for the future. With the resilience of our subscription model and proactive mitigation of tariff-related cost pressures, we are updating our full-year 2025 guidance:

Reaffirming consolidated revenue of \$450 million to \$480 million;

Subscription revenue of \$355 million to \$365 million, raising the range by \$5 million from our previous outlook based on our strong start to the year;

Hardware revenue of \$40 million to \$50 million, adjusting the range \$5 million from our previous outlook to account for consumer demand sensitivity;

Other revenue, which includes partnerships and advertising, of \$55 million to \$65 million;

and Positive **Adjusted EBITDA** of \$65 million - \$75 million.

That concludes our prepared remarks and I'll now turn the call over to RJ who will manage the Question & Answer portion of our call today.

Raymond Jones

Thanks Chris. As a reminder, to participate in the Q&A, please raise your hand by pressing the "raise hand" icon at the bottom of your screen within the Zoom app. You will need to unmute yourself to ask your question.

After the Q&A

As there are no more questions I will hand the call back to Chris for some closing remarks.

Chris Hulls

Thanks again everyone for joining. Have a great day.