Life360 2025 Q3 Results
Conference Call Prepared Remarks
November 10, 2025
11 November 2025 V.Final

Raymond Jones

Greetings everyone and welcome to our third 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 Form 10-Qs filed with the SEC dated May 12, 2025, August 11, 2025, and November 10, 2025. These forward-looking statements are based on assumptions that we believe to be reasonable as of today's date, November 10, 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 and a business update from our Chief Executive Officer, Lauren Antonoff with a comment from our Co-Founder and Executive Chairman Chris Hulls. Then, our Chief Financial Officer, Russell Burke, will walk through the Q3 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 Lauren.

Lauren Antonoff

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

Q3 2025 Results

Q3 2025 was another record quarter for Life360. We reached all-time highs in Paying Circles and global net subscription adds while continuing to advance our vision of becoming the go-to platform for everyday family life. These results reflect our outstanding product-market fit, the strength of our freemium model, and, most importantly, the trust we've built with millions of families who depend on Life360 every day to keep their families safe and manage the day to day chaos of family life.

Growing Users and Subscribers

Our growth engine is fueled by the peace of mind that Life360 provides families who use our platform to stay connected to the people, pets, and things they love.

Our freemium model continues to drive delight and encourage upgrades to premium features such as unlimited place alerts that give families a heads up when mom leaves work or dad stops by their favorite sandwich shop. Our free offering is now even more valuable to families with the introduction of our new Pet Finder Network, which I'll come back to in a moment. Because of our outstanding value, the majority of our growth remains organic, driven by word of mouth and increasing brand awareness.

This quarter, we continued to deliver innovative experiences, like *No Show Alerts*. We spotted a pattern where nervous parents check continually to see if their kid arrived, and we decided to create a feature to reduce anxiety by flipping this experience on its head. Now we can alert parents when a loved one doesn't arrive on time at a designated location—no need to keep checking. It's one more way we're giving families peace of mind and making everyday family life better. We delivered No Show Alerts just as kids were heading back to school, and we've seen outstanding engagement, with over 1 million alerts configured to make sure that people arrive safely as expected.

We also deepened our partnership with AccuWeather, the world's most accurate and widely used source of weather forecasts and warnings. Last quarter, this partnership delivered severe weather alerts to our members. In Q3, we took it a step further by extending these alerts to the entire Circle—so every family member is notified when weather threatens someone they care about. This integration, as with our work with Uber, highlights how major brands are recognizing Life360 as a true platform, not just another location-sharing app. We're creating monetizable experiences that drive far higher engagement than traditional ads and genuinely add value to our members' daily lives. Unlike banner ads that users simply tolerate, our AccuWeather experience shows why people choose Life360—it makes the platform more useful, relevant, and uniquely positioned at the center of family life.

We're also engaging members in creative new ways, like our *Life360 Pays For...* campaign which was designed to reinforce our mission of making everyday family life better and build brand affinity by helping families manage real-life costs — from rent to gas to data plans. Our combination of product innovation and creative marketing with millions of views across the media spectrum, continues to strengthen engagement across our platform.

As a result, we added 3.7 million Monthly Active Users in the third quarter, growing 19% year-over-year, bringing our total active users to nearly 92 million. Our total Paying Circles grew 23 percent year-over-year to 2.7 million, achieving a record 170 thousand net new additions, boosted by focus in our marketing efforts and optimization in our funnel resulting in better conversion from free to paid in the US and international markets, especially within the critical first 30 days of use.

While MAU growth is lower than the same period last year, it was led by our highest-value user segments, reflecting an intentional shift in marketing to focus our paid media on users who are more likely to retain and convert. This strategy is working. Our 35-to-50-year-old users, which drive the majority of our monetization, reached record highs this quarter. The results speak for themselves, with record growth in Paying Circles and strong brand awareness.

At the same time, we continue to benefit from Life360's cultural relevance, which extends well beyond our core target audience. In recent weeks, we've been trending on TikTok because we created a product experience that hopped on the "6-7" meme. If you don't have teens, you might not know what that means—but millions of younger users do. While we don't rely on Gen Z as primary converters, their enthusiasm fuels a powerful halo effect that keeps Life360 part of the broader cultural conversation. Just this week, one of our TikTok posts went viral with an astounding 2.2 million views. This visibility strengthens our brand with parents and families alike, proving that our position at the center of the digital zeitgeist is a real competitive advantage.

Internationally, momentum remains strong. Paying Circles outside the U.S. grew 29 percent year-over-year, with an 8 percent year-over-year ARPPC uplift driven by local pricing strategies and the continued success of premium tiers across the U.K., Canada, Australia and New Zealand. If these markets continue on the same trajectory as the U.S.—and current trends suggest they will—there remains significant headroom for accelerated growth ahead.

While we continue to experiment with our marketing levers, the results we've seen give us confidence that edgy creative, disciplined marketing investment, and most importantly, a product that delights customers, will continue to drive durable growth for many years to come.

Advancing Our Integrated Hardware Strategy

On top of growing our membership base, we're deeply committed to increasing the value we deliver to our members, including extending Life360's impact beyond the phone. Our connected devices play a critical role in expanding our reach and deepening engagement, giving families more ways to stay connected.

We took a big step forward on this front as we launched Life360 Pet GPS, which brings to life our vision to connect families with the people, pets, and things they love on one map, and extends the peace of mind we're known for to furry family members. This is our first product designed specifically for pets, and it's now available in the United States, Canada, the U.K., Australia, and New Zealand. We took a measured approach to our initial launch, and while it is too soon to provide forecasts, early demand exceeded initial expectations, selling out in most regions within days of launch.

One in three pets becomes lost at some point during their lifetime and families with pets represent a significant opportunity, covering nearly 70 percent of U.S. households. Young families tend to get their first pet before they have kids, and certainly before the age that kids get their own phone, and pets don't head off to college, meaning that our Pet GPS makes our subscription valuable to more families through more life stages.

Our goal with pets goes far beyond selling devices. We have an opportunity to raise the bar for what it means to be a responsible pet parent. We're committed to driving awareness and education about how to keep pets safe. Pet owners have been led to believe that a microchip or bluetooth tracker will help if their pet escapes. I know from personal experience that these solutions are outdated and woefully unsuited to the job. To make use of a microchip, someone needs to capture your pet and take it to a vet or a shelter. Not only does this count on extraordinary effort, but trying to catch a lost dog can put both the dog and the person in danger. Bluetooth trackers work great when your dog is at home on the couch, but they're ill-suited for a dog on the run. The best way to get a dog home safely is to equip them with a GPS tracker that tracks your pet in real time, so you can close the distance quickly, and bring them home safely.

While Pet GPS is the best way to keep a pet safe, at Life360 we want to keep every pet safe, even those without a tracker. Our community-powered Pet Finder Network draws on our nearly 92 million members to help reunite lost pets with their families by sending a lost pet alert to members nearby.

Pets GPS and our Pet Finder Network expand our relevance to even more households and reinforce our position as the go-to platform for everyday family safety. Families already trust Life360 to keep their loved ones connected and safe, and that trust gives us a strong foundation to lead in this growing category.

Creating New Revenue Streams

Beyond subscriptions and hardware, we continue to advance our strategy to build high-margin, complementary revenue streams. Q3 *Other Revenue* grew 82 percent year-over-year to $16.9 million, with strong performance in advertising.

We're still early in our advertising roadmap but we're making progress building the full operating stack that will power long-term growth. Our Place Ads and Uplift products are live and gaining traction, enabling brands to reach families in relevant real-world moments and measure the impact of their ad campaigns. At the same time, we're enhancing our programmatic partnerships and data integrations to improve targeting, delivery, and performance. This phase is about building the right foundation—bringing together the people, technology, and relationships that will allow us to scale efficiently and effectively. The momentum we're seeing fuels our confidence that advertising is on track to become a durable, high-margin growth engine for Life360.

To accelerate our vision, we've entered into an agreement to acquire Nativo, a best-in-class advertising technology company. Nativo brings full-stack ad technology, a seasoned team, and hundreds of advertiser and publisher relationships that will allow us to scale our ads business faster and more efficiently — while maintaining the high editorial and privacy standards that define the Life360 promise.

We expect this combination to accelerate our advertising roadmap, expand our off-site reach, and position Life360 to deliver a unified ads platform that seamlessly connects our audience with broader publisher networks. It's a major step forward in creating a differentiated, full-funnel solution for brands and agencies — and, importantly, it advances our mission to grow advertising in a way that's consistent with our commitment to families.

We look forward to welcoming the Nativo team to Life360 once the transaction closes.

Before I conclude, I've asked Chris to share a few thoughts from his new role - Chris over to you.

Chris Hulls

Thanks, Lauren. I'll keep it brief. The transition has gone incredibly smoothly, and it's great to see how well the company has executed while continuing to advance our long-term vision.

If I had to sum up this quarter in one theme, it's that we're proving Life360 is not just an app—it's a platform. That's always been at the heart of the "360" in our name. With the launch of our new device, people, pets, and things are now fully integrated on the Life360 map. We're the only player in the space with a complete family-focused hardware and software ecosystem, and it shows how far ahead we are of any direct competitor.

The Nativo acquisition is another major milestone. We've long said that indirect revenue could one day rival subscriptions, and this deal accelerates that vision. Nativo isn't just about adding more ads—it's about enabling third parties to use our location intelligence in privacy-safe ways that improve their performance while preserving the experience of our free users, who remain the foundation of our ecosystem.

And finally, it's great to see Life360 jumping on the "6-7" trend and going viral on TikTok again—this time organically from the team, which means I don't have to reprise my role as influencer.

I'm excited to continue supporting the team as Executive Chairman. Back to you, Lauren.

Lauren Antonoff

Closing Thoughts

I'm incredibly proud of the team for delivering another outstanding quarter of balanced growth and disciplined execution. We continue to scale our core subscription business, expand our high-margin revenue streams, and invest in new innovations that make everyday family life better.

With momentum in our core business, the successful launch of Pets GPS, and continued expansion in advertising with the addition of Nativo, we're confident in our trajectory as we enter the holiday season and head into 2026.

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

****

Russell Burke

Thanks, Lauren, and thank you all for joining us today. As a reminder, the Q3 financials I'll be referencing are unaudited and denominated in U.S. dollars.

We are very pleased to report another record quarter, reflecting continued strength in our core subscription business, accelerating momentum in advertising and data revenue, and disciplined expense management.

Q3 total revenue grew 34 percent year-over-year to $124.5 million, with continued strong momentum. Subscription revenue increased 34 percent to $96.3 million, while core Life360 subscription revenue — which excludes standalone hardware subscriptions — rose 37 percent. The increase was driven by sustained global Paying Circle growth and ongoing improvements in conversion across both U.S. and international markets.

Other revenue grew 82 percent year-over-year to $16.9 million, fueled by strong performance from our expanding advertising platform and partnerships. We continue to see advertiser demand scaling as expected, supported by new formats and higher engagement.

Standalone hardware revenue decreased 4 percent year-over-year to $11.3 million. Unit sales increased 15% year-over-year driven by strength in online channels. Standalone hardware gross profit and margin were impacted by tariff-related costs — absent those tariffs, both would have been positive. We view the tariff impact as manageable long term and took steps earlier in the year to largely mitigate it. Our focus remains on driving adoption, not short-term standalone hardware margin, as devices continue to be an important funnel into our subscription ecosystem.

Looking ahead, our Q4 outlook includes the impact of promotional launch pricing for Life360 Pets GPS across all markets. This pricing was strategic and time-limited, focused on driving adoption and engagement within Paying Circles. Pets GPS operates exclusively with a paid Gold or Platinum membership, which delivers the near real-time GPS visibility and integrated safety experience families expect from Life360. We've structured device pricing to minimize friction and expand the pool of paying members, which aligns with our long-term strategy. This approach is fully reflected in our Q4 guidance and supports our goal of growing high-value subscribers rather than focusing on near-term device margins. We are still in the early stage of the Pets GPS launch and will share more detail at year end.

Turning back to Q3 results, Annualized Monthly Revenue reached $446.7 million, up 33 percent year-over-year, underscoring the durability of our high-quality recurring revenue model.

Gross profit increased 39 percent year-over-year to $97.1 million. Gross margin was 78 percent, compared with 75 percent a year ago, reflecting mix shifts in the quarter.

Operating expenses, excluding commissions, grew 20 percent, well below our revenue growth rate, demonstrating continued operating leverage. Year over year, you'll see a visible shift in marketing spend as we ramped campaigns ahead of our Pets GPS launch and key holiday promotions. These were planned investments that support long-term subscriber growth and product adoption.

Breaking it down by expense line: R&D rose 12 percent, reflecting ongoing product innovation and scaling of our data and ad-tech capabilities. Sales and Marketing increased 27 percent, primarily driven by seasonal campaigns and commissions in line with subscription growth. G&A

grew 31 percent, consistent with the overall pace of company expansion. We also continued to test purchase path variations to enhance conversion efficiency across platforms.

Profitability continues to strengthen. Net income for the quarter was $9.8 million, compared to $7.0 million in Q2 and $7.7 million in Q3 last year. Adjusted EBITDA rose 174 percent year-over-year to $24.5 million, representing a 20 percent margin — our twelfth consecutive quarter of positive Adjusted EBITDA - and further progress towards our target of 35%+..

Turning to the balance sheet, we ended the quarter with $457.2 million in cash, cash equivalents, and restricted cash. We remain in a strong position with strategic flexibility to pursue investment opportunities.

Operating cash flow was positive for the tenth consecutive quarter at $26.4 million, up 319 percent year-over-year.

In summary, Q3 demonstrated that Life360's growth engine remains strong and efficient — with record revenue, expanding high-margin businesses, disciplined cost control, and clear line of sight to increasing profitability.

Before we move to guidance, I'd like to share additional context on the exciting step forward for our advertising business.

As Lauren mentioned, we've entered into an agreement to acquire Nativo, a leading native advertising technology company, for approximately $120 million in a combination of cash and stock, subject to customary closing conditions.

This acquisition positions Life360 to compete at scale with a unified, end-to-end advertising platform that expands our reach, and will unlock meaningful revenue potential. The acquisition will be accretive to AEBITDA from day one, and reinforces our commitment to growing Adjusted EBITDA margins through high-quality, complementary revenue streams that deliver long-term shareholder value.

Because the transaction is expected to close in early 2026, we do not anticipate any financial impact in 2025. Nativo currently generates roughly twice the level of advertising revenue we expect to deliver this year, with a different margin profile that reflects its position across the full ad-tech value chain — spanning the Demand Side, Customer Data, Measurement, and Supply Side platforms — all of which typically carry lower gross margins than pure digital advertising.

The company has approximately 125 employees, or about one quarter of Life360's current headcount, and brings full-stack technology, sales, and operations capabilities that will accelerate our advertising roadmap significantly.

We expect both revenue and cost synergies to begin ramping during 2026, with full realization by year-end. Importantly, this acquisition further supports our longer-term goal of achieving 35 percent Adjusted EBITDA margins.

With that, I'll hand it back to Lauren to review our updated outlook for the remainder of 2025.

****

Lauren Antonoff

As we look ahead, we remain confident in our ability to deliver consistent results through disciplined execution and our continued commitment to making everyday family life better for millions of families worldwide. With the launch of our new Pets GPS across key markets and continued momentum in our advertising business, we're extending our reach and deepening engagement across the platform.

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

We are increasing our **consolidated revenue** guidance from the previous range of $462 to $482 million, to a new range of $474 to $485 million.

We are raising **subscription revenue** guidance from the previous range of $363 to $367 million, to the new range of $366 to $368 million.

We are also raising the range of **Hardware revenue** guidance from $42 to $50 million to the new range of $46 to $50 million. We expect full year gross margin in Hardware to be in the negative single digits range due to the impact of tariffs and the launch of Pet GPS.

We are raising the range of our **Other revenue** guidance — which includes advertising and partnerships — from the previous range of $57 to $65 million, to a new range of $62 to $67 million.

And, finally, we are raising our guidance for **Adjusted EBITDA** from the previous range of $72 to $82 million, to a new range of $84 to $88 million.

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

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.