

Life360 2025 Q2 Results

Conference Call Remarks

August 11, 2025

Raymond Jones

Greetings everyone and welcome to our second 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, our Form 10-Q filed with the SEC dated May 12, 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, August 11, 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 Executive Chairman, Chris Hulls, followed by a business update from our Chief Executive Officer, Lauren Antonoff. Then, our Chief Financial Officer, Russell Burke, will walk through the Q2 2025 financials. Lauren 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 joining our second-quarter results call.

Before we dive in, I hope you all have seen the press release we sent out earlier announcing that Lauren Antonoff is now our CEO and that I have stepped up into the Executive Chairman role. Going forward, Lauren will be kicking off these calls and will be the lead, and I'd like to thank everyone for their support for the last nearly 30 calls I led as CEO. You'll hear more about this transition later in this call, but I'd like to point everyone to a personal statement I made explaining more about this decision, which you can find on our blog. I hope everyone will be as excited as I am, and recognize the amount of work we all did to make this a smooth succession, which we hope will go down as a model of leadership for other CEO founders in my position.

Q2 2025 Results

On to our results, Q2 2025 was another record quarter for Life360. We reached all-time highs in both Monthly Active Users and Paying Circles, while continuing to deliver on our vision of becoming the go-to platform for everyday family life. These results reflect the strength of our model, the depth of our product-market fit, and the trust we've earned with millions of families who rely on us every day.

We added 4.3 million new MAUs this quarter, bringing our total to 88 million—up 25% year-over-year. Paying Circles also grew 25%, with a Q2-record net add of 136,000. Engagement, retention, and conversion remain strong, and we're seeing meaningful traction across both free and premium tiers.

International expansion continues to be a major growth driver. MAUs outside the U.S. grew 34%, and Paying Circles were up 28%. We're seeing early success with localized pricing and value-based tiering, especially in the UK and Australia, and we're scaling that playbook across other markets.

But this quarter wasn't just about operational performance—it reflected cultural momentum. Today, peace of mind isn't a luxury—it's essential. Families are budgeting for it, just like Wi-Fi or electricity. And that shift is fueling durable, values-driven growth.

As we scale, we're not just adding users—we're deepening engagement, expanding into new verticals, and building a platform families can count on for years to come.

Before I turn it over, as many of you have seen, today marks an important milestone. Lauren is now the CEO of Life360, and I've stepped into the role of Executive Chairman where I'll continue working closely with her full-time to pursue our strategic goals, which are: reaching 150 million MAUs; exceeding \$1 billion in revenue; achieving 35% adjusted EBITDA margin; and becoming the #1 brand for everyday life. I'll focus on helping shape Life360's long-term vision, championing our free experience, and supporting key initiatives. This transition has been part of a long-term

succession plan—and with the alignment, momentum, and results we’re seeing this quarter, the timing is right. Over the past two years, Lauren has led with clarity, heart, and execution—launching new revenue streams, scaling operations, and deepening the value we deliver to families around the world. She’s the right leader for this next chapter, and I couldn’t be more confident in where she’ll take the company. With that, I’m pleased to hand it over to Lauren.

Lauren Antonoff

Growing Users and Subscribers

Thanks, Chris—and thank you for your trust and partnership. It’s an incredible honor to step into the CEO role at Life360, and I couldn’t be more excited for what’s ahead. We’re in a great position because of the foundation you’ve built over nearly two decades. I’m especially energized by the opportunity to lead our next wave of growth as we expand our ecosystem and evolve into the family super-app. You can be confident that we’ll stay true to our mission, driving innovation in our product that creates value for our members and shareholders. I’m grateful for your **continued** partnership and I look forward to working with you in your role as Executive Chairman.

Now, let’s talk about Q2.

Our Q2 results further reinforce the strength and resilience of our growth engine, powered by the enduring value we deliver by helping families stay connected to the people, pets, and things they love. Our growth is largely fueled organically—through word of mouth, referrals, and increasingly, the brand power we’re building around the world. Even in our most mature U.S. markets, we’re seeing continued momentum with engagement, retention, and conversion.

Internationally, we’re especially encouraged by the progress we’re seeing in subscription performance. We’re outpacing targets in many regions and seeing meaningful uplift in revenue per paying circle—driven by local pricing strategies, premium tier adoption, and expanding feature engagement. This momentum was bolstered by our rollout of emergency dispatch to six additional European countries earlier this year. Combined with localization efforts and targeted experimentation, the enhancements we’re making are strengthening our value proposition and accelerating monetization outside the U.S.

Of course, our freemium model continues to be our key driver of growth—winning families by delivering everyday utility and guiding them toward premium features that deliver even more peace of mind. While MAU growth varies across markets, we’re seeing consistent conversion gains. We feel privileged to have a model where investing in our members leads to durable recurring revenue and compounding subscriber growth.

One thing we're increasingly seeing is a broader shift in what families consider essential. In what we've called the "Anxiety Economy", our latest research shows that nearly 8 in 10 Americans are more likely to invest in safety during times of uncertainty—and that 40% of parents consider safety and emergency alert apps "non-negotiable." Life360 is now up there as one of the top apps, alongside brands like Netflix, that consumers are reluctant to give up, even when budgets are tight. This reflects how families are reassessing priorities, and why Life360 sits at the center of this new landscape—providing both security and connection in an unpredictable world.

Back-to-school is always a high-impact moment for us—and this year, that's true not just in the U.S., but also in the UK, Canada, and across Europe. The season is just getting underway, and we've launched one of our largest-ever multinational campaigns, focused on features that make everyday life during the school year easier—everything from Place Alerts to let you know your student arrived safely, to Tiles that keep track of lunchboxes, instruments, or sports gear. And we've got some new things in the hopper to launch as the season unfolds. The campaign is running across YouTube, linear and streaming TV, paid social, and influencer channels.

This effort is supported by broader brand storytelling, including the hero spot we introduced last quarter, *I Think of You Dying*. That creative went viral in Q2 with over 20 million organic impressions, sparking cultural conversation and helping nearly double our unaided brand awareness quarter over quarter. That is an extraordinary shift for a metric that rarely moves, so we'll see if it holds. While we're measured in our optimism, the early signal is clear: the campaign has widened our funnel and increased our visibility in key markets.

Personally, I love how we show up in culture in unexpected ways. One of the most talked-about trends this quarter was "fambushing"—a viral term that refers to teens using Life360 to drop in on their parents when they least expect it. While my kids haven't fambushed us, they have caught my husband and I sneaking out to eat without them. The fambushing buzz started on TikTok and was picked up by The New York Post and other major media outlets. While it's playful, it highlights just how embedded Life360 has become in modern family dynamics—and how our relevance truly spans generations.

Advancing Our Integrated Hardware Strategy

Q2 also marked an important milestone on our journey to expand Life360's impact beyond the phone. Tile devices can now be activated directly within the Life360 app, eliminating the need for a separate Tile app. This streamlines onboarding, improves engagement, and lays the foundation for a more unified member journey.

Meanwhile, we remain on track to launch our GPS-enabled pet tracker later this year. Our go-to-market approach focuses on activating our highly engaged free members in select markets. From day one, the device will be fully integrated into the Life360 app and require a paid membership—offering families a seamless way to track people, pets, and things in one place.

Our integrated experience plays a critical role in keeping people close to the ones they love and serving as an entry point to bring new members into our ecosystem. More broadly, we're seeing continued growth in the number of members linking a device to their Life360 account—a key metric that tells us hardware is driving real value across our base. Devices continue to be a strategic lever for subscriber acquisition, retention, and long-term engagement.

And while pets are our next category, they won't be the last. We see clear opportunities to extend this model into additional use cases where connected hardware and software provide lasting peace of mind and expand our role in the lives of families everywhere.

Creating New Revenue Streams

Q2 was also a pivotal quarter for our advertising platform. We launched Place Ads and Uplift by Life360. These products help brands reach families in real-world moments and measure the offline impact of their campaigns, in Life360 and beyond. Place Ads deliver location-based push notifications triggered by behaviors like visiting a store or sports field, while Uplift provides privacy-safe, first-party foot traffic measurement.

Early traction is encouraging. We've lined up proof-of-concept campaigns with multiple quick-serve restaurants and mass retailers, and we're in late-stage conversations with new measurement partners. While we're still early in the revenue ramp, we're building a high-margin business with strong alignment to our member experience.

Our partner relationships are also helping us drive member value and engagement. We launched our integration with Accuweather, so we now deliver severe weather alerts that help keep our members safe, while driving an exceptionally high click-through rate. Our partnership with Aura is helping families stay safer online. We're already live with in-app ads, and new campaigns powered by our audiences are running across Meta and Google. And finally, we launched a milestone gifting program with Nift, where we provide members curated offers at key membership touchpoints. This is a great example of ads delivering member value, with over 70% of participants rating the experience positively.

We also made meaningful improvements behind the scenes. Upgrades to audience targeting and data signals led to a significant increase in reach through three major programmatic demand partners. These capabilities are designed to drive stronger performance and incremental revenue while extending the value of our platform beyond the Life360 app.

While ads remain a long-term build, the foundation is in place and we're proud of the early traction we're seeing.

Beyond advertising, our broader data ecosystem is thriving. Our long-standing partnership with Placer.ai continues to yield more value. Hubble Network, which activated the world's first Bluetooth Low Energy satellite network, launched its first enterprise application. Smartpin is a commercial-grade asset tracker powered by the combined Hubble and Life360 infrastructure. It

enables global location visibility on top of cellular coverage, opening up a wide variety of enterprise use cases. While still early, it's the first stage of realizing the long-term opportunity that comes from working with Hubble to deliver enterprise-grade tracking and location intelligence.

Overall, Q2 was a strong quarter! And now, we're hard at work driving growth and finding new ways to help millions of families around the world, keep the people, pets, and things they love safe and connected. I'm more excited than ever about what's ahead and the opportunity to lead the family super app that makes everyday family life better.

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 Q2 financials I'll be referencing are unaudited and denominated in U.S. dollars.

We are very pleased to report record-breaking Q2 results, driven by continued strength in our subscription business and growing contributions from our other revenue streams, along with continued margin expansion.

Q2 revenue increased 36% year-over-year to \$115.4 million, reflecting strong momentum in both subscription and other recurring revenue. Subscription revenue grew 35% year-over-year, while core Life360 Subscription— which excludes standalone hardware subscriptions—increased 38%, accelerating from Q1, driven by 25% global Paying Circle growth and 8% higher ARPPC. This performance reflects improved conversion in the U.S., supported by targeted marketing and deeper product engagement.

Hardware revenue increased 3% year-over-year to \$12.3 million, with higher unit volumes offset by promotional pricing. Online and physical retail unit sales increased year over year. Gross margin for hardware remained stable year-over-year, despite the impact of tariffs. While we are receiving partial tariff exemptions, we are seeing effects on both revenue and cost in the near term. We remain prepared to adjust further as conditions evolve. Most importantly, hardware continues to serve as a strategic funnel into our subscription ecosystem—supporting long-term value creation even as short-term demand fluctuates and lower-margin standalone revenue continues to become a smaller part of our revenue mix.

High-margin other revenue doubled year-over-year to \$14.5 million, driven by strong contributions from advertising and data partnerships. Both performed in line with expectations and continue to scale as planned.

June Annualized Monthly Revenue reached \$416.1 million, up 36% year-over-year—underscoring the strength and durability of our high-quality recurring revenue streams.

Gross profit grew 42% year-over-year to \$90.5 million, with gross margin expanding to 78%, up from 75% in the prior year, driven by the favorable revenue mix.

Operating expenses increased 34 percent year-over-year. That said, this was largely driven by timing—not a change in our cost structure or operating discipline. As we've previously flagged, we made the decision to pull marketing and personnel costs into Q2 from Q1 and Q3, to support global growth and to capitalize on key seasonal campaigns. These were planned, front-loaded investments—especially around our largest-ever demand creation campaign and back-to-school positioning. As a result, the trend in our operating leverage improvements has temporarily flattened, and we expect it to return to trend by the end of the year as expenses normalize and revenue continues to grow.

Breaking it down by P&L line—R&D increased 19 percent, reflecting continued investment in people, product development, and third-party tools. Sales and marketing rose 60 percent, including commissions, driven by global brand campaigns and customer acquisition efforts. Commissions grew in line with subscription revenue. The increase also came off a low baseline last year when we strategically reduced spend. G&A rose 19 percent, aligned with overall company growth and organizational scale.

On a related note, we also launched our first iOS approved test of web-based billing in June, following recent court rulings around app store payments. It's early and permissions in this area continue to develop, but are encouraging. We see strong potential over time to improve unit economics and build more direct relationships with our members as this capability expands.

We continue to deliver significant progress on profitability. Net income was \$7.0 million, a sharp improvement from a \$11.0 million loss in Q2 of last year. Adjusted EBITDA rose to \$20.3 million, up from \$11.0 million in Q2 2024—our 11th consecutive quarter of positive Adjusted EBITDA—driven by the growth in high margin subscription and other revenue, and disciplined cost management.

Turning to the balance sheet and cash flow—We ended Q2 with \$434.2 million in cash, cash equivalents, and restricted cash, up nearly \$272.2 million from a year ago.

To support our long-term roadmap, we successfully raised just over \$275 million in Q2 through a zero-coupon convertible note. The offering was well-received and structured to provide

significant capital flexibility—without near-term dilution. It puts us in a strong position to move quickly on the right strategic opportunities as they emerge.

Operating cash flow was positive for the ninth consecutive quarter, coming in at \$13.3 million—below Adjusted EBITDA due to timing of receipts and payables.

Investing outflows totaled \$27.8 million, including a \$25 million investment into convertible notes issued by Aura.

Financing inflows of \$278.3 million primarily reflect proceeds from the June convertible note offering.

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

Lauren Antonoff

As we look ahead, we remain confident in our ability to deliver consistent results through disciplined execution and, most importantly, our continued commitment to make everyday family life better and bring peace of mind to tens of millions of families around the world. Our subscription growth is strong, and our offering is exceptionally well positioned to navigate the Anxiety Economy. We continue to invest for the long term, with a focus on expanding internationally, scaling ads, and deepening engagement across our platform.

With that foundation, and the strength of our subscription model, we are raising our full-year 2025 guidance as follows:

We are increasing our **consolidated revenue** guidance from the previous range of \$450 to \$480 million, to a new range of \$462 to \$482 million.

We are raising **subscription revenue** guidance from the previous range of \$355 to \$365 million, to the new range of \$363 to \$367 million.

We are also raising the range of **Hardware revenue** guidance from \$40 to \$50 million to \$42 to \$50 million.

We are raising the range of our **Other revenue** guidance — which includes advertising and partnerships — from the previous range of \$55 to \$65 million, to a new range of \$57 to \$65 million.

And we are raising our guidance for **Adjusted EBITDA** from the previous range of \$65 to \$75 million, to a new range of \$72 to \$82 million. For modeling purposes, we expect our Q3 adjusted

EBITDA margin to follow our typical quarterly pattern and be slightly lower than Q2, driven by the timing of our growth investments in marketing and R&D.

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 Lauren. 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. As a reminder, please limit your initial query to one question so that we may get to as many participants as possible.

After the Q&A

As there are no more questions I will hand the call back to Lauren to sign off.

Lauren Antonoff

Thanks again everyone for joining. Have a great day.