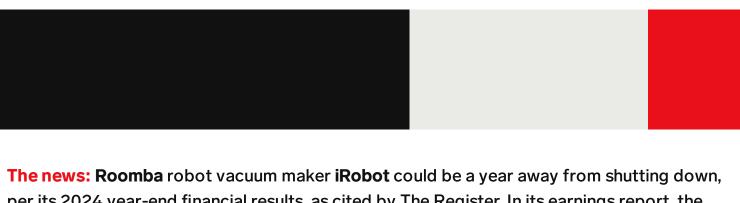


Roomba's last run? iRobot faces shutdown within a year

Article



per its 2024 year-end financial results, as cited by The Register. In its earnings report, the company said its survival will depend on the success of new products launched this week.

<u>Amazon's plan to acquire iRobot</u> for \$1.4 billion was quashed by EU regulators, and it appears that iRobot had no contingency plans in place.



- iRobot responded to Amazon's failed acquisition by cutting over 50% of its staff, reducing inventory and R&D expenses, and merging its sales and marketing departments.
- We said last year that while Amazon had the resources to create its own competing robot vacuum line, iRobot would have a harder time recovering while it faced restructuring costs and debt.

Competition gained ground: iRobot faces competition from players like Samsung, LG, Roborock, Eufy, Neato, Panasonic, and Dyson. Most of them have larger appliances and smart home ecosystems, guaranteeing seamless integration with existing devices.

Recent robot vacuum reviews from Wired and Vacuum Wars gave **Roborock's Qrevo S** model top marks, indicating Roomba's segment leadership is slipping.

Marketing challenge: iRobot's product launch this week of half a dozen new models risks being overshadowed by concerns over its future. Its diminished marketing staff has the Sisyphean task of reinforcing trust and continuity to maintain interest in a potentially dying brand.

Our take: iRobot could still pursue a sale to a third-party, license its IP and technology, or seek to merge with other companies. But the longer it waits, the more its value could erode.

iRobot's plight is a cautionary tale that could make companies seeking acquisition more reluctant to engage buyers, especially if they lack contingencies if the sale fails.

