

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the fiscal year ended December 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the transition period from to

Commission file number 000-50350

NETGEAR, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

**350 East Plumeria Drive,
San Jose, California**

(Address of principal executive offices)

77-0419172

(I.R.S. Employer Identification No.)

95134

(Zip Code)

Registrant's telephone number, including area code

(408) 907-8000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s):	Name of each exchange on which registered
Common Stock, \$0.001 par value	NTGR	The Nasdaq Stock Market LLC

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.) Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant as of June 28, 2024 (the last business day of the Registrant's second fiscal quarter) was approximately \$432.3 million. Such aggregate market value was computed by reference to the closing price of the common stock as reported on the Nasdaq Global Select Market on June 28, 2024. Shares of common stock held by each executive officer and director have been excluded in that such persons may be deemed to be affiliates. The determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of outstanding shares of the registrant's common stock, \$0.001 par value, was 28,868,940 shares as of February 7, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Registrant's 2025 Annual Meeting of Stockholders are incorporated by reference in Part III of this Form 10-K.

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PART I

This Annual Report on Form 10-K (“Form 10-K”), including Management’s Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7 below, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this Form 10-K, including statements regarding our future financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “expect” and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions described in “Risk Factors” in Part I, Item 1A below, and elsewhere in this Form 10-K, including, among other things: future demand for our products may be lower than anticipated; consumers may choose not to adopt our new product offerings or adopt competing products; the actual price, performance and ease of use of our products may not meet the price, performance and ease of use requirements of consumers; our dependence on certain significant customers; our reliance on a limited number of third-party suppliers and manufacturers; new cyber threats may challenge the effectiveness or threaten the security of our products; and our business strategies and development plans may not be successful. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Form 10-K may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. All forward-looking statements in this Form 10-K are based on information available to us as of the date hereof, such information may be limited or incomplete, and we assume no obligation to update any such forward-looking statements. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements. The following discussion should be read in conjunction with our consolidated financial statements and the accompanying notes contained in this Form 10-K.

Risk Factors Summary

The following is a summary of some of the risks and uncertainties as of the date of the filing of this Annual Report on Form 10-K that could materially adversely affect our business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained below.

Risks Related to our Business, Industry and Operations

- Optimizing our channel partners' inventory levels and product mix within the current environment is challenging, and we have, and may in the future, incur costs associated with excess inventory, or lose sales from having too few products.
- To remain competitive and stimulate consumer and business demand, we must successfully manage new product introductions and transitions of products and services.
- Investment in new business strategies could disrupt our ongoing business, present risks not originally contemplated and materially adversely affect our business, reputation, results of operations and financial condition.
- We rely on a limited number of traditional and online retailers, wholesale distributors and service provider customers for a substantial portion of our sales, and our net revenue could decline if they refuse to pay our requested prices or reduce their level of purchases, if there are unforeseen disruptions in their businesses, or if there is significant consolidation in our customer base that results in fewer customers for our products.
- We obtain several key components from limited or sole sources.
- Some of our competitors have substantially greater resources than we do, and to be competitive we may be required to lower our prices or increase our sales and marketing expenses, which could result in reduced margins or loss of market share and revenue.

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- We depend substantially on our sales channels, and our failure to maintain and expand our sales channels would result in lower sales and reduced net revenue.
- We depend on a limited number of third-party manufacturers for substantially all of our manufacturing needs.
- Our sales and operations in international markets have exposed us to and may in the future expose us to operational, financial and regulatory risks.
- We depend on large, recurring purchases from certain significant customers, and a loss, cancellation or delay in purchases by these customers could negatively affect our revenue.
- The average selling prices of our products typically decrease rapidly over the sales cycle of the product, which may negatively affect our net revenue and gross margins.
- If we fail to overcome the challenges associated with managing our broadband service provider sales channel, our net revenue and gross profit will be negatively impacted.
- We expect our operating results to fluctuate on a quarterly and annual basis, which could cause our stock price to fluctuate or decline.
- Changes in trade policy in the United States and other countries, including the imposition of tariffs and the resulting consequences, may adversely impact our business, results of operations and financial condition.
- If disruptions in our transportation network continue to occur or our shipping costs substantially increase again in the future, we may be unable to sell or timely deliver our products, and our net revenue and gross margin could decrease.
- Expansion of our operations and infrastructure may strain our operations and increase our operating expenses.
- As part of growing our business, we have made and expect to continue to make acquisitions. If we fail to successfully select, execute or integrate our acquisitions, then our business and operating results could be harmed and our stock price could decline.
- We invest in companies primarily for strategic reasons but may not realize a return on our investments.

Risks Related to Our Products, Technology, Intellectual Property and Data

- We rely upon third parties for technology that is critical to our products, and if we are unable to continue to use this technology and future technology, our ability to develop, sell, maintain and support technologically innovative products would be limited.
- Product security vulnerabilities, system security risks, data protection breaches, cyber-attacks, improper use of artificial intelligence (“AI”) tools, and other threats and risks, could disrupt or otherwise compromise our products, services, internal operations or information technology systems, or those of third parties with whom we work. Actual or perceived non-compliance with our privacy and security obligations could lead to regulatory investigations or actions, litigation, fines and penalties, business operation disruption, reputational harm, loss of revenue or profits, loss of customers or sales, and other adverse business consequences.
- If we are unable to successfully leverage AI technology to automate and drive efficiencies in our operations and products and services, our business, reputation, results of operations and financial condition could be harmed.
- We make substantial investments in software research and development and unsuccessful investments could materially adversely affect our business, financial condition and results of operations.
- If our products contain defects or errors, we could incur significant unexpected expenses, experience product returns and lost sales, experience product recalls, suffer damage to our brand and reputation, and be subject to product liability or other claims.

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- Our user growth, engagement, and monetization of our subscription services depend upon effective operation with mobile operating systems, networks, technologies, products, and standards that we do not control.
- If we are unable to secure and protect our intellectual property rights, our ability to compete could be harmed.

Financial, Legal, Regulatory and Tax Compliance Risks

- We are currently involved in litigation matters and may in the future become involved in additional litigation.
- We have been exposed to and may in the future be exposed to adverse currency exchange rate fluctuations in jurisdictions where we transact in local currency, which could harm our financial results and cash flows.
- We are exposed to the credit risk of some of our customers and to credit exposures in weakened markets.
- Changes in tax laws or exposure to additional income tax liabilities could affect our future profitability.
- We are subject to, and must remain in compliance with numerous new, existing and changing laws and regulations worldwide.
- We must comply with indirect tax laws in multiple jurisdictions, as well as complex customs duty regimes worldwide. Audits of our compliance with these rules may result in additional liabilities for taxes, duties, interest and penalties related to our international operations which would reduce our profitability.
- We are exposed to credit risk and fluctuations in the market values of our investment portfolio.
- Governmental regulations of imports or exports affecting Internet security could affect our net revenue.
- If our goodwill becomes impaired, as occurred in 2022, we may be required to record a significant charge to earnings.

General Risk Factors

- If we lose the services of our key personnel, we may not be able to execute our business strategy effectively.
- Global economic conditions could materially adversely affect our revenue and results of operations.
- Political events, war, terrorism, public health issues, natural disasters, sudden changes in trade and immigration policies, and other circumstances could materially adversely affect us.
- Our stock price has experienced recent volatility and may be volatile in the future and your investment in our common stock could suffer a decline in value.
- We are required to evaluate our internal controls under Section 404 of the Sarbanes-Oxley Act of 2002 and any adverse results from such evaluation could impact investor confidence in the reliability of our internal controls over financial reporting.

Additional factors that could affect our businesses, results of operations and financial condition are discussed in Forward-Looking Statements in MD&A. However, other factors not discussed below or elsewhere in this Annual Report on Form 10-K could also adversely affect our businesses, results of operations and financial condition. Therefore, the risk factors below should not be considered a complete list of potential risks that we may face.

Any risk factor described in this Annual Report on Form 10-K or in any of our other SEC filings could by itself, or together with other factors, materially adversely affect our liquidity, competitive position, business, reputation, results of operations, capital position or financial condition, including by materially increasing our expenses or decreasing our revenues, which could result in material losses.

Item 1. *Business*

General

We are a global leader in innovative and advanced networking technologies for businesses, homes, and service providers. We deliver a wide range of intelligent solutions designed to unleash the full potential of connectivity. Through 2024, we operated and reported in two segments: NETGEAR for Business and Connected Home. The NETGEAR for Business segment offers reliable, easy-to-use, high-performance networking solutions, including switches, routers, access points, software, and AV over IP technologies, tailored to meet the diverse needs of organizations of all sizes. The Connected Home segment offers advanced connectivity, powerful performance, and enhanced security features right out of the box, designed to help keep families safe online, whether at home or on the go, including high-performance, dependable and easy-to-use premium WiFi networking solutions such as 4G/5G mobile products, WiFi 7 Tri-band and Quad-band mesh systems and routers, WiFi 6E, WiFi 6, and subscription services that provide consumers a range of value-added services focused on performance, security, privacy and premium support. We conduct business across three geographic territories: Americas; Europe, Middle East and Africa (“EMEA”); and Asia Pacific (“APAC”).

As we announced in February 2025, beginning with the first quarter of 2025, the Connected Home segment will be separated into two segments, consisting of Mobile and Home Networking, in order to further strengthen operational and financial management and enable further focus on growth opportunities while maintaining financial discipline. Following this separation, the Company will operate and report in three segments: NETGEAR for Business, Mobile and Home Networking.

In the years ended December 31, 2024, 2023, and 2022, we generated net revenue of \$673.8 million, \$740.8 million, and \$932.5 million, respectively.

Markets

Our mission is to unleash the full potential of connectivity with intelligent solutions that delight and help protect businesses, consumers and service providers. Factors driving the demand for high-performance products within these markets include the growing need for always on, high speed internet connectivity anywhere and with exceptional security features, the availability of faster internet speeds and new WiFi standards such as WiFi 7 and the growth of bandwidth-hungry applications such as 8K video streaming and gaming, real time streaming of entertainment and cultural events, collaborative platforms that support the transfer of very large data sets and immersive experiences as well as artificial intelligence (“AI”), augmented reality (“AR”) and virtual reality (“VR”) applications.

With the availability of increasingly fast and ubiquitous internet, the proliferation of IoT devices and the rise of generative AI, also comes a steep increase in malware, data theft, intrusion and other cyber threats necessitating comprehensive yet simple to use solutions. Founded and based in the USA since 1996, NETGEAR has had a longstanding commitment to security and privacy. Rigorous security protections are built into our hardware and software, and we make further protections available to consumers via our Armor service, all of which are backed by our ongoing mission to respect and bolster the protection of customer privacy and personal information.

As employees continue to return to the office in various ways, the need for reliable networking, both IT and AV, put pressure on businesses to enhance network availability and create equal and engaging experiences for customers and employees whether they are onsite or not. Business customers are looking for innovative, dependable IT and AV networking solutions to maximize productivity, streamline operations, and provide flawless experience for employees, customers and partners. They find that these critical benefits not only help them to focus on their core business, but also give them a competitive edge in today’s hyper-connected world. To achieve their goals, they seek a trusted partner that delivers customer-centric technologies that are easy to deploy, manage, and scale, backed by expert support for maximum uptime and reliability. Investing in our AV switches and management software and our Total Network Solution for IT networking provides value beyond the products themselves. With included design services, training and dedicated support, NETGEAR business solutions are integral to the success of many of our customers and partners.

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Consumers with large numbers of connected devices and fast broadband subscriptions are investing in our broad range of offerings, such as our Orbi WiFi, WiFi 7 Tri-band and Quad-band Mesh products, our lineup of Nighthawk standalone WiFi 7 routers and Nighthawk 5G and WiFi 7 mobile hotspots. While there is always a need for point solutions that enhance or extend the functionality provided by internet service providers (“ISPs”), there is also a growing demand for WiFi networking products that combine the newest WiFi standards with elegant design, excellent security features and a seamless app experience to accommodate the end-to-end networking needs of homes that are becoming increasingly smarter. And, in an environment that makes it possible for people to work or learn from anywhere, digital nomads, road warriors, vacationers, and even those living in rural areas without access to reliable wired broadband, need robust mobile solutions with embedded security features to support their online lives. End users desiring faster WiFi speeds, capacity for more devices and lower latency than ever before also often lack the technical skills or resources to fully realize these capabilities, making “plug and play” setup and ease of use priorities. Consumers and businesses also prefer the convenience of obtaining networking solutions from a single company and a positive customer experience has shown to produce brand loyalty. We recognize that customers see reliability, usability, security and performance as key factors when purchasing products and services. To provide desirable products and services at attractive prices, we focus on the unique requirements of these markets, and exercise strong operational discipline.

Sales Channels

We sell our products through multiple sales channels worldwide, including wholesale distributors, traditional and online retailers, direct market resellers (“DMRs”), value-added resellers (“VARs”), broadband service providers and through our direct online store at www.netgear.com.

Wholesale Distributors. Our distribution channel supplies our products to retailers, e-commerce resellers, DMRs, VARs and broadband service providers. We sell directly to our distributors, the largest of which are Ingram Micro, Inc., TD Synnex, and D&H Distributing Company.

Retailers. Our retail channel primarily supplies products that are sold into the consumer market. However, increasingly we are seeing products designed for businesses move through these channels. We sell directly to, or enter into consignment arrangements with, a number of our traditional retailers, increasingly leveraging their online presence in addition to their in-store space and online retailers. The remaining traditional retailers, as well as our online retailers, are fulfilled through wholesale distributors. We work directly with our retail channels on market development activities, such as co-advertising, online promotions and video demonstrations, instant rebate programs, event sponsorship and sales associate training. Our largest retailers include Amazon.com, Inc, Best Buy Co., Inc., Wal-Mart Stores, Inc. and their respective affiliates.

DMRs and VARs. We sell into the business marketplace through an extensive network of DMRs and VARs. Our DMRs include companies such as CDW Corporation and Insight Corporation. VARs include our network of registered NETGEAR Solution Partners. DMRs and VARs may receive sales incentives, marketing support and other program benefits from us. Our DMRs and VARs generally purchase our products through our wholesale distributors and audio-visual manufacturers that purchase our switches to include in their complete solutions.

Broadband Service Providers. We also supply directly to broadband service providers in the United States and internationally providing DSL, WiFi and 4G/5G mobile broadband products. Service providers supply our products to their business and home subscribers. Our largest broadband service providers include AT&T and Telstra.

Direct Online Store. We sell directly online at www.netgear.com in the United States and internationally to consumers and businesses. Through our direct online store, we provide high-performance and premium networking and internet connected products and subscription services, some of which are only available at www.netgear.com. The direct online store also allows us to deliver curated rich content to supplement the purchase journey of customers, in addition to establishing a direct relationship with our customers. NETGEAR.com is a destination where we deliver to early tech adopters and inexperienced audiences alike a premium and comprehensive product and brand experience. Our largest direct partners include Crestron, Q-Sys, Savant, Biamp, and Sonos.

The largest portion of our net revenues was derived from the Americas, representing approximately 68%, 68% and 66% of net revenue in the years ended December 31, 2024, 2023 and 2022, respectively. We have continuously committed resources to our international operations and sales channels. Accordingly, we are subject to a number of

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risks related to international operations such as macroeconomic and microeconomic conditions, geopolitical instability, governmental regulations, preference for locally branded products, exchange rate fluctuations, increased difficulty in managing inventory, challenges of staffing and managing foreign operations, the effect of international sales on our tax structure, and changes in local tax laws. For further information regarding these risks, refer to Item 1A, Risk Factors, of Part I of this Annual Report on Form 10-K.

For information regarding our significant customers, refer to Note 11, *Segment Information*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K.

Product Offerings

Our goal is to power extraordinary experiences where people collaborate and connect to a world of information and innovation. Our highly differentiated connected solutions range from switching and wireless products to augment business networks and audio and video (“AV”) over Ethernet for Pro AV applications to our good, better, and best WiFi solutions, security and support services to protect and enhance business and home networks. Additionally, we continually invest in research and development to create new technologies and services and to capitalize on technological inflection points and trends, such as audio and video over Ethernet, multi-Gigabit internet service to homes, WiFi 7, eSIM and future technologies. Our product line helps to create and extend wired and wireless networks as well as devices that attach to the network, such as services that complement and enhance our product line offerings. These products are available in multiple configurations to address the changing needs of our customers in each geographic region.

NETGEAR for Business. Includes Pro AV, Total Network Solutions, which offer a complete IT network solution for a small and medium enterprise including WiFi, Switching, Routing and Security through channel partners, and Unmanaged and Plus Ethernet switches, which are comprised of devices that connect IT equipment within a Local Area Network (“LAN”). These products and services are sold into the business marketplace through an extensive network of DMRs and VARs, NETGEAR.com, and through brick-and-mortar retail and e-commerce channels and include:

Pro AV

- Pro AV Solutions: devices that include high-performance, flexible Ethernet switches that are engineered for easy configuration of AV over IP for both commercial and high-end residential installations, and switches that allow connecting network equipment and WiFi access points to the network; and
- NETGEAR Engage Controller: used to provide quick, profile-based configuration for audio and video over an IP network to integrate our products with those from a myriad of AV end point manufacturers for fast, easy deployments that help eliminate cost and complexity.

Total Network Solution

- Pro Routers: devices that provide the internet gateway for businesses and combine with access points, Ethernet switches, and our Insight cloud management software to create a Total Network Solution for businesses;
- Enterprise-grade, Cloud managed or standalone Pro WiFi access points: used to provide wide coverage areas and fast WiFi for businesses of varying sizes, and to provide secure WiFi connections to various devices; and
- NETGEAR Insight remote management software: helps VARs and small businesses remotely deploy, monitor, manage and secure their networks easily and seamlessly.

Unmanaged and Plus Ethernet Switches

- General purpose Ethernet switches (in a wide range of sizes): used to connect equipment, devices, or WiFi access points to the network for exchanging information.

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Connected Home. Includes Mobile Broadband Access products, and Customer Premise Equipment, which is comprised of home networking devices that consumers use for high-speed internet connectivity and Wi-Fi in home and small businesses. They are sold primarily via our direct online store as well as traditional retailers, increasingly leveraging their online presence, in addition to their brick-and-mortar stores, and service provider channels and include:

Mobile Broadband Access products

- Mobile Hotspots: portable battery-powered Wi-Fi access points that allow users to connect their devices to the internet using a cellular connection.

Customer Premise Equipment

- WiFi routers: devices that connect to a modem to enable wireless Internet connectivity;
- WiFi Mesh Systems: devices with one main Wi-Fi router and multiple additional Wi-Fi nodes that work together, i.e. a local area network (“LAN”), to provide extensive coverage under a unified network;
- Broadband modems: devices that convert the broadband signals into Ethernet data that feeds internet into homes and small businesses;
- WiFi Gateways: WiFi routers with an integrated broadband modem, for broadband internet access; and
- Network accessories: WiFi range extenders, which extend the range of an existing WiFi network to eliminate WiFi dead spots; Powerline adapters, which extend wired and WiFi internet connections to any AC outlet using existing electrical wiring; and WiFi network adapters, which enable computing devices to be connected to the network via WiFi.

Services

- Value-added service offerings such as security and privacy, technical support, and parental controls for consumers.

Our products and services are designed to meet the specific needs of the business, consumer, and service provider markets. We tailor various elements of the software interface, product design, including component specification, physical characteristics such as casing, design and coloration, and specific user interface features to meet the needs of these markets. We also leverage many of our technological developments, high volume manufacturing, technical support and engineering infrastructure across our markets to maximize business efficiencies.

Our products that target the business market are generally designed with an industrial appearance, including metal cases and, for some product categories, the ability to mount the product within standard data networking racks as well as unique mounting solutions for other uses. These products typically include higher port counts, higher data transfer rates and other performance characteristics designed to meet the needs of a modern business. For example, our business products provide data transfer rates up to 100 gigabits per second to meet the higher capacity requirements. Our newest Power over Ethernet (“PoE”) switches, including cloud managed and unmanaged switches, provide elevated power budgets and uninterrupted PoE power for businesses of all sizes to address the growing need for deployment of multiple PoE devices with more power, due to the widespread adoption of IP communication, security cameras, WiFi access points, proximity sensors, and various other new applications. Some of these products are also designed to support transmission modes such as fiber optic cabling, which is common in more sophisticated business environments. We continue to see a shift from traditional AV applications utilizing HDMI technology to Ethernet switching driven by a transition from the 1080p to 4K to 8K resolution video, and broadcast moving towards multicast streaming. IP provides an economical path to building high performance, scalable AV networks. As a result of the hybrid work model, there continues to be a shift in demand and use cases for NETGEAR for Business products as more small businesses now run out of homes or remote offices. This shift has contributed to growing the market for lower port count switches and our NETGEAR for Business wireless offerings.

Security requirements within our products for business broadband access include firewall and VPN capabilities to aid in securing interactions between remote offices and business headquarter locations over the internet. Our

connectivity product offerings for the business market include enhanced security features and remote configurability often required in a business setting.

Our vision for the business network is to deliver differentiated, reliable, easy to use, high performance and/or customized solutions. We believe that the need for cost efficient and easy-to-use video surveillance by small businesses and corporate offices will continue to grow and fuel the growth of our PoE(+/++) market, with its ability to power 4K cameras. These trends will place a greater demand on business networks. To meet this demand, we are introducing next-generation technology, such as: PoE switches, Multi-gigabit Ethernet switches, small to medium capacity campus wireless LAN, audio and AV over IP for Pro AV applications in both commercial and residential applications. In addition, our Insight line of cloud-connected networking devices can be managed remotely via mobile apps or browser interfaces, providing continuous monitoring and instantaneous fault notification.

Our vision for the home network is to build a NETGEAR mobile product range with “good, better, best” devices to improve the user experience, as well as to deliver a seamless and integrated experience that is built off our foundation of best-in-class in-home connectivity, thus creating a Smart Environment. Our Connected Home business is implementing a long-term execution plan to drive significant valuation creation. Our focus is to position NETGEAR to capture incremental hardware revenue in growing categories, such as mobile hotspots, and grow areas that are the basis of smart homes, as well as subscription and software IP unique to or patented by NETGEAR.

Competition

The business, consumer, and service provider markets are intensely competitive and subject to rapid technological change. We expect competition to continue to intensify. Our principal competitors include:

- within the business markets, companies such as Allied Telesys, Arista, Barracuda, Buffalo, Cisco Systems, Dell, D-Link, Extreme, Fortinet, Hewlett-Packard Enterprise Aruba, Juniper Networks Mist, Mellanox (owned by Nvidia), Palo Alto Networks, QNAP Systems, Ruckus (owned by CommScope), SonicWall, Snap AV, Synology, TP- Link, TRENDnet, Ubiquiti, and WatchGuard;
- within the consumer markets, companies such as ARRIS, ASUS, AVM, Devolo, D-Link, Eero (owned by Amazon), Linksys (owned by Foxconn), Minim (Motorola licensee), Google WiFi, Samsung, and TP- Link; and
- within the service provider markets, companies such as Actiontec, Airties, Arcadyan, ARRIS, ASUS, AVM, Compal Broadband, D-Link, Eero (owned by Amazon), Franklin, Google, Hitron, Huawei, Inseego, Nokia, Orbic, Plume, Sagem, Sercomm, Sonim, SMC Networks, TechniColor, TP-Link, Ubee, ZTE and ZyXEL. Other competitors include numerous local vendors such as Xiaomi in China, AVM in Germany and Buffalo in Japan.

Our potential competitors include other consumer electronics vendors, including Apple, Lifelock, LG Electronics, McAfee, Microsoft, Panasonic, Sony, Toshiba and Vizio, who could integrate networking and streaming capabilities into their line of products, such as televisions, set top boxes and gaming consoles, and our channel customers who may decide to offer self-branded networking products. We also face competition from ISPs who may bundle a free networking device with their broadband service offering, which would reduce our sales if we were not the supplier of choice to those service providers. In the service provider space, we also face significant and increased competition from original design manufacturers (“ODMs”) and contract manufacturers (“CMs”) who are selling and attempting to sell their products directly to service providers around the world.

Many of our existing and potential competitors have longer operating histories, greater name recognition and substantially greater financial, technical, sales, marketing and other resources. As a result, they may have more advanced technology, larger distribution channels, stronger brand names, better customer service and access to more customers than we do. For example, Hewlett-Packard Enterprise has significant brand name recognition and has an advertising presence substantially greater than ours. Similarly, Cisco Systems is well recognized as a leader in providing networking products to businesses, while Amazon competes in the consumer WiFi product market, and has substantially greater financial resources than we do. Several of our competitors, such as TP-Link, offer a range of products that directly compete with most of our product offerings. Several of our other competitors compete in a more limited manner. For example, Dell sells networking products primarily targeted at larger businesses or enterprises while Amazon primarily only sells WiFi mesh systems. The competitive environment in which we operate changes

rapidly due to technological reasons and other factors outside of our control, such as new entrants to the market and the ability of market participants to adapt to changing environments. Other companies with significant resources could also become direct competitors, either through acquiring a competitor or through internal efforts.

We believe that the principal competitive factors in the business, consumer, and service provider markets for networking products include product breadth, price points, brand name, security and privacy, performance, features, functionality and reliability, product availability, timeliness of new product introductions, size and scope of the sales channel, ease-of-installation, maintenance and use, and customer service and support. We believe our products are competitive in these markets based on these factors. To remain competitive, we believe we must continue to aggressively invest resources in highly differentiated, “good, better, best”, high performance reliable and trusted connectivity solutions, complemented by valuable subscription services, expanding our sales channels including our direct-to-consumer capabilities and custom installers, increasing engagement with our customers and manufacturing partners, and maintaining customer satisfaction worldwide. Our investments reflect our enhanced focus on the security of our products and systems, as the threat of cyber-attacks and exploitation of potential security vulnerabilities in our industry is on the rise and is increasingly a significant concern for consumers and governments alike.

Research and Development

Our success depends on our ability to develop products that meet changing user needs and to anticipate and proactively respond to evolving technology in a timely and cost-effective manner. Accordingly, we have made investments in our research and development department in order to effectively evaluate existing and new third-party technologies, develop existing and new in-house technologies, and develop and test new products and services. Our research and development employees work closely with our technology and manufacturing partners to bring high quality new products and services to market in a timely and cost-efficient manner.

We identify, qualify and create new technologies to develop products using one or both of the methodologies described below. Under both ODM and In-House development, we develop portions of the software on some products, including embedded firmware or components of firmware, mobile applications, and cloud software.

ODM. Under the ODM methodology, we define the product concept and specifications and recommend the technology selection. We then coordinate with our technology suppliers as they develop the product, meeting our specifications, while our internal software engineering team typically works with our service partners to develop the software services that run on these devices. On certain new products, one or more subsystems of the design can be done in-house and then integrated with the remaining design pieces from the ODM. Once prototypes are completed, we work with our partners to complete the debugging and systems integration and testing. After completion of the final tests, agency approvals and product documentation, the product is released for production and shipment.

In-House Development. Under the in-house development model, one or more subsystems of the product are designed and developed utilizing the NETGEAR engineering team. Under this model, some of the primary technology is developed in-house. We then work closely with either an ODM or a Joint Development Manufacturer (“JDM”) to complete the development of the entire design, perform the necessary testing, and obtain regulatory approvals before the product is released for production and shipment.

Manufacturing

Our primary manufacturers are Cloud Network Technology (more commonly known as Hon Hai Precision or Foxconn Corporation), Delta Electronics Incorporated, Senao Networks, Inc., and Pegatron Corporation, all of which are headquartered in Taiwan. We also manufacture in Haiphong, Vietnam at a facility owned by Shenzhen Gongjin Electronics Co., Ltd. (more commonly known as T&W), which is headquartered in China. We distribute our manufacturing among a limited number of key suppliers and seek to avoid excessive concentration with any one single supplier. Any disruptions from natural disasters, health epidemics and political, social and economic instability would affect the ability of our manufacturers to manufacture our products. If our manufacturing or warehousing facilities are disrupted or destroyed, we would not have readily available alternatives for manufacturing our products and our business would be significantly impacted. In addition to their responsibility for the manufacturing of our products, our manufacturers typically purchase all necessary parts and materials to produce finished goods. Our own product quality organization based in Singapore and Taiwan is responsible for auditing and inspecting product quality on the premises of our ODMs to maintain quality standards for our suppliers.

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We obtain several key components from limited or sole sources. These include many of the semiconductors used in our products, which are designed specifically for the products and obtained from sole source suppliers on a purchase order basis like switching fabric semiconductors used in our Ethernet switches and internet gateway products; wireless local area network chipsets used in our wireless products and mobile network chipsets which are used in our wireless gateways and hotspots. We also have limited sources for components including connector jacks, plastic casings and physical layer transceivers. Our third-party manufacturers generally purchase these components on our behalf on a purchase order basis. If these sources fail to satisfy our supply requirements or component lead times deviate from expectations, our ability to meet scheduled product deliveries would be harmed and we may lose sales and experience increased costs to procure supply.

We currently outsource warehousing and distribution logistics to four main third-party providers who are responsible for warehousing, distribution logistics and order fulfillment. In addition, these parties are also responsible for some configuration and re-packaging of our products including bundling components to form kits, inserting appropriate documentation, disk drive configuration, and adding power adapters. APL Logistics Americas, Ltd. in City of Industry, California serves the Americas region, Kerry Logistics Ltd. in Singapore serves the Asia Pacific region, DSV Solutions B.V. Netherlands serves the EMEA region, and Likewise Logistics Pty Ltd. in Sydney, Australia serves Australia and New Zealand.

Sales and Marketing

We work directly with our retail partners and value-added resellers (VARs) on market development activities, such as co-advertising, online promotions and video demonstrations, live and virtual event sponsorships and sales associate training. We also participate in major industry trade shows and marketing events alone and alongside many of our Pro AV and Broadcast manufacturing partners. Our marketing department is comprised of channel marketing, product marketing and corporate marketing groups.

Our channel marketing team focuses on working with the sales teams to maximize our participation in channel partner marketing activities and merchandise our products both online and in store.

Our product marketing group focuses on product and service messaging and strategy, product and service development roadmaps, new product introductions, product lifecycle management, demand assessment and competitive analysis. The group works closely with our sales and research and development groups to align our product development roadmap to meet customer technology demands from a strategic perspective. The group also ensures that product and services development activities, product and services launches, and ongoing demand and supply planning for our products occur in a well-managed, timely manner in coordination with our development, manufacturing, and sales groups, as well as our ODM and sales channel partners.

Our corporate marketing group is responsible for defining and building our corporate brand, supporting the business units with creative marketing strategies and driving awareness, education and demand for our products by way of our online and in-app platforms. The group focuses on defining our brand promise and marketing messages on a worldwide basis. This group is also responsible for targeted full-funnel marketing, including paid, earned and owned channels; delivering a seamless purchase journey reaching and acquiring new customers as well as leveraging our loyal customers to advocate for the NETGEAR brand. Marketing tactics include driving the social media and online marketing strategy, public relations, installed base marketing programs, community engagement programs, sponsorships and events, and corporate websites worldwide, as well as creative production for all product categories.

We conduct most of our international sales and marketing operations through wholly owned subsidiaries, which operate via sales and marketing subsidiaries and branch offices worldwide.

Customer Support

We design our products with ease-of-use top of mind. We respond globally to customer inquiries through a variety of channels including phone, chat, community, social media, and email. Customers can also get self-help service through the comprehensive knowledge base, AI chatbot and user forums on our website, and apply AI to optimize support searches. Customer support is provided through a combination of a limited number of permanent employees and use of outsourced agents. Our permanent employees design our technical support model and process and are responsible for training and managing our vendors and their agents. They also handle escalations from the

outsourced agents. We utilize the information gained from customer interactions to enhance our product offerings, including further simplifying the installation process.

Intellectual Property

We believe that our continued success will depend primarily on the technical expertise, speed of technology implementation, creative skills and management abilities of our officers and key employees, plus ownership of a limited but important set of copyrights, trademarks, trade secrets and patents. We primarily rely on a combination of copyright, trademark, trade secret, and patent laws, nondisclosure agreements with employees, consultants and suppliers and other contractual provisions to establish, maintain and protect our proprietary rights. We hold approximately 152 issued United States patents that expire between years 2025 and 2040 and 22 foreign patents that expire between 2025 and 2035. No single patent is solely responsible for protecting the Company's products and services. In addition, we currently have approximately 14 pending United States and foreign patent applications related to technology and products offered by us. We also rely on third-party licensors for patented hardware and software license rights in technology that are incorporated into and are necessary for the operation and functionality of our products. Our success will depend in part on our continued ability to have access to these technologies.

We have trade secret rights for our products, consisting mainly of product design, technical product documentation and software. We also own, or have applied for registration of trademarks, in connection with our products in the United States and internationally, including NETGEAR, NETGEAR Armor, NETGEAR Insight, NPG, NPG logo, Orbi, Nighthawk, FASTLANE3, Meural, Trueart, Digital Canvas, and ProSafe.

We have registered a number of internet domain names that we use for electronic interaction with our customers including dissemination of product information, marketing programs, product registration, sales activities, and other commercial uses.

Seasonal Business

We have historically experienced increased net sales in our third and fourth fiscal quarters as compared to the first and second quarters in our fiscal year due to seasonal demand from consumer markets primarily relating to the beginning of the school year and the holiday season. In recent years, we had a flatter trend than we historically observe. The higher net sales in our third and fourth quarters of 2024 was also driven by our work with our channel partners to optimize their inventory carrying levels in the first half of 2024.

Governmental Regulations

Environmental Laws

Our products and manufacturing process are subject to numerous governmental regulations, which cover both the use of various materials as well as environmental concerns. Environmental issues such as pollution and climate change have had significant legislative and regulatory effects on a global basis, and there are expected to be additional changes to the regulations in these areas. These changes could directly increase the cost of energy, which may have an impact on the way we manufacture products or utilize energy to produce our products. In addition, any new regulations or laws in the environmental area might increase the cost of raw materials we use in our products and the cost of compliance. Other regulations in the environmental area may require us to continue to monitor and ensure proper disposal or recycling of our products. To the best of our knowledge, we maintain compliance with all current government regulations concerning our production processes and product disposal in the locations where we operate and sell. Since we operate on a global basis, this is a complex process that requires continual monitoring of regulations and compliance efforts to ensure that we, and our suppliers, are in compliance with all existing regulations.

Other Regulations

As a company with global operations, we are subject to complex foreign and U.S. laws and regulations, including trade regulations, tariffs, import and export regulations, anti-bribery and corruption laws, antitrust or competition laws, data privacy laws, such as the EU General Data Protection Regulation (the “GDPR”), and environmental regulations, among others. We have policies and procedures in place to promote compliance with these laws and regulations. To date, our compliance actions and costs relating to these laws, rules and regulations have not resulted in a material cost

or effect on our capital expenditures, earnings or competitive position. Government regulations are subject to change, and accordingly we are unable to assess the possible effect of compliance with future requirements or whether our compliance with such regulations will materially impact our business in the future. For further discussion of how government regulations may affect our business, see the related discussion in “Risk Factors – Financial, Legal, Regulatory and Tax Compliance Risks, Including Recent Impairment Charges.”

Human Capital

As of December 31, 2024, we had 655 full-time employees, with 223 in sales, marketing and technical support, 235 in research and development, 76 in operations, and 121 in finance, information systems and administration. We also utilize a number of temporary staff to supplement our workforce. At NETGEAR, we believe in the power of open communication up, down and across the organization and consider our relationship with our employees to be good. We have not experienced any labor disputes. Some of our key human capital management programs are summarized below.

Culture and Engagement

At NETGEAR, our talent philosophy provides a guiding framework for the talent management practices that drive the achievement of our business strategy. It is rooted in the belief that our capacity to win is directly linked to the capabilities, experience and ideas that our people bring to bear on behalf of the Company. By fostering an environment where performance and behaviors are of equal importance, we aim to transform our business and achieve exceptional results. Our approach is multi-faceted, with core principles focusing on performance differentiation, values –aligned behaviors, transparency, accountability, capability and development.

A high-performance culture, fueled by sustained impactful performance at every level across the organization is a key focus. We believe that every team member has the potential to contribute significantly to our company's success, and we set exceptionally high standards of performance, making it the baseline expectation. To enable impactful performance, we have established clear performance metrics and objectives that align with our strategic goals. By setting high standards, which increase in line with level in the organization, and providing the necessary support, we empower our employees to excel and drive the business forward.

Our company Values are Dare to Transform, Connect and Delight, Communicate Courageously, and Win It Together. These values form the foundation of our company culture. By embodying these principles, we strive to create an environment that fosters innovation, collaboration, open and transparent communication and a relentless focus on customer satisfaction. We believe that our commitment to these values enables us to navigate the ever-changing landscape of technology and consistently deliver exceptional products and services to our customers.

We expect our employees to embody our core values in their daily actions and decisions. This values alignment ensures employees understand the types of actions that drive our purpose and mission, and that we maintain a cohesive and positive workplace culture which is essential for achieving our long-term objectives. A demonstrated commitment to our Company values has a meaningful impact on employees' performance ratings, progression and rewards. By recognizing and rewarding values-aligned behaviors, we reinforce their importance within our organization.

In addition, we are focused on creating clarity and opportunities for our employees to grow and develop. With talent programs that include standardized job levels and expectations, regular feedback and coaching, dual career tracks, competency-based career frameworks, leadership development, skill building and training support, we strive to create a high-performance culture and an environment where employees can grow, develop and build a great career.

Compensation and Benefits

Our compensation philosophy is critical to fostering a performance-driven culture and is based on pay for performance. We strive to provide our employees with compensation and rewards that are market-competitive, and incentivize and reward high performance. We offer a wide variety of benefits for employees around the world and invest in tools and resources that are designed to support our employees' individual growth and development.

Talent Acquisition and Development

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Our global Talent Acquisition strategy focuses on attracting top talent through a variety of channels including direct recruiting via our internal team, leveraging technology and tools, employee referral programs and university partnerships. Strategic skill-based hiring based on core competencies as well as culture-add & values alignment assessment are key elements in ensuring that we attract the right people for the right roles at the right time.

In addition to the elements already outlined, our Learning and Development strategy is focused on implementing learning solutions that address key challenges and deliver quantifiable value and impact to help drive our organization strategy and goals.

Safety, Health and Wellbeing

We strive to safeguard the safety, health and well-being of all members of our team. In addition to healthcare benefits, we provide a variety of wellness resources and programs designed to help employees achieve good physical, financial, emotional, intellectual and social well-being.

We monitor our workplace to maintain a clean and safe environment, identify hazards, minimize injury and illness, promote industrial hygiene, provide ergonomic training and equipment, machine safeguarding and more.

Available Information

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are filed with the Securities Exchange Commission (the "SEC").

Our website address is www.netgear.com. Our website provides a link to our SEC filings, which are available free of charge on the same day such filings are made. The specific location on the website where these reports can be found is <http://investor.netgear.com/sec.cfm>. Our website also provides a link to Section 16 filings which are available free of charge on the same day as such filings are made. Information contained on these websites is not a part of this Annual Report on Form 10-K.

Information About Our Executive Officers

The following table sets forth the names, ages and positions of our executive officers as of February 7, 2025.

Name	Age	Position
Charles (CJ) Prober	53	Chief Executive Officer
Bryan D. Murray	50	Chief Financial Officer
Pramod Badjate	54	President and General Manager, NETGEAR for Business
Graeme McLindin	55	Vice President, Mobile

Charles (CJ) Prober has served as our Chief Executive Officer and a member of the board of directors since January 2024. Prior to joining the Company, Mr. Prober served as President of Life360, Inc. ("Life360"), a technology platform company, from January 2022 to July 2023. He joined Life360 via the acquisition of Tile, Inc. ("Tile"), a technology company, in January 2022 and served as the Chief Executive Officer of Tile from September 2018 to January 2022. Mr. Prober also previously served as a member of Tile's board of directors from February 2018 to January 2022, including as its Executive Chairman from February 2018 to September 2018. Before then, he served as the Chief Operating Officer of GoPro, Inc. from January 2017 to February 2018 and its Senior Vice President of Software and Services from June 2014 to December 2016. Prior thereto, Mr. Prober held executive leadership roles at Electronic Arts Inc., and prior to his executive leadership roles, Mr. Prober was a consultant with McKinsey & Company and a corporate attorney with Wilson Sonsini Goodrich & Rosati. Mr. Prober currently serves on the boards of directors of Life360 and Glorious Gaming, a private company. Mr. Prober received his Bachelor of Commerce from the University of Manitoba and a Bachelor of Laws from McGill University.

Bryan D. Murray has served as our Chief Financial Officer since August 2018. He has been with NETGEAR since November 2001, serving in various management roles within the finance organization. Prior to assuming the role of CFO, he served as NETGEAR's Vice President of Finance and Corporate Controller since June 2011. Before joining NETGEAR in 2001, he worked in public accounting at Deloitte and Touche LLP. He holds a B.A. from the University of California, Santa Barbara, and is licensed as a Certified Public Accountant (inactive).

Pramod Badjate has served as our President and General Manager of NETGEAR for Business since July 2024. Before joining NETGEAR, from December 2023 to June 2024, he was an EIR (Entrepreneur in Residence) at Storm Ventures, a venture capital firm. From October 2021 to December 2023, he was the Group Vice President and General Manager for the Cognitive Campus business at Arista Networks, a computer networking company. Prior to that, Mr. Badjate served in various engineering and business roles at Ruckus Networks, a networking equipment and software company, from October 2013 to October 2021. Earlier in his career, Pramod held senior engineering roles at Cisco, a leader in enterprise WiFi. He holds a bachelor's degree in engineering from the National Institute of Technology, Karnataka, and a master's in computer science and an MBA from Arizona State University.

Graeme McLindin has served as our Vice President of Mobile since January 2025. He has been with NETGEAR since August 2013, most recently serving as our Vice President of Worldwide Service Provider Sales and Mobile Products from July 2024 to January 2025, Worldwide VP of Service Provider and APAC Sales from October 2023 to July 2024, Worldwide VP of the Service Provider Business Unit from October 2015 to October 2023, and Regional Managing Director, ANZ & SE Asia, Service Provider Business Unit from August 2013 to September 2015. Prior to NETGEAR, Mr. McLindin was the General Manager of Emerging Mobile Devices and General Manager of Wireless Data Products at Telstra for over 5 years and held numerous consultancy roles with SMS (Strategic Management Sciences) Consulting group across Telco, Government and Corporate Enterprises. Mr. McLindin holds a bachelor's degree in applied science from Swinburne University of Technology, Australia and a Post Graduate Diploma in Management from RMIT University, Australia.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. The risks described below are not exhaustive of the risks that might affect our business. Other risks, including those we currently deem immaterial, may also impact our business. Any of the following risks could materially adversely affect our business operations, results of operations and financial condition and could result in a significant decline in our stock price. Before deciding to purchase, hold or sell our common stock, you should carefully consider the risks described in this section. This section should be read in conjunction with the consolidated financial statements and accompanying notes thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Annual Report on Form 10-K.

Risks Related to our Business, Industry and Operations

Optimizing our channel partners' inventory levels and product mix within the current environment is challenging, and we have, and may in the future, incur costs associated with excess inventory, or lose sales from having too few products.

If we are unable to properly monitor and optimize our channel partners' inventory levels and maintain an appropriate level and mix of products with our retail partners and wholesale distributors and within our sales channels, we may incur increased and unexpected costs associated with this inventory. In 2022 and the first half of 2023, many of our retail and service provider partners began significantly reducing their target inventory levels which adversely affected our results of operations. While we see signs of the retail networking market stabilizing, the uncertain macroeconomic environment and high inflation and interest rates are also putting pressure on our NETGEAR for Business channel partners. We have experienced and continue to experience lower revenue as a result of our channel partners lowering their inventory levels and higher cost of carrying excess channel inventory. On the other hand, low channel inventory levels increase the likelihood that our sales channel customers may not be able to fulfill end user demand, leading to delayed or lost sales, unhappy customers and potential impacts to our brand and reputation. Inadequate stock levels could also hinder our ability to fulfill large orders or take advantage of unexpected demand spikes, thereby limiting revenue growth opportunities. Moreover, reductions in target inventory levels put pressure on our ability to accurately forecast customer demand and inventory requirements and increases the likelihood that the accuracy of such forecasts would be lower. We determine production levels based on our forecasts of demand for our products. Actual demand for our products depends on many factors, which makes it difficult to forecast. We have experienced differences between our actual and our forecasted demand in the past and expect differences to arise in the future. If we improperly forecast demand for our products and channel inventory levels, we could end up with too many products and be unable to sell the excess inventory in a timely manner, if at all, or, alternatively we could end up with too few products and not be able to satisfy demand. This problem is exacerbated because we attempt to closely match inventory levels with product demand leaving limited margin for error. Also, during the transition from an existing product to a new replacement product, we must accurately predict the demand for the existing and the new product. If we improperly forecast demand for our products and channel inventory levels, we could incur increased expenses associated with writing off excessive or obsolete inventory, lose sales, incur penalties for late delivery or have to ship products by air freight to meet immediate demand incurring incremental freight costs above the sea freight costs and suffering a corresponding decline in gross margins. For example, when demand for our Connected Home products turns out to be lower than we previously forecasted, it results in our revenue for our Connected Home products to come in lower than expected, as our channel partners in the U.S. replenish inventory slower than they sell through to end users to right size their inventory carrying position based on the lower demand levels than previously expected. In addition, we generally allow wholesale distributors and traditional retailers to return a limited amount of our products in exchange for other products. Under our price protection policy, if we reduce the list price of a product, we are often required to issue a credit in an amount equal to the reduction for each of the products held in inventory by our wholesale distributors and retailers. If our wholesale distributors and retailers are unable to sell their inventory in a timely manner, we might lower the price of the products, or these parties may exchange the products for newer products or decrease their purchases of our products in subsequent periods, which would adversely affect our revenue and results of operations.

To remain competitive and stimulate consumer and business demand, we must successfully manage new product introductions and transitions of products and services.

We operate in a highly competitive, quickly changing environment, and our future success depends on our ability to develop or acquire and introduce new products and services, enhance existing products and services, effectively stimulate customer and business demand for new and upgraded products and services, and successfully manage the transition to these new and upgraded products and services. Our future success will depend in large part upon our ability to identify demand trends in the consumer, business and service provider markets, and to quickly develop or acquire, manufacture and market and sell products and services that satisfy these demands in a cost-effective manner. In order to differentiate our products from our competitors' products, we must continue to increase our focus and capital investment in research and development and marketing and sales, including software development for our products and complementary services and applications. For example, we previously made a strategic shift to focus on premium, higher margin products and have committed a substantial amount of resources to the development, manufacture, branding, marketing and sale of our Nighthawk mobile hotspot products, Orbi WiFi systems and Pro AV managed switches, and to introducing additional and improved models and services in these lines. In the third quarter of 2023, we launched our first WiFi 7 products, namely the Orbi 97X mesh system and the Nighthawk RS700 router, and will continue to invest in a strong pipeline of WiFi 7 introductions in 2024 across all our major product lines. The success of new products and services depends on a number of factors, including timely and successful development either through rapid innovation or acquisition, market acceptance, our ability to manage the risks and costs, such as investment costs and marketing costs, associated with development and introduction of new products and services, the effective management of purchase commitments and channel inventory levels in line with anticipated product demand, availability of products in appropriate quantities and at expected costs to meet anticipated demand, the risk that new products and services may have delays, quality or other defects or deficiencies and our ability to effectively manage marketing and reviews of our products and services.

In addition, we have acquired companies and technologies in the past and as a result, have introduced new product lines in new markets. We may not be able to successfully manage integration of the new product lines with our existing products. Selling new product lines in new markets will require our management to learn different strategies in order to be successful. We may be unsuccessful in launching a newly acquired product line in new markets which requires management of new suppliers, potential new customers and new business models. Our management may not have the experience of selling in these new markets and we may not be able to grow our business as planned. If we are unable to effectively and successfully further develop these new product lines, we may not be able to increase or maintain our sales and our gross margins may be adversely affected.

Accordingly, if we cannot properly drive customer and business demand, manage future introductions and transitions of products and services, this could result in:

- loss of or delay in revenue and loss of market share;
- negative publicity and damage to our reputation and brand;
- a decline in the average selling price of our products;
- adverse reactions in our sales channels, such as reduced shelf space, reduced channel inventory levels, reduced online product visibility, or loss of sales channels; and
- increased levels of product returns.

In addition, if we are unable to successfully introduce or acquire new products with higher gross margins, or enhance and improve our services and subscription offerings for customer retention or service revenue growth, or if we are unable to improve the margins on our previously introduced and rapidly growing product and services lines, our net revenue and overall gross margin would likely decline.

Investment in new business strategies could disrupt our ongoing business, present risks not originally contemplated and materially adversely affect our business, reputation, results of operations and financial condition.

We have invested, and in the future may invest, in new business strategies and adjust existing business strategies. Such endeavors may involve significant risks and uncertainties, including distraction of management from current operations, greater-than-expected liabilities and expenses, economic, legal and regulatory challenges, inadequate return on capital, potential impairment of tangible and intangible assets, and significant write-offs. Changes in business

strategies are inherently risky and may not be successful. The failure of any significant investment could materially adversely affect our business, reputation, results of operations and financial condition. For example, as mentioned in the risk factor above *“To remain competitive and stimulate consumer and business demand, we must successfully manage new product introductions and transitions of products and services”*, we previously made a strategic shift to focus on premium, higher margin products and services and we continue to make changes in our business strategies, including pursuing new, adjacent markets. Changes in business strategy would require us to hire in key areas and make certain investments, including marketing; however, such investments may not prove to be successful. Additionally, a significant part of our business strategy and culture is to focus on long-term growth and as a result, our profitability may be lower than it would be if our strategy were to maximize short-term financial results. If we are ultimately unable to improve profitability at the level or during the time frame anticipated by securities or industry analysts and our stockholders, the trading price of our common stock may decline. If we fail to develop and successfully execute on our business strategies, our business, financial condition, results of operations and reputation could be materially adversely affected.

We rely on a limited number of traditional and online retailers, wholesale distributors and service provider customers for a substantial portion of our sales, and our net revenue could decline if they refuse to pay our requested prices or reduce their level of purchases, if there are unforeseen disruptions in their businesses, or if there is significant consolidation in our customer base that results in fewer customers for our products.

We sell a substantial portion of our products through traditional and online retailers, including Best Buy Co., Inc., Amazon.com, Inc. and their affiliates, wholesale distributors, including Ingram Micro, Inc. and TD Synnex, and service providers, such as AT&T. We expect that a significant portion of our net revenue will continue to come from sales to a small number of customers for the foreseeable future. In addition, because our accounts receivable are often concentrated with a small group of purchasers, the failure of any of them to pay on a timely basis, or at all, would reduce our cash flow. We are also exposed to increased credit risk if any one of these limited numbers of customers fails or becomes insolvent. We generally have no minimum purchase commitments or long-term contracts with any of these customers. These purchasers could decide at any time to discontinue, decrease or delay their purchases of our products. If our customers increase the size of their product orders without sufficient lead-time for us to process the order, our ability to fulfill product demands would be compromised. These customers have a variety of suppliers to choose from and therefore can make substantial demands on us, including demands on product pricing and on contractual terms, which often results in the allocation of risk to us as the supplier. Accordingly, the prices that they pay for our products are subject to negotiation and could change at any time. For example, as mentioned below in the risk factors *“If disruptions in our transportation network continue to occur or our shipping costs substantially increase again in the future, we may be unable to sell or timely deliver our products, and net revenue and our gross margin could decrease”* and *“We obtain several key components from limited or sole sources, and if these sources fail to satisfy our supply requirements or we are unable to properly manage our supply requirements with our third-party manufacturers, we may lose sales and experience increased component costs”*, we had previously experienced high freight costs and component costs and had issued price increases to our customers. Our ability to maintain strong relationships with our principal customers is essential to our future performance. If any of our major customers reduce their level of purchases or refuse to pay the prices that we set for our products, our net revenue and operating results could be harmed.

Furthermore, some of our customers are also our competitors in certain product categories, which could negatively influence their purchasing decisions. For example, Amazon owns Eero, one of our competitors in the mesh WiFi systems product category. Our traditional retail customers have faced increased and significant competition from online retailers, and some of these traditional retail customers have increasingly become a smaller portion of our business. If key retail customers continue to reduce their level of purchases, our business could be harmed. Similarly, we sell products and services directly to consumers from our own e-commerce platforms and expect these revenues to grow proportionate to overall revenue. Some of our customers, such as Amazon and Best Buy, may consider this to be competitive with their own businesses, which could negatively influence their purchasing decisions with respect to our products. Furthermore, we have experienced a shift towards products being bought and sold online. If we are unable to adjust to this shift and effectively manage our business and inventory requirements amongst our online customers and traditional retail customers, this may lead to lower market share and lower revenues for us, and our net revenue and operating results could be harmed.

In addition, adverse changes in economic conditions or unforeseen disruptions in the businesses of any of our key customers could adversely impact the sale of our products to end users and the quantity of products our customers decide to purchase from us. For example, as mentioned above in the risk factor *“Accurately managing our sales channel inventory and product mix within the current environment is challenging, and we have, and may in the future,*

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incur costs associated with excess inventory, or lose sales from having too few products,” many of our retail and service provider customers have and continue to reduce their target inventory levels. This shift may have a longer-term impact on the inventory levels our customers choose to carry.

Additionally, concentration and consolidation among our customer base may allow certain customers to command increased leverage in negotiating prices and other terms of sale, which could adversely affect our profitability. If, as a result of increased leverage, customer pressures require us to reduce our pricing such that our gross margins are diminished, we could decide not to sell our products to a particular customer, which could result in a decrease in our revenue. Consolidation among our customer base may also lead to reduced demand for our products, elimination of sales opportunities, replacement of our products with those of our competitors and cancellations of orders, each of which would harm our operating results. Consolidation among our service provider customers worldwide may also make it more difficult to grow our service provider business, given the fierce competition for the already limited number of service providers worldwide and the long sales cycles to close deals. If consolidation among our customer base becomes more prevalent, our operating results may be harmed.

We obtain several key components from limited or sole sources, and if these sources fail to satisfy our supply requirements or we are unable to properly manage our supply requirements with our third-party manufacturers, we may lose sales and experience increased component costs.

Any shortage or delay in the supply of key product components, or any sudden, unforeseen price increase for such components, would harm our ability to meet product deliveries as scheduled or as budgeted. Many of the semiconductors used in our products are obtained from sole source suppliers on a purchase order basis. In addition, some components that are used in all our products are obtained from limited sources. We also obtain switching fabric semiconductors, which are used in our Ethernet switches and Internet gateway products, and WiFi chipsets, which are used in all of our wireless products, from a limited number of suppliers. We also use Cable Modem chipsets and Mobile chipsets in our cable and mobile products. Semiconductor suppliers have experienced and continue to experience component shortages themselves, such as with lead-frames and substrates used in manufacturing chipsets, which in turn adversely impact our ability to procure semiconductors from them in sufficient quantities and in a timely manner. For example, we had previously experienced certain chipset shortages for some of our switching products from two of our semiconductor suppliers who did not have enough wafer capacity to satisfy our demand, and this shortage continued for several quarters. Our third-party manufacturers generally purchase these components on our behalf on a purchase order basis, and we do not have any guaranteed supply arrangements with our suppliers. If demand for a specific component increases, we may not be able to obtain an adequate number of that component in a timely manner, and prices to obtain such components may increase. In addition, if worldwide demand for the components increases significantly, the availability of these components could be limited and prices for such components may increase. For example, as the demand for Artificial Intelligence chips increase, semiconductor production capacity may be shifted to these specific components thereby constraining supply of or increasing cost on chips used in our products. Further, dependence on a sole source for certain key components of our products may allow such sole source suppliers to command increased leverage in negotiating prices and other terms of sale, which could adversely affect our profitability. As a result, we may be left with little choice but to accept such higher prices or other fees for key components in order to ensure continuity of supply. This could affect our profitability or if we choose to push back against more onerous terms, could lead to inadequate supply, which could materially adversely affect our business. Our suppliers may also experience financial or other difficulties as a result of uncertain and weak worldwide economic, geopolitical conditions, trade disputes or public health issues. Other factors which may affect our suppliers' ability or willingness to supply components to us include internal management product allocation decisions or reorganizational issues, such as roll-out of new equipment or disruptions to information infrastructure or power transmission or navigation miscalculations which may delay or disrupt supply of previously forecasted components, or industry consolidation and divestitures, which may result in changed business and product priorities among certain suppliers. Also, many standardized components used broadly in electronic devices are manufactured in significant quantities in concentrated geographic regions, particularly in Greater China. As a result, protracted crises, geopolitical unrest and uncertain economic conditions, could lead to eventual shortages of necessary components sourced from impacted regions or increased component costs. Additionally, government intervention to curb the consumption of electricity in China could have a disruptive impact on component production and supply availability. It could be difficult, costly and time consuming to obtain alternative sources for these components, or to change product designs to make use of alternative components. In addition, difficulties in transitioning from an existing

supplier to a new supplier could create delays in component availability that would have a significant impact on our ability to fulfill orders for our products.

We provide our third-party manufacturers with a rolling forecast of demand and purchase orders, which they use to determine our material and component requirements. Lead times for ordering materials and components vary significantly and depend on various factors, such as the specific supplier, contract terms and demand and supply for a component at a given time. Some of our components have long lead times, such as WiFi chipsets, switching fabric chips, physical layer transceivers, and logic, power, analog and RF chipsets. If our forecasts are not timely provided or are less than our actual requirements, our third-party manufacturers may be unable to manufacture products in a timely manner. If our forecasts are too high, our third-party manufacturers will be unable to use the components they have purchased on our behalf. Historically, the cost of the components used in our products tends to drop rapidly as volumes increase and the technologies mature. Therefore, if our third-party manufacturers are unable to promptly use components purchased on our behalf, our cost of producing products may be higher than our competitors due to an oversupply of higher-priced components. Moreover, if they are unable to use components ordered at our direction, we will need to reimburse them for any losses they incur, which could be material.

If we are unable to obtain a sufficient supply of components, or if we experience any interruption in the supply of components, our product shipments could be reduced or delayed or our cost of obtaining these components may increase. Component shortages and delays affect our ability to meet scheduled product deliveries, damage our brand and reputation in the market, and cause us to lose sales and market share. For example, component shortages and disruptions in supply related to the COVID-19 induced lockdowns in Shenzhen, China and Shanghai, China previously had limited our ability to supply all the worldwide demand for our NETGEAR for Business switch products, and our revenue and profitability was affected. At times we have elected to purchase components on the spot market or to use more expensive transportation methods, such as air freight, to make up for manufacturing delays caused by component shortages, which reduces our margins.

Some of our competitors have substantially greater resources than we do, and to be competitive we may be required to lower our prices or increase our sales and marketing expenses, which could result in reduced margins or loss of market share and revenue.

We compete in a rapidly evolving and fiercely competitive market, and we expect competition to continue to be intense, including price competition. Our principal competitors in the consumer market include ARRIS, ASUS, D-Link, Eero (owned by Amazon), Linksys (owned by Foxconn), Google WiFi, and TP-Link. Our principal competitors in the business market include Arista, Cisco Systems, D-Link, Extreme Networks, Fortinet, Hewlett-Packard Enterprise, Juniper Mist, Ruckus Networks, TP-Link, and Ubiquiti. Our principal competitors in the service provider market include Cradlepoint, Franklin, Huawei, Inseego, Nokia, Orbic, Sonim, TP-Link, WNC, and ZTE. Other competitors include numerous local vendors such as Xiaomi in China, AVM in Germany and Buffalo in Japan. In addition, these local vendors may target markets outside of their local regions and may increasingly compete with us in other regions worldwide. Our potential competitors also include other consumer electronics vendors, including Apple, LG Electronics, Microsoft, Panasonic, Sony, Toshiba and Vizio, who could integrate networking and streaming capabilities into their line of products, such as televisions, set top boxes and gaming consoles, and our channel customers who may decide to offer self-branded networking products. We also face competition from service providers who may bundle a free networking device with their broadband service offering, which would reduce our sales if we were not the supplier of choice to those service providers. In the service provider space, we also face significant and increased competition from original design manufacturers, or ODMs, and contract manufacturers who sell and attempt to sell their products directly to service providers around the world.

Many of our existing and potential competitors have longer operating histories, greater name recognition and substantially greater financial, technical, sales, marketing and other resources. These competitors may, among other things, undertake more extensive marketing campaigns, adopt more aggressive pricing policies, obtain more favorable pricing from suppliers and manufacturers, and exert more influence on sales channels than we can. Certain of our significant competitors also serve as key sales and marketing channels for our products, potentially giving these competitors a marketplace advantage based on their knowledge of our business activities and/or their ability to negatively influence our sales opportunities. For example, Amazon provides an important sales channel for our products, but it also competes with us in the mesh WiFi systems product category through its subsidiary Eero. In addition, certain competitors may have different business models, such as integrated manufacturing capabilities, that may allow them to achieve cost savings and to compete on the basis of price. Other competitors may have fewer resources but may be more nimble in developing new or disruptive technology or in entering new markets. We

anticipate that current and potential competitors will also intensify their efforts to penetrate our target markets. For example, in the past certain network security companies such as Symantec have introduced security routers for the home consumer market to compete with us and we believe that other network security companies may also seek to do the same. Also, due to our recent success in the audio visual over IP market, some of our competitors may seek to enter this market as well. Price competition is intense in our industry in certain geographical regions and product categories. Many of our competitors in the service provider and retail spaces price their products significantly below our product costs in order to gain market share. Certain substantial competitors have business models that are more focused on customer acquisition and access to customer data rather than on financial return from product sales, and these competitors have the ability to provide sustained price competition to many of our products in the market. Average sales prices have declined in the past and may again decline in the future. These competitors may have more advanced technology, more extensive distribution channels, stronger brand names, greater access to shelf space in retail locations, bigger promotional budgets and larger customer bases than we do. In addition, many of these competitors leverage a broader product portfolio and offer lower pricing as part of a more comprehensive end-to-end solution which we may not have. These companies could devote more capital resources to develop, manufacture and market competing products than we could. Our competitors may acquire other companies in the market and leverage combined resources to gain market share. In some instances, our competitors may be acquired by larger companies with additional formidable resources, such as the purchase of ARRIS by CommScope, Eero by Amazon and Linksys by Foxconn. Additionally, in the case of Linksys, Foxconn is one of our main third-party manufacturing partners, which presents an additional risk if Foxconn decides to prioritize its interest in Linksys over its relationship with us. If any of these companies are successful in competing against us, our sales could decline, our margins could be negatively impacted and we could lose market share, any of which could seriously harm our business and results of operations.

We depend substantially on our sales channels, and our failure to maintain and expand our sales channels would result in lower sales and reduced net revenue.

To maintain and grow our market share, net revenue and brand, we must maintain and expand our sales channels. Our sales channels consist of traditional retailers, online retailers, DMRs, VARs, and broadband service providers. Some of these entities purchase our products through our wholesale distributor customers. We generally have no minimum purchase commitments or long-term contracts with any of these third parties.

Traditional retailers have limited shelf space and promotional budgets, and competition is intense for these resources. If the networking sector does not experience sufficient growth, retailers may choose to allocate more shelf space to other consumer product sectors and may choose to reduce their inventory levels. A competitor with more extensive product lines and stronger brand identity may have greater bargaining power with these retailers. Any reduction in available shelf space or inventory levels or increased competition for such shelf space would require us to increase our marketing expenditures simply to maintain current levels of retail shelf space and inventory levels, which would harm our operating margin. In addition, reduction in inventory levels puts pressure on our ability to accurately forecast customer demand. A failure to accurately predict high demand for a product could result in lost sales or higher product costs if we meet demand by paying higher costs for materials, production and delivery. We could also frustrate our customers and lose further shelf space and market share. A failure to predict low demand for a product could result in excess inventory, further reductions in target inventory levels, lower cash flows and lower margins if we are required to reduce product prices in order to reduce inventories.

Our traditional retail customers have faced increased and significant competition from online retailers. Further, we have experienced the shift to a greater percentage of purchases taking place online versus traditional retail customers. If we cannot effectively manage our business and inventory requirements amongst our online customers and traditional retail customers, our business would be harmed. The recent trend in the consolidation of online retailers and DMR channels has resulted in intensified competition for preferred product placement, such as product placement on an online retailer's Internet home page. Expanding our presence in the VAR channel may be difficult and expensive. We compete with established companies that have longer operating histories and longstanding relationships with VARs that we would find highly desirable as sales channel partners. In addition, our efforts to realign or consolidate our sales channels may cause temporary disruptions in our product sales and revenue, and these changes may not result in the expected longer-term benefits. We also sell products and services directly to consumers from our own e-commerce platforms. This requires material investment in capital, time and resources and carries the risk that it may not achieve the expected return on investment that we are expecting, and that it may adversely affect our relationships with our existing channel partners, which ultimately may materially and adversely affect our results of operations.

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We also sell products to broadband service providers. Competition for selling to broadband service providers is fierce and intense. Penetrating service provider accounts typically involves a long sales cycle and the challenge of displacing incumbent suppliers with established relationships and field-deployed products. If we are unable to maintain and expand our sales channels, our growth would be limited and our business would be harmed.

We must also continuously monitor and evaluate emerging sales channels. If we fail to establish a presence in an important developing sales channel, such as sales directly to consumers from our own e-commerce platforms, our business could be harmed.

We depend on a limited number of third-party manufacturers for substantially all of our manufacturing needs. If these third-party manufacturers experience any delay, disruption or quality control problems in their operations, we could lose revenue and our brand may suffer.

All of our products are manufactured, assembled, tested and generally packaged by a limited number of third-party manufacturers, including original design manufacturers, or ODMs, as well as their sub-contract manufacturers. In most cases, we rely on these manufacturers to procure components and, in some cases, subcontract engineering work. Some of our products are manufactured by a single manufacturer. We do not have any long-term contracts with any of our third-party manufacturers. Some of these third-party manufacturers produce products for our competitors or are themselves competitors in certain product categories. Due to uncertain and changing economic and geopolitical conditions, the viability of some of these third-party manufacturers may be at risk. The loss of the services of any of our primary third-party manufacturers could cause a significant disruption in operations and delays in product shipments. Qualifying a new manufacturer and commencing volume production is expensive and time consuming. Ensuring that a manufacturer is qualified to manufacture our products to our standards is time consuming. In addition, there is no assurance that a manufacturer can produce our products at the appropriate volumes and in the quality that we require. In addition, as we recently have transitioned a substantial portion of our manufacturing facilities to different regions, we are subject to additional significant challenges in ensuring that quality, processes and costs, among other issues, are consistent with our expectations. For example, while we expect our manufacturers to be responsible for penalties assessed on us because of excessive failures of the products, there is no assurance that we will be able to collect such reimbursements from these manufacturers, which causes us to take on additional risk for potential failures of our products.

Our reliance on third-party manufacturers also exposes us to the following risks over which we have limited control:

- unexpected increases in manufacturing and repair costs;
- inability to control the quality and reliability of finished products;
- inability to control delivery schedules;
- potential liability for expenses incurred by third-party manufacturers in reliance on our forecasts that later prove to be inaccurate, including the cost of components purchased by third-party manufacturers on our behalf, which may be material;
- potential lack of adequate capacity to manufacture all or a part of the products we require; and
- potential labor unrest affecting the ability of the third-party manufacturers to produce our products.

All of our products must satisfy safety and regulatory standards and some of our products must also receive government certifications. Our third-party manufacturers are primarily responsible for conducting the tests that support our applications for most regulatory approvals for our products. If our third-party manufacturers fail to timely and accurately conduct these tests, we would be unable to obtain the necessary domestic or foreign regulatory approvals or certificates to sell our products in certain jurisdictions. As a result, we would be unable to sell our products and our sales and profitability could be reduced, our relationships with our sales channel could be harmed, and our reputation and brand would suffer.

Specifically, substantially all of our manufacturing and assembly occurs in the Asia Pacific region, and any disruptions due to natural disasters, climate change, health epidemics and political, social and economic instability in the region would affect the ability of our third-party manufacturers to manufacture our products. For example, in late August 2021, heavy rains caused our manufacturer in Thailand to become flooded and created a one-month delay in manufacturing and required us to move some non-U.S. manufacturing back to China. Furthermore, if the cost of

production charged by our third-party manufacturers increases, it may affect our margins and ability to lower prices for our products to stay competitive. Labor unrest in Southeast Asia, China or other locations where components and our products are manufactured may also affect our third-party manufacturers as workers may strike and cause production delays. If our third-party manufacturers fail to maintain good relations with their employees or contractors, and production and manufacturing of our products is affected, then we may be subject to shortages of products and quality of products delivered may be affected. Further, if our manufacturers or warehousing facilities are disrupted or destroyed, we would have no other readily available alternatives for manufacturing and assembling our products and our business would be significantly harmed.

In our typical ODM arrangement, our ODMs are generally responsible for sourcing the components of the products and warranting that the products will work against a product's specification, including any software specifications. If we needed to move to a contract manufacturing arrangement, we would take on much more, if not all, of the responsibility around these areas, including increased costs and personnel expertise. If we are unable to properly manage these risks, our products may be more susceptible to defects and our business would be harmed.

Our sales and operations in international markets have exposed us to and may in the future expose us to operational, financial and regulatory risks.

International sales comprise a significant amount of our overall net revenue. International sales were approximately 34% of overall net revenue in fiscal 2024 and fiscal 2023. We continue to be committed to growing our international sales, and while we have committed resources to expanding our international operations and sales channels, these efforts may not be successful. For example, in fiscal 2022 we experienced the strengthening of the U.S. dollar, which had a meaningful negative impact on our international revenue and our profitability.

International operations are subject to a number of other risks, including:

- exchange rate fluctuations and inflation;
- geopolitical and economic tensions, such as in the Middle East, between China/Taiwan, and international terrorism and anti-American sentiment, particularly in emerging markets;
- potential for violations of anti-corruption laws and regulations, such as those related to bribery and fraud;
- preference for locally branded products, and laws and business practices favoring local competition;
- changes in local tax and customs duty laws or changes in the enforcement, application or interpretation of such laws (including potential responses to the higher U.S. tariffs on certain imported products implemented by the U.S.);
- increased difficulty in managing inventory and reduced inventory level targets;
- delayed revenue recognition;
- unpredictable judicial systems, which may unfairly favor domestic plaintiffs over foreign corporations, or which may more easily impose harsher penalties such as import injunctions;
- less effective protection of intellectual property;
- stringent consumer protection and product compliance regulations, including but not limited to the Restriction of Hazardous Substances directive, the Waste Electrical and Electronic Equipment directive and the European Ecodesign directive, or EuP, that are costly to comply with and may vary from country to country;
- difficulties and costs of staffing and managing foreign operations; and
- business difficulties, including potential bankruptcy or liquidation, of any of our worldwide third-party logistics providers.

While we believe we generally have good relations with our employees, employees in certain jurisdictions have rights which give them certain collective rights. If management must expend significant resources and effort to address and comply with these rights, our business may be harmed. We are also required to comply with local environmental legislation and our customers rely on this compliance in order to sell our products. If our customers do not agree with

our interpretations and requirements of new legislation, they may cease to order our products and our revenue would be harmed.

We depend on large, recurring purchases from certain significant customers, and a loss, cancellation or delay in purchases by these customers could negatively affect our revenue.

The loss of recurring orders from any of our more significant customers could cause our revenue and profitability to suffer. Our ability to attract new customers will depend on a variety of factors, including the cost-effectiveness, reliability, scalability, breadth and depth of our products. In addition, a change in the mix of our customers, or a change in the mix of direct and indirect sales, could adversely affect our revenue and gross margins.

Although our financial performance may depend on large, recurring orders from certain customers and resellers, we do not generally have binding commitments from them. For example:

- our reseller agreements generally do not require substantial minimum purchases;
- our customers can stop purchasing and our resellers can stop marketing our products at any time; and
- our reseller agreements generally are not exclusive.

Further, our revenue may be impacted by significant one-time purchases which are not contemplated to be repeatable. While such purchases are reflected in our financial statements, we do not rely on and do not forecast for continued significant one-time purchases. As a result, lack of repeatable one-time purchases will adversely affect our revenue.

Because our expenses are based on our revenue forecasts, a substantial reduction or delay in sales of our products to, or unexpected returns from, customers and resellers, or the loss of any significant customer or reseller, could harm or otherwise have a negative impact to our operating results. Although our largest customers may vary from period to period, we anticipate that our operating results for any given period will continue to depend on large orders from a small number of customers. This customer concentration increases the risk of quarterly fluctuations in our operating results and our sensitivity to any material, adverse developments experienced by our customers.

The average selling prices of our products typically decrease rapidly over the sales cycle of the product, which may negatively affect our net revenue and gross margins.

Our products typically experience price erosion, a fairly rapid reduction in the average unit selling prices over their respective sales cycles. In order to sell products that have a falling average unit selling price and maintain margins at the same time, we need to continually reduce product and manufacturing costs. To manage manufacturing costs, we must collaborate with our third-party manufacturers to engineer the most cost-effective design for our products. In addition, we must carefully manage the price paid for components used in our products. We must also successfully manage our freight and inventory costs to reduce overall product costs. We also need to continually introduce new products with higher sales prices and gross margins in order to maintain our overall gross margins. If we are unable to manage the cost of older products or successfully introduce new products with higher gross margins, our net revenue and overall gross margin would likely decline.

If we fail to overcome the challenges associated with managing our broadband service provider sales channel, our net revenue and gross profit will be negatively impacted.

We sell a significant number of products through broadband service providers worldwide. However, the service provider sales channel is challenging and exceptionally competitive. Difficulties and challenges in selling to service providers include a longer sales cycle, more stringent product testing and validation requirements, a higher level of customization demands, requirements that suppliers take on a larger share of the risk with respect to contractual business terms, competition from established suppliers, pricing pressure resulting in lower gross margins, and irregular and unpredictable ordering habits. For example, rigorous service provider certification processes may delay our sale of new products, or our products ultimately may fail these tests. In either event, we may lose some or all of the amounts we expended in trying to obtain business from the service provider, as well as lose the business opportunity altogether. In addition, even if we have a product which a service provider customer may wish to purchase, we may choose not to supply products to the potential service provider customer if the contract requirements, such as service level

requirements, penalties, and liability provisions, are too onerous. Accordingly, our business may be harmed and our revenues may be reduced. We have, in exceptional limited circumstances, while still in contract negotiations, shipped products in advance of and subject to agreement on a definitive contract. We do not record revenue from these shipments until a definitive contract exists. There is risk that we do not ultimately close and sign a definitive contract. If this occurs, the timing of revenue recognition is uncertain and our business would be harmed. In addition, we often commence building custom-made products prior to execution of a contract in order to meet the customer's contemplated launch dates and requirements. Service provider products are generally custom-made for a specific customer and may not be scalable to other customers or in other channels. If we have pre-built custom-made products but do not come to agreement on a definitive contract, we may be forced to scrap the custom-made products or re-work them at substantial cost and our business would be harmed.

Further, successful engagements with service provider customers requires a constant analysis of technology trends. If we are unable to anticipate technology trends and service provider customer product needs, and to allocate research and development resources to the right projects, we may not be successful in continuing to sell products to service provider customers. In addition, because our service provider customers command significant resources, including for software support, and demand extremely competitive pricing, certain ODMs have declined to develop service provider products on an ODM basis. Accordingly, as our ODMs increasingly limit development of our service provider products, our service provider business will be harmed if we cannot replace this capability with alternative ODMs or in-house development.

Orders from service providers generally tend to be large but sporadic, which causes our revenues from them to fluctuate and challenges our ability to accurately forecast demand from them. In particular, managing inventory, inventory levels and production of our products for our service provider customers is a challenge and may be further exacerbated by current macroeconomic uncertainties and geopolitical instability. Many of our service provider customers have irregular purchasing requirements. These customers may decide to cancel orders for customized products specific to that customer, and we may not be able to reconfigure and sell those products in other channels. These cancellations could lead to substantial write-offs. In addition, these customers may issue unforecasted orders for products which we may not be able to produce in a timely manner and as such, we may not be able to accept and deliver on such unforecasted orders. In certain cases, we may commit to fixed-price, long term purchase orders, with such orders priced in foreign currencies which could lose value over time in the event of adverse changes in foreign exchange rates. Even if we are selected as a supplier, typically a service provider will also designate a second source supplier, which over time will reduce the aggregate orders that we receive from that service provider. Further, as the technology underlying our products deployed by broadband service providers matures and more competitors offer alternative products with similar technology, we anticipate competing in an extremely price sensitive market and our margins may be affected. If we are unable to introduce new products with sufficiently advanced technology to attract service provider interest in a timely manner, our service provider customers may then require us to lower our prices, or they may choose to purchase products from our competitors. If this occurs, our business would be harmed and our revenues would be reduced.

If we were to lose a service provider customer for any reason, we may experience a material and immediate reduction in forecasted revenue that may cause us to be below our net revenue and operating margin expectations for a particular period of time and therefore adversely affect our stock price. For example, many of our competitors in the service provider space aggressively price their products in order to gain market share. We may not be able to match the lower prices offered by our competitors, and we may choose to forgo lower-margin business opportunities. Many of the service provider customers will seek to purchase from the lowest cost provider, notwithstanding that our products may be higher quality or that our products were previously validated for use on their proprietary network. Accordingly, we may lose customers who have lower, more aggressive pricing, and our revenues may be reduced. In addition, service providers may choose to prioritize the implementation of other technologies or the roll out of other services than home networking. Weakness in orders from this industry could have a material adverse effect on our business, operating results, and financial condition. We have seen slowdowns in capital expenditures by certain of our service provider customers in the past and believe there may be potential for similar slowdowns in the future. Any slowdown in the general economy, over supply, consolidation among service providers, regulatory developments and constraint on capital expenditures could result in reduced demand from service providers and therefore adversely affect our sales to them. If we do not successfully overcome these challenges, we will not be able to profitably manage our service provider sales channel and our financial results will be harmed.

We expect our operating results to fluctuate on a quarterly and annual basis, which could cause our stock price to fluctuate or decline.

Our operating results are difficult to predict and may fluctuate substantially from quarter-to-quarter or year-to-year for a variety of reasons, many of which are beyond our control. If our actual results were to fall below our estimates or the expectations of public market analysts or investors, our quarterly and annual results would be negatively impacted and the price of our stock could decline. Other factors that could affect our quarterly and annual operating results include those listed in the risk factors section of this report and others such as:

- operational disruptions, such as transportation delays or failure of our order processing system, particularly if they occur at the end of a fiscal quarter;
- component supply constraints, including specialized WiFi 7 or WiFi 6 chipsets, or sudden, unforeseen price increases from our manufacturers, suppliers and vendors;
- unanticipated increases in costs, including air and ocean freight, associated with shipping and delivery of our products;
- the inability to maintain stable operations by our suppliers, distribution centers and other parties with which we have commercial relationships;
- seasonal shifts in end market demand for our products, particularly in our Connected Home business segment;
- our inability to accurately forecast product demand or optimal product mix such as the proportion of lower-priced products versus premium products resulting in increased inventory exposure and/or lost sales;
- unfavorable or compressed level of inventory and turns;
- changes in or consolidation of our sales channels and wholesale distributor relationships or failure to manage our sales channel inventory and warehousing requirements;
- unanticipated decreases, reduced inventory targets or delays in purchases of our products by our significant traditional and online retail customers;
- shift in overall product mix sales from higher to lower gross margin products, from lower-priced products to premium products, or from one business segment to another, that would adversely impact our revenue and gross margins;
- an increase in price protection claims, redemptions of marketing rebates, product warranty and stock rotation returns or allowance for doubtful accounts;
- delay or failure to fulfill orders for our products on a timely basis;
- changes in the pricing policies of or the introduction of new products by us or our competitors;
- unexpected challenges or delays in our ability to further develop services and applications that complement our products and result in meaningful subscriber growth and future recurring revenue;
- discovery or exploitation of security vulnerabilities in our products, services or systems, leading to negative publicity, decreased demand or potential liability, including potential breach of our customers' data privacy or disruption of the continuous operation of our cloud infrastructure and our products;
- introductions of new technologies and changes in consumer preferences that result in either unanticipated or unexpectedly rapid product category shifts;
- slow or negative growth in the networking product, personal computer, Internet infrastructure, smart home, home electronics and related technology markets;
- delays in the introduction of new products by us or market acceptance of these products;
- delays in regulatory approvals or consumer adoption of WiFi 7 or WiFi 6E technology in various regions;

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- increases in expenses related to the development, introduction and marketing of new products that adversely impact our margins;
- increases in expenses related to the development and marketing related to the Company's direct online sales channels that adversely impact our margins;
- changes in tax rates or adverse changes in tax laws that expose us to additional income tax liabilities;
- changes in U.S. and international trade policy that adversely affect customs, tax or duty rates;
- foreign currency exchange rate fluctuations in the jurisdictions where we transact sales and expenditures in local currency;
- unanticipated increases in expenses related to periodic restructuring measures undertaken to achieve profitability and other business goals, including the reallocation or relocation of resources;
- delay or failure of our service provider customers to purchase at their historic volumes or at the volumes that they or we forecast;
- litigation involving alleged patent infringement, consumer class actions, securities class actions or other claims that could negatively impact our reputation, brand, business and financial condition;
- disruptions or delays related to our financial and enterprise resource planning systems;
- allowance for doubtful accounts exposure with our existing retailers, distributors and other channel partners and new retailers, distributors and other channel partners, particularly as we expand into new international markets;
- geopolitical disruption, including sudden changes in immigration policies and economic sanctions, leading to disruption in our workforce or delay or even stoppage of our operations in manufacturing, transportation, technical support and research and development;
- terms of our contracts with customers or suppliers that cause us to incur additional expenses or assume additional liabilities;
- epidemic or widespread product and/or component failure, performance problems or unanticipated safety issues in one or more of our products that could negatively impact our reputation, brand and business;
- any changes in accounting rules;
- challenges associated with integrating acquisitions that we make, or with realizing value from our strategic investments in other companies;
- failure to effectively manage our third-party customer support partners, which may result in customer complaints and/or harm to our brand;
- our inability to monitor and ensure compliance with our code of ethics, our anti-corruption compliance program and domestic and international anti-corruption laws and regulations, whether in relation to our employees or with our suppliers or customers;
- labor unrest at facilities managed by our third-party manufacturers;
- workplace or human rights violations in certain countries in which our third-party manufacturers or suppliers operate, which may require quarantine of affected products, affect our brand and negatively affect our products' acceptance by consumers;
- overall performance of the equity markets and the economy as a whole;
- unanticipated shifts or declines in profit by geographical region that would adversely impact our tax rate; and
- our failure to implement and maintain the appropriate internal controls over financial reporting which may result in restatements of our financial statements.

As a result, period-to-period comparisons of our operating results may not be meaningful, and you should not rely on them as an indication of our future performance.

Changes in trade policy in the United States and other countries, including the imposition of tariffs and the resulting consequences, may adversely impact our business, results of operations and financial condition.

International trade disputes, geopolitical tensions, and military conflicts have led, and continue to lead, to new and increasing export restrictions, trade barriers, tariffs, and other trade measures that can increase our manufacturing and transportation costs, limit our ability to sell to certain customers or markets, limit our ability to procure, or increase our costs for, components or raw materials, impede or slow the movement of our goods across borders, or otherwise restrict our ability to conduct operations. Increasing protectionism, economic nationalism, and national security concerns may also lead to further changes in trade policy. For example, when the U.S. government engaged in extended trade negotiations with China, which resulted in the implementation of tariffs on a significant number of products manufactured in China and imported into the United States, we worked closely with our manufacturing partners to implement ways to mitigate the impact of these tariffs on our supply chain as promptly and reasonably as practicable, including shifting production outside of China. We cannot predict what further actions may be taken with respect to export regulations, tariffs or other trade regulations between the United States and other countries, what products or companies may be subject to such actions, or what actions may be taken by other countries in retaliation. In addition, actions to mitigate the effect of these tariffs are disruptive on our operations, may not be completely successful and may result in higher long-term manufacturing costs. Moreover, there is no certainty that countries to which we have shifted our manufacturing operations will not be subject to similar tariffs in the future. As a result, we may be required to raise our prices on certain products, which could result in the loss of customers and harm to our revenue, market share, competitive position and operating performance.

Additionally, the imposition of tariffs is dependent upon the classification of items under the Harmonized Tariff System (“HTS”) and the country of origin of the item. Determination of the HTS and the origin of the item is a technical matter that can be subjective in nature. Accordingly, although we believe our classifications of both HTS and origin are appropriate, there is no certainty that the U.S. government will agree with us. If the U.S. government does not agree with our determinations, we could be required to pay additional amounts, including potential penalties, and our profitability would be adversely impacted.

If disruptions in our transportation network continue to occur or our shipping costs substantially increase again in the future, we may be unable to sell or timely deliver our products, and our net revenue and gross margin could decrease.

The transportation network is subject to disruption or congestion from a variety of causes, including labor disputes or port strikes, acts of war, terrorism or other geopolitical conflicts, like the Middle East conflict, natural disasters, effects of climate change, pandemics like COVID-19 and congestion resulting from higher shipping volumes. We are highly dependent upon the transportation systems we use to ship our products, including surface and air freight. Our attempts to closely match our inventory levels to our product demand intensify the need for our transportation systems to function effectively and without delay. On a quarterly basis, our shipping volume also tends to steadily increase as the quarter progresses, which means that any disruption in our transportation network in the latter half of a quarter will likely have a more material effect on our business than at the beginning of a quarter. For example, at times during the COVID-19 pandemic, we experienced significant limitations on the availability of key transportation resources and significant increases to the cost of air and ocean freight. When these occur, it has negatively impacted our profitability as we seek to transport an increased number of products from manufacturing locations in Asia to other markets around the world as quickly as possible. Moreover, feeder vessels that move containers to key trans-Pacific terminal locations can be subject to similar impacts due to the timing of container transfers and vessel departure dates. In addition, the global effects of climate change can result in increased frequency and severity of natural disasters that could also disrupt our transportation network. Furthermore, labor disputes among freight carriers and at ports of entry are common. A port worker strike, work slow-down or other transportation disruption in the ports of Singapore, Rotterdam, Los Angeles or Long Beach, California, where we have significant distribution centers, or East coast or Gulf coast of United States due to the volume of imports coming to the U.S. via ports there, could significantly disrupt our business. For example, at times, during the course of the COVID-19 pandemic, we had experienced disruptions at the ports, due to multiple factors, such as supply and demand imbalance, a shortage of warehouse workers, truck drivers, and transport equipment (tractors and trailers), and other causes, and had suffered from heightened congestion, bottleneck and gridlock, leading to abnormally high transportation delays. In addition, as mentioned above in the risk factor “*Accurately managing our sales channel inventory and product mix within the current environment is*”

challenging, and we have, and may in the future, incur costs associated with excess inventory, or lose sales from having too few products," many of our retail and service provider customers have and continue to reduce their target inventory levels to more closely match with product demand. This further intensifies the need for our transportation systems to function effectively and without delay. Significant disruptions to the transportation network could lead to significant disruptions in our business, delays in shipments, increased shipping costs, and revenue and profitability shortfalls which could materially and adversely affect our business and financial results, especially if they were to take place within the last few weeks of any quarter.

Our international freight is regularly subjected to inspection by governmental entities. If our delivery times increase unexpectedly for these or any other reasons, our ability to deliver products on time would be materially adversely affected and would result in delayed or lost revenue as well as customer-imposed penalties. Similarly, transportation network disruptions such as those described in the preceding paragraph, have in the past and may in the future lead to an increase in transportation costs. For example, the cost of shipping our products by ocean freight had previously increased to at least eight times historical levels and had a corresponding impact upon our profitability. Moreover, the cost of shipping our products by air freight is greater than other methods. From time to time in the past, we have shipped products using extensive air freight to meet unexpected spikes in demand, shifts in demand between product categories, to bring new product introductions to market quickly and to timely ship products previously ordered. If we rely more heavily upon air freight to deliver our products, our overall shipping costs will increase. Just as ocean freight costs had previously increased due to the aforementioned supply chain and transportation disruptions, the cost of air freight had previously increased, as well, up to five times historical levels. While transportation costs have recently decreased, if the cost of ocean and air freight were to significantly increase again, it would severely disrupt our business and harm our operating results, and in particular, our profitability.

Expansion of our operations and infrastructure may strain our operations and increase our operating expenses.

We have expanded our operations and are pursuing market opportunities both domestically and internationally in order to grow our sales. This expansion has required enhancements to our existing management information systems, and operational and financial controls. In addition, if we continue to grow, our expenditures would likely be significantly higher than our historical costs. We may not be able to install adequate controls in an efficient and timely manner as our business grows, and our current systems may not be adequate to support our future operations. The difficulties associated with installing and implementing new systems, procedures and controls may place a significant burden on our management, operational and financial resources. In addition, if we grow internationally, we will have to expand and enhance our communications infrastructure. If we fail to continue to improve our management information systems, procedures and financial controls or encounter unexpected difficulties during expansion and reorganization, our business could be harmed.

For example, we have invested, and will continue to invest, significant capital and human resources in the design and enhancement of our financial and enterprise resource planning systems, which may be disruptive to our underlying business. We depend on these systems in order to timely and accurately process and report key components of our results of operations, financial position and cash flows. If the systems fail to operate appropriately or we experience any disruptions or delays in enhancing their functionality to meet current business requirements, our ability to fulfill customer orders, bill and track our customers, fulfill contractual obligations, accurately report our financials and otherwise run our business could be adversely affected. Even if we do not encounter these adverse effects, the enhancement of systems may be much more costly than we anticipated. If we are unable to continue to enhance our information technology systems as planned, our financial position, results of operations and cash flows could be negatively impacted.

As part of growing our business, we have made and expect to continue to make acquisitions. If we fail to successfully select, execute or integrate our acquisitions, then our business and operating results could be harmed and our stock price could decline.

From time to time, we will undertake acquisitions to add new product lines and technologies, gain new sales channels or enter into new sales territories. Acquisitions involve numerous risks and challenges, including but not limited to the following:

- integrating the companies, assets, systems, products, sales channels and personnel that we acquire;
- higher than anticipated acquisition and integration costs and expenses;
- reliance on third parties to provide transition services for a period of time after closing to ensure an orderly transition of the business;

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- growing or maintaining revenues to justify the purchase price and the increased expenses associated with acquisitions;
- entering into territories or markets with which we have limited or no prior experience;
- establishing or maintaining business relationships with customers, vendors and suppliers who may be new to us;
- overcoming the employee, customer, vendor and supplier turnover that may occur as a result of the acquisition;
- disruption of, and demands on, our ongoing business as a result of integration activities including diversion of management's time and attention from running the day-to-day operations of our business;
- inability to implement uniform standards, disclosure controls and procedures, internal controls over financial reporting and other procedures and policies in a timely manner;
- inability to realize the anticipated benefits of or successfully integrate with our existing business the businesses, products, technologies or personnel that we acquire; and
- potential post-closing disputes.

As part of undertaking an acquisition, we may also significantly revise our capital structure or operational budget, such as issuing common stock that would dilute the ownership percentage of our stockholders, assuming liabilities or debt, utilizing a substantial portion of our cash resources to pay for the acquisition or significantly increasing operating expenses. Our acquisitions have resulted and may in the future result in charges being taken in an individual quarter as well as future periods, which results in variability in our quarterly earnings. In addition, our effective tax rate in any particular quarter may also be impacted by acquisitions. Following the closing of an acquisition, we may also have disputes with the seller regarding contractual requirements and covenants. Any such disputes may be time consuming and distract management from other aspects of our business. In addition, if we increase the pace or size of acquisitions, we will have to expend significant management time and effort into the transactions and the integrations and we may not have the proper human resources bandwidth to ensure successful integrations and accordingly, our business could be harmed.

As part of the terms of acquisition, we may commit to pay additional contingent consideration if certain revenue or other performance milestones are met. We are required to evaluate the fair value of such commitments at each reporting date and adjust the amount recorded if there are changes to the fair value. Additionally, future or past business transactions (such as acquisitions or integrations) could also expose us to additional cybersecurity risks and vulnerabilities, as our systems or products could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies.

We cannot ensure that we will be successful in selecting, executing and integrating acquisitions. Failure to manage and successfully integrate acquisitions could materially harm our business and operating results. In addition, if stock market analysts or our stockholders do not support or believe in the value of the acquisitions that we choose to undertake, our stock price may decline.

We invest in companies primarily for strategic reasons but may not realize a return on our investments.

We have made, and continue to seek to make, investments in companies around the world to further our strategic objectives and support our key business initiatives. These investments may include equity or debt instruments of public or private companies, and may be non-marketable at the time of our initial investment. We do not restrict the types of companies in which we seek to invest. These companies may range from early-stage companies that are often still defining their strategic direction to more mature companies with established revenue streams and business models. If any company in which we invest fails, we could lose all or part of our investment in that company. If we determine that an other-than-temporary decline in the fair value exists for an equity or debt investment in a public or private company in which we have invested, we will have to write down the investment to its fair value and recognize the related write-down as an investment loss. The performance of any of these investments could result in significant impairment charges and gains (losses) on investments. We must also analyze accounting and legal issues when making these investments. If we do not structure these investments properly, we may be subject to certain adverse accounting issues, such as potential consolidation of financial results.

Furthermore, if the strategic objectives of an investment have been achieved, or if the investment or business diverges from our strategic objectives, we may seek to dispose of the investment. Our non-marketable equity investments in private companies are not liquid, and we may not be able to dispose of these investments on favorable terms or at all. The occurrence of any of these events could harm our results. Gains or losses from equity securities could vary from expectations depending on gains or losses realized on the sale or exchange of securities and impairment charges related to debt instruments as well as equity and other investments.

Risks Related to Our Products, Technology, Intellectual Property and Data

We rely upon third parties for technology that is critical to our products, and if we are unable to continue to use this technology and future technology, our ability to develop, sell, maintain and support technologically innovative products would be limited.

We rely on third parties to obtain non-exclusive patented hardware and software license rights in technologies that are incorporated into and necessary for the operation and functionality of most of our products. In these cases, because the intellectual property we license is available from third parties, barriers to entry into certain markets may be lower for potential or existing competitors than if we owned exclusive rights to the technology that we license and use. Moreover, if a competitor or potential competitor enters into an exclusive arrangement with any of our key third-party technology providers, or if any of these providers unilaterally decide not to do business with us for any reason, our ability to develop and sell products containing that technology would be severely limited. If we are shipping products that contain third-party technology that we subsequently lose the right to license, then we will not be able to continue to offer or support those products. In addition, these licenses often require royalty payments or other consideration to the third-party licensor. Our success will depend, in part, on our continued ability to access these technologies, and we do not know whether these third-party technologies will continue to be licensed to us on commercially acceptable terms, if at all. If we are unable to license the necessary technology, we may be forced to acquire or develop alternative technology of lower quality or performance standards, which would limit and delay our ability to offer new or competitive products and increase our costs of production. As a result, our revenue, margins, market share, and operating results could be significantly harmed.

We also utilize third-party software development companies to develop, customize, maintain and support software that is incorporated into our products. For example, we license software from Bitdefender for our NETGEAR Armor cybersecurity services offering and we license software from Circle Media Labs, Inc., a wholly owned subsidiary of Aura, for our parental controls service offering. If these companies fail to timely deliver or continuously maintain and support the software, as we require of them, we may experience delays in releasing new products or difficulties with supporting existing products and customers. In addition, if these third-party licensors fail or experience instability, then we may be unable to continue to sell products that incorporate the licensed technologies in addition to being unable to continue to maintain and support these products. We do require escrow arrangements with respect to certain third-party software which entitle us to certain limited rights to the source code, in the event of certain failures by the third party, in order to maintain and support such software. However, there is no guarantee that we would be able to fully understand and use the source code, as we may not have the expertise to do so. We are increasingly exposed to these risks as we continue to develop and market more products and services containing third-party software, such as our subscription service offerings related to network security and smart parental controls. If we are unable to license the necessary technology, we may be forced to acquire or develop alternative technology, which could be of lower quality or performance standards. The acquisition or development of alternative technology may limit and delay our ability to offer new or competitive products and services and increase our costs of production. As a result, our business, operating results and financial condition could be materially adversely affected.

Product security vulnerabilities, system security risks, data protection breaches, cyber-attacks, improper use of artificial intelligence (“AI”) tools, and other threats and risks, could disrupt or otherwise compromise our products, services, internal operations or information technology systems, or those of third parties with whom we work. Actual or perceived non-compliance with our privacy and security obligations could lead to regulatory investigations or actions, litigation, fines and penalties, business operation disruption, reputational harm, loss of revenue or profits, loss of customers or sales, and other adverse business consequences.

We and the third parties with whom we work process personal data and other sensitive information, and we disclose certain such sensitive information to relevant third parties as reasonably necessary to operate our business while maintaining measures designed to protect such information. Among other products and services, we offer comprehensive online cloud management services paired with a number of our products. Our products and services

could be compromised due to a variety of evolving threats and security vulnerabilities. We have in the past experienced, and expect to continue to be the target of, cyber attacks (including by highly sophisticated nation-state actors) or other sources of compromise, and given the increasingly sophisticated and evolving threat landscape, we could experience a cyber incident that would materially affect our business operations. We devote considerable time and resources to uncovering and remedying these threats and vulnerabilities, using both internal and external resources, but the threats to network and data security are increasingly diverse and sophisticated and we continue to implement additional protections and increase our monitoring and threat intelligence. Despite our efforts and processes to prevent breaches, our systems and products are vulnerable to cybersecurity risks, including cyber-attacks such as viruses and worms, vulnerabilities such as command injection, cross site scripting, credential stuffing attacks, authentication and session management, and stack-based buffer overflow, social-engineering attacks (including through deep fakes, which may be increasingly difficult to identify as fake and phishing attacks), supply-chain attacks, malware (including as a result of advanced persistent threat intrusions), and other sophisticated attacks or exploits. These threats can come from a variety of sources, including traditional computer “hackers,” threat actors, “hacktivists,” organized criminal threat actors, personnel (such as through error or malfeasance), sophisticated nation states, and nation-state-supported actors. Additionally, our systems and products may be disrupted for reasons other than a cyberattack, such as software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, and floods. It is also possible that an attacker could compromise our internal code repository or those of our partners and insert a ‘backdoor’ that would give them easy access to any of our devices using this code. Severe ransomware attacks are also becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Further, most of our major offices worldwide operate under a hybrid work model, allowing personnel the flexibility to work from home and at the workplace. Work from home arrangements present additional cybersecurity risks, including potential increases in malware and phishing attacks, greater challenges to secure home office data, and potential service degradation or disruption to key internal business applications and third-party services. Although we have taken measures to address these risks, they present challenges that could impact business operations and could cause recovery times to increase.

We have not in the past and may not in the future be able to discover and protect against these threats and vulnerabilities, and our inability to remedy compromises of our products, services or data in a timely manner, or at all, may impact our brand and reputation and otherwise harm our business. For example, with respect to our making available patches or information for vulnerabilities in our products or services, our customers may be unwilling or unable to deploy such patches and use such information effectively and in a timely manner. In the past, we have experienced attempted exploitation of such vulnerabilities and anticipate continuing to experience similar attempts in the future. Such attacks against and other compromises of us, our customers or third parties with whom we work could lead to material interruptions, delays or loss of data, unauthorized access to data, and loss of consumer confidence. Successful attacks or actual compromises could materially adversely affect our business, be expensive to remedy, damage our reputation, result in negative publicity, adversely affect our brand, decrease demand for our products and services, and otherwise materially adversely affect our operating results and financial condition. Applicable data privacy and security obligations may require us, or we may voluntarily choose to, notify relevant stakeholders, including affected individuals, customers, regulators, investors and others of security breaches. Such disclosures and related actions can be costly and the disclosure or the failure to comply with such applicable requirements could lead to adverse consequences. Further, under certain circumstances, we may need to prioritize fixing vulnerabilities or responding to security breaches over new product development, which may impact our revenues and adversely affect our business.

With respect to certain of our products and services, we employ a shared responsibility model where our customers are responsible for using, configuring and otherwise implementing security measures related to our products and services in a manner that addresses their information security risks. As part of this shared responsibility security model, we make certain security features available to our customers that can be implemented at our customers’ discretion or identify security areas or measures for which our customers are responsible. For example, customers may choose not to enable two-factor authentication for their NETGEAR account (which would likely increase the risk of compromise) or they could choose to disable automatic updates (which would likely delay or prevent entirely, important security updates). In certain cases, where our customers choose not to implement or incorrectly implement those features or measures, misuse our products or services, or otherwise experience their own vulnerabilities or other compromises, even if we are not the cause of a resulting customer security issue or incident, our customer relationships, reputation and revenue could be adversely impacted. If our products or services are compromised, a significant number or, in

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some instances, all of our customers and their data could be simultaneously affected. The potential liability and associated consequences we could suffer as a result of such a large-scale event could result in irreparable harm.

We rely on third-party providers for a number of critical aspects of our cloud services, e-commerce site, software development, manufacturing and customer support, including web hosting services, billing and payment processing, and consequently we do not maintain direct control over the security or stability of the associated systems. Our reliance on third parties exposes us to cybersecurity risks and vulnerabilities if such third parties or their partners are targeted by cyber attack or other sources of compromise.

Maintaining the security of our information systems, communication systems and data is a critical issue for us and our customers. Malicious actors may develop and deploy malware that is designed to manipulate our products and systems, including our internal network, or those of our vendors or customers. Additionally, outside parties may attempt to fraudulently induce our personnel to disclose sensitive information in order to gain access to our information systems, our data or our customers' data. We have established a crisis management plan, business continuity program, information security incident response plan and Generative AI policy. While we test and update these plans, policies and programs, there can be no assurance that the plans, policies and programs can withstand an actual or serious disruption in our business, including a data protection breach or cyber-attack. While we have established infrastructure and geographic redundancy for our critical systems, our ability to utilize these redundant systems requires further testing and we cannot be assured that such systems are fully functional. For example, much of our order fulfillment process is automated and the order information is stored on our servers. A significant business interruption could result in losses or damages and harm our business. If our information systems become unavailable, our ability to recognize revenue may be delayed until we are able to utilize back-up systems and continue to process and ship our orders, which could cause our stock price to decline significantly.

We devote considerable internal and external resources to network security, data encryption and other security measures to protect our information systems and customer data, but our efforts cannot provide an absolute guarantee of security. In addition, U.S. and foreign regulators have increased their focus on cybersecurity (including imposing specific security measures related to the products and services we sell) and data protection and many states, countries and jurisdictions have laws and regulations that may impose significant penalties and fines for failure to comply with these requirements. Compliance with laws, regulations, industry standards, contracts, policies and other obligations concerning artificial intelligence, privacy, cybersecurity, data governance and data protection is a rigorous and time-intensive process, that continuously evolves and develops, and we may be required to put in place additional mechanisms ensuring compliance with such obligations and incur substantial expenditures. Many of these laws are new, in the nascent stages of applicability, untested in terms of scope by applicable courts, regulators and/or administrative bodies, and technically complex. As such, their interpretation remains inherently uncertain. If we fail to properly interpret or otherwise comply with any such obligations, we may face significant fines and penalties that could adversely affect our business, financial condition and results of operations. Furthermore, obligations (including laws and regulations) are not consistent and compliance remains costly.

Actual and potential breaches of our security measures as well as the loss, disclosure or dissemination of proprietary information or sensitive or confidential data about us, our personnel or our customers, including the potential loss or disclosure of such information or data as a result of improper use of AI tools, personnel error or other personnel actions, hacking, fraud, social engineering or other forms of deception, could expose us, our customers or the individuals affected to a risk of loss or misuse of this information, result in litigation and potential liability for us, subject us to significant governmental fines and penalties (as well as other enforcement and remediation actions), damage our brand and reputation, or otherwise harm our business. Security incidents and attendant material consequences may prevent or cause customers to stop using our products and services, deter new customers from using our products and services, and otherwise negatively impact our ability to grow and operate our business. In particular, because our product and service offerings involve protecting the information or systems of our customers, a security incident could heighten the impact of these material adverse consequences because of the nature of our business and our customers' expectations. It may be difficult and/or costly to detect, investigate, mitigate, contain and remediate security breaches and our efforts to do so may not be successful. Actions taken by us or third parties with whom we work to detect, investigate, mitigate, contain and remediate a security breach could result in outages, data losses, disruptions to our business and otherwise harm our business. Unauthorized parties may also gain access to other networks, systems and products after a compromise of our networks, systems, and products. For example, threat actors (including those sponsored by nation states) have, in the past, attacked or otherwise sought to compromise our

products and other hardware nearing end of life and/or running on outdated firmware without the latest security updates.

Limitations of liability in our contracts and our insurance coverage may be inadequate to address losses or other expenditures arising out of or related to non-compliance with our obligations or security incidents. A large claim against our insurance coverage may exceed our coverage and otherwise impact our ability to obtain coverage in the future. Our management has spent increasing amounts of time, effort and expense in this area, and in the event of the discovery of significant product or system security vulnerability, or improper use of AI tools or other cybersecurity incidents, we could incur additional substantial expenses and our business and reputation could be harmed. If we or our third-party providers are unable to successfully prevent breaches of security relating to our products, services, systems or customer private information, including customer personal data, or if these third-party systems failed for other reasons, it could result in litigation and potential liability for us, damage our brand and reputation, or otherwise harm our business.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws and other similar laws (such as wiretapping laws). Certain US states have enacted comprehensive consumer privacy laws that impose significant and costly obligations on covered businesses. Outside the United States, an increasing number of laws, regulations and industry standards govern data privacy and security. For example, the European Union's General Data Protection Regulation ("EU GDPR") and the United Kingdom's GDPR ("UK GDPR") (collectively, "GDPR"), Australia's Privacy Act, and Canada's Personal Information Protection and Electronic Documents Act ("PIPEDA") (as well as various related provincial laws) impose strict requirements for processing personal data. For example, under the GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros under the EU GDPR, 17.5 million pounds sterling under the UK GDPR or, in each case, 4% of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. In Europe, the Network and Information Security Directive ("NIS2") regulates resilience and incident response capabilities of entities operating in a number of sectors. Non-compliance with NIS2 may lead up to administrative fines of a maximum of 10 million Euros or up to 2% of the total worldwide revenue of the preceding fiscal year.

In the ordinary course of business, we transfer personal data from Europe and other jurisdictions to the United States and other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. These data localization and cross-border data transfer laws could lead to adverse consequences such as interruption of our operations, increased exposure to regulatory actions, and difficulty transferring data to partners, vendors and other third parties with whom we work.

Preparing for and complying with our data privacy and security obligations requires us to devote significant resources which has in the past and may in the future necessitate changes to our products and services, information systems and practices. At times, we have in the past and may in the future fail in our efforts to comply with our data privacy and security obligations. If we or the third parties with whom we work fail (or are perceived to have failed) to comply with applicable data privacy or security obligations, we could face significant consequences including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class action claims and mass arbitration demands); additional reporting requirements and/or oversight; bans or restrictions on processing personal data; or orders to destroy or not use personal data. For example, from time to time we have received and may in the future receive inquiries from government officials regarding data protection efforts, our security measures, cyber threats, and the cyber risk environment. Any of these events could have a material adverse effect on our reputation, business or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations; inability to process personal data or operate in certain jurisdictions; limited ability to develop or commercialize our products and services; expenditure of time and resources to defend against claims or inquiries; adverse publicity; or changes to our business model or operations.

If we are unable to successfully leverage AI technology to automate and drive efficiencies in our operations and products and services, our business, reputation, results of operations and financial condition could be harmed.

We have embarked on an AI transformation effort to take full advantage of automation, artificial intelligence, machine learning and other technologies to drive efficiencies and improve productivity within our Company and to

develop and improve our products, services and customer experiences. As we increase our investment in technology, software and systems to support this transformation effort, such investments may not increase productivity, result in more efficient operations or deliver better products, services and customer experiences. In addition, the evolution of these technologies may create unforeseen competitive pressures or cause disruption or delays to our operations, which may harm our business. Our competitors may incorporate AI technologies into their products and services more quickly or more successfully than us and could impair our ability to compete effectively and adversely affect our results of operations. Further, the rapid evolution of AI may require the dedication of significant resources to develop, test and maintain AI technologies. If our incorporation of AI technologies does not increase our operational efficiency in accordance with our expectations, or if competition increases for the technology and services provided by third parties, our business, results of operations and financial condition may be harmed. While we have established an AI transformation leadership team to coordinate and oversee our approach to AI adoption, the legal and regulatory landscape surrounding generative AI technologies is rapidly evolving and uncertain, including in the areas of intellectual property, discrimination, cybersecurity, privacy and data protection. Compliance with existing, new, and changing laws, regulations, and industry standards relating to AI may limit some uses of AI, impose significant operational costs, and limit our ability to develop, deploy, or use AI technologies. Further, the continued integration of any AI technologies into our products and services may result in new or enhanced governmental or regulatory scrutiny. Failure to appropriately respond to this evolving landscape may result in legal liability, regulatory action, or brand and reputational harm.

Any sensitive information (including confidential, competitive, proprietary, or personal data) that we input into a third-party generative AI platform could be leaked or disclosed to others or otherwise result in an information- or cyber-security incident, including if sensitive information is used to train the third parties' AI model. Additionally, where an AI model ingests personal data and makes connections using such data, those technologies may reveal other personal or sensitive information generated by the model. Moreover, AI models may create flawed, incomplete, or inaccurate outputs, some of which may appear correct. This may happen if the inputs that the model relied on were inaccurate, incomplete or flawed (including if a bad actor "poisons" the AI with bad inputs or logic), or if the logic of the AI is flawed (a so-called "hallucination"). We may use AI outputs to make certain decisions. Due to these potential inaccuracies or flaws, the model could be biased and could lead us to make decisions that could bias certain individuals (or classes of individuals), and adversely impact their rights, employment, and ability to obtain certain pricing, products, services, or benefits.

We make substantial investments in software research and development and unsuccessful investments could materially adversely affect our business, financial condition and results of operations.

We continue to evolve our historically hardware-centric business model towards a model that includes more sophisticated software offerings, including subscription services and applications that complement our products and are intended to drive subscriber growth and future recurring revenue. As such, we have evolved the focus of our organization towards the delivery of more integrated hardware and software solutions for our customers, as well as related services, and we have and will continue to expend additional resources in this area in the future, including key new hires. Such endeavors may involve significant risks and uncertainties, including distraction of management from current operations and insufficient revenue to offset expenses associated with this strategy. Software development is inherently risky for a company such as ours with a historically hardware-centric business model, and accordingly, our efforts in software development may not be successful and could materially adversely affect our financial condition and operating results.

If we cannot proportionately decrease our cost structure in response to competitive price pressures, our gross margin and, therefore, our profitability could be adversely affected. In addition, if our software solutions, services, applications, pricing and other factors are not sufficiently competitive, or if there is an adverse reaction to our product and services decisions, we may lose market share in certain areas, which could adversely affect our revenue, profitability and prospects.

Software research and development is complex. We must make long-term investments, develop or obtain appropriate intellectual property and commit significant resources before knowing whether our output from these investments will successfully result in meaningful customer demand and retention for our products and services. We must accurately forecast mixes of software solutions and configurations that meet customer requirements, and we may not succeed at doing so within a given product's life cycle or at all. Any delay in the development, production or

marketing of a new software solution could result in us not being among the first to market, which could further harm our competitive position. In addition, our regular testing and quality control efforts may not be effective in controlling or detecting all quality issues and defects. We may be unable to determine the cause, find an appropriate solution or offer a temporary fix to address defects. Finding solutions to quality issues or defects can be expensive and may result in additional warranty, replacement and other costs, adversely affecting our profits. If new or existing customers have difficulty with our software solutions or are dissatisfied with our services, our operating margins could be adversely affected, and we could face possible claims if we fail to meet our customers' expectations. In addition, quality issues can impair our relationships with new or existing customers and adversely affect our brand and reputation, which could adversely affect our operating results.

If our products contain defects or errors, we could incur significant unexpected expenses, experience product returns and lost sales, experience product recalls, suffer damage to our brand and reputation, and be subject to product liability or other claims.

Our products are complex and may contain defects, errors or failures, particularly when first introduced or when new versions are released. The industry standards upon which many of our products are based are also complex, experience change over time and may be interpreted in different manners. Some errors and defects may be discovered only after a product has been installed and used by the end-user. As also noted in the risk factor "*We make substantial investments in software research and development and unsuccessful investments could materially adversely affect our business, financial condition and results of operations*" above, we devote considerable time and resources on testing and quality control efforts to detect quality issues and defects, and any reallocation of resources to fix such quality issues and defects could lead to delays in product introductions, which could further harm our competitive position. Additionally, certain software components in our product and corporate systems can be directly updated by our third-party partners. Defects, errors or failures in such updates could impact our customer's experience or cause business interruptions.

In addition, epidemic failure clauses are found in certain of our customer contracts, especially contracts with service providers. If invoked, these clauses may entitle the customer to return for replacement or obtain credits for products and inventory, as well as assess liquidated damage penalties and terminate an existing contract and cancel future or then current purchase orders. In such instances, we may also be obligated to cover significant costs incurred by the customer associated with the consequences of such epidemic failure, including freight and transportation required for product replacement and out-of-pocket costs for truck rolls to end user sites to collect the defective products. Costs or payments we make in connection with an epidemic failure may materially adversely affect our results of operations and financial condition. If our products contain defects or errors, or are found to be noncompliant with industry standards, we could experience decreased sales and increased product returns, loss of customers and market share, and increased service, warranty and insurance costs. In addition, defects in, or misuse of, certain of our products could cause safety concerns, including the risk of property damage or personal injury. If any of these events occurred, our reputation and brand could be damaged, and we could face product liability or other claims regarding our products, resulting in unexpected expenses and adversely impacting our operating results. For instance, if a third party were able to successfully overcome the security measures in our products, such a person or entity could misappropriate customer data, third party data stored by our customers and other information, including intellectual property and personal information. In addition, the operations of our end-user customers may be interrupted. If that happens, affected end-users or others may file actions against us alleging product liability, tort, or breach of warranty claims.

Our user growth, engagement, and monetization of our subscription services on mobile devices depend upon effective operation with mobile operating systems, networks, technologies, products, and standards that we do not control.

The substantial majority of our revenue from our subscription services is generated from use of such services on mobile devices. We are dependent on the interoperability of Armor and our parental controls services and our other products and services with popular mobile operating systems, networks, technologies, products, and standards that we do not control, such as the Android and iOS operating systems and mobile browsers. Any changes, bugs, or technical issues in such systems, or changes in our relationships with mobile operating system partners, handset manufacturers, browser developers, or mobile carriers, or in their terms of service or policies that degrade our products' functionality, reduce or eliminate our ability to update or distribute our products or services, give preferential treatment to

competitive products, or charge fees related to the distribution of our products could adversely affect the usage of our subscription services products or our other products and services on mobile devices. We may not be successful in maintaining or developing relationships with key participants in the mobile ecosystem or in developing products and services that operate effectively with these technologies, products, systems, networks, or standards. In the event that it is more difficult for our users to access and use our subscription services products or our other products on their mobile devices, or if our users choose not to access or use our subscription services products or our other products on their mobile devices, our user growth and user engagement and our business could be harmed.

If we are unable to secure and protect our intellectual property rights, our ability to compete could be harmed.

We rely upon third parties for a substantial portion of the intellectual property that we use in our products. At the same time, we rely on a combination of copyright, trademark, patent and trade secret laws, nondisclosure agreements with employees, consultants and suppliers and other contractual provisions to establish, maintain and protect our intellectual property rights and technology. Despite efforts to protect our intellectual property, unauthorized third parties may attempt to design around, copy aspects of our product design or obtain and use technology or other intellectual property associated with our products. For example, one of our primary intellectual property assets is the NETGEAR name, trademark and logo. We may be unable to stop third parties from adopting similar names, trademarks and logos, particularly in those international markets where our intellectual property rights may be less protected. Furthermore, our competitors may independently develop similar technology or design around our intellectual property. In addition, we manufacture and sell our products in many international jurisdictions that offer reduced levels of protection and recourse from intellectual property misuse or theft, as compared to the United States. Our inability to secure and protect our intellectual property rights could significantly harm our brand and business, operating results and financial condition.

Financial, Legal, Regulatory and Tax Compliance Risks

We are currently involved in numerous litigation matters in the ordinary course and may in the future become involved in additional litigation, including litigation regarding intellectual property rights, consumer class actions and securities class actions, any of which could be costly and subject us to significant liability.

The networking industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding infringement of patents, trade secrets and other intellectual property rights. In particular, leading companies in the data communications markets, some of which are our competitors, have extensive patent portfolios with respect to networking technology. From time to time, third parties, including these leading companies, have asserted and may continue to assert exclusive patent, copyright, trademark and other intellectual property rights against us demanding license or royalty payments or seeking payment for damages, injunctive relief and other available legal remedies through litigation. These also include third-party non-practicing entities who claim to own patents or other intellectual property that cover industry standards that our products comply with. If we are unable to resolve these matters or obtain licenses on acceptable or commercially reasonable terms, we could be sued or we may be forced to initiate litigation to protect our rights. The cost of any necessary licenses or cost to defend litigation could significantly harm our business, operating results and financial condition. We may also choose to join defensive patent aggregation services in order to prevent or settle litigation and avoid the associated significant costs and uncertainties of litigation. These patent aggregation services may obtain, or have previously obtained, licenses for the alleged patent infringement claims against us and other patent assets that could be used offensively against us. The costs of such defensive patent aggregation services, while potentially lower than the costs of litigation, may be significant as well. At any time, any of these non-practicing entities, or any other third-party could initiate litigation against us, or we may be forced to initiate litigation against them, which could divert management attention, be costly to defend or prosecute, prevent us from using or selling the challenged technology, require us to design around the challenged technology and cause the price of our stock to decline. For example, in the past, various third parties have initiated litigation against us in Europe, China and the United States that carried the threat of an injunction on the importation of our products into certain European territories, the United States and China, as well as a significant increase in time and resources to defend against. In addition, third parties, some of whom are potential competitors, have initiated and may continue to initiate litigation against us, our manufacturers, suppliers, members of our sales channels or our service provider customers or even end user customers, alleging infringement of their proprietary rights with respect to existing or future products. In the event successful claims of infringement are brought by third parties, and we are unable to obtain licenses or independently develop alternative technology on a timely basis, we may be subject to indemnification obligations, be unable to offer competitive products, or be subject to increased expenses. Consumer class-action lawsuits related to the marketing and performance of our home networking products have been asserted and may in the future be asserted against us. Finally, we have been sued in securities class action lawsuits, and may in the future

be named in other similar lawsuits. For additional information regarding certain of the lawsuits in which we are involved, see the information set forth in Note 8, *Commitments and Contingencies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K. If we do not resolve these claims on a favorable basis, our business, operating results and financial condition could be significantly harmed.

We have been exposed to and may in the future be exposed to adverse currency exchange rate fluctuations in jurisdictions where we transact in local currency, which could harm our financial results and cash flows.

Because a significant portion of our business is conducted outside the United States, we face exposure to adverse movements in foreign currency exchange rates. These exposures may change over time as business practices evolve, and they could have a material adverse impact on our results of operations, financial position and cash flows. Although a portion of our international sales are currently invoiced in United States dollars, we have implemented and continue to implement for certain countries and customers both invoicing and payment in foreign currencies. Our primary exposure to movements in foreign currency exchange rates relates to non-U.S. dollar denominated sales in Europe, Japan and Australia as well as our global operations, and non-U.S. dollar denominated operating expenses and certain assets and liabilities. In addition, weaknesses in foreign currencies for U.S. dollar denominated sales could adversely affect demand for our products. For example, the volatility and strengthening of the U.S. dollar in 2022 had a meaningful negative impact on our international revenue and our profitability. Conversely, a strengthening in foreign currencies against the U.S. dollar could increase foreign currency denominated costs. As a result, we may attempt to renegotiate pricing of existing contracts or request payment to be made in U.S. dollars. We cannot be sure that our customers would agree to renegotiate along these lines. This could result in customers eventually terminating contracts with us or in our decision to terminate certain contracts, which would adversely affect our sales.

We hedge our exposure to fluctuations in foreign currency exchange rates as a response to the risk of changes in the value of foreign currency-denominated assets and liabilities. We may enter into foreign currency forward contracts or other instruments, the majority of which mature within approximately five months. Our foreign currency forward contracts reduce, but do not eliminate, the impact of currency exchange rate movements. For example, we do not execute forward contracts in all currencies in which we conduct business. In addition, we hedge to reduce the impact of volatile exchange rates on net revenue, gross profit and operating profit for limited periods of time. However, the use of these hedging activities may only offset a portion of the adverse financial effect resulting from unfavorable movements in foreign exchange rates.

We are exposed to the credit risk of some of our customers and to credit exposures, including bank failures, in weakened markets, which could result in material losses.

A substantial portion of our sales are on an open credit basis, with typical payment terms of 30 to 60 days in the United States and, because of local customs or conditions, longer in some markets outside the United States. We monitor individual customer financial viability in granting such open credit arrangements, seek to limit such open credit to amounts we believe the customers can pay, and maintain reserves we believe are adequate to cover exposure for doubtful accounts.

In the past, there have been bankruptcies amongst our customer base, and certain of our customers' businesses face financial challenges that put them at risk of future bankruptcies. Although losses resulting from customer bankruptcies have not been material to date, any future bankruptcies could harm our business and have a material adverse effect on our operating results and financial condition. In addition, recent banking sector troubles and liquidity concerns in the financial services industry have impacted certain of our suppliers. Although such impacts have not resulted in material losses to date, any future bank sector disruptions could harm our business and have a material adverse effect on our operating results and financial condition. Furthermore, to the degree that turmoil in the credit markets makes it more difficult for some customers to obtain financing, our customers' ability to pay could be adversely impacted, which in turn could have a material adverse impact on our business, operating results, and financial condition.

Changes in tax laws or exposure to additional income tax liabilities could affect our future profitability.

Factors that could materially affect our future effective tax rates include but are not limited to:

- changes in tax laws or the regulatory environment;
- changes in accounting and tax standards or practices;
- changes in the composition of operating income by tax jurisdiction; and

- our operating results before taxes.

We are subject to income taxes in the United States and numerous foreign jurisdictions. Our effective tax rate has fluctuated in the past and may fluctuate in the future. Future effective tax rates could be affected by changes in the composition of earnings in countries with differing tax rates, changes in deferred tax assets and liabilities, or changes in tax laws. Foreign jurisdictions have increased the volume of tax audits of multinational corporations. Further, many countries continue to consider changes in their tax laws by implementing new taxes such as the digital service tax and initiatives such as the Organization for Economic Co-operation and Development's (OECD) Pillar II global minimum tax. More than 140 countries agreed to enact the Pillar II global minimum tax. While the OECD issued a framework model, each country will enact its own laws to incorporate Pillar II. While Pillar II is a global model, the country by country enactment of different laws to incorporate the framework is complex and there is uncertainty as to how the enactment of these laws will impact the Company. These changes could increase our total tax burden in the future. In addition, the acceleration of employee mobility as a result of the pandemic potentially increases the jurisdictional tax risk of our workforce. Changes in tax laws could affect the distribution of our earnings, result in double taxation and adversely affect our results.

The Tax Cuts and Jobs Act of 2017 included provisions effective for the 2022 tax year that eliminate the option to deduct research and development expenditures immediately in the year incurred and requires taxpayers to amortize such expenditures over five years for domestic payments and 15 years for payments to foreign parties. These provisions have not been deferred, modified, or repealed by Congress as was previously anticipated might occur. In years where we are profitable, these provisions have a material impact on our cash taxes which will continue in the future if these provisions are not modified, or repealed by Congress.

We have been audited by the Italy Tax Authority ("ITA") for the 2004 through 2012 tax years. The ITA examination included an audit of income, gross receipts and value-added taxes. We have been in litigation with the ITA for the 2004 through 2012 years. This litigation was appealed by the ITA to the Italian Supreme Court. Our hearing on all years at the Italian Supreme Court was held on March 6, 2024. Decisions were issued in the Company's favor for the 2006 through 2012 tax years. Decisions on the 2004 through 2006 tax years were reverted back to the lower court for re-hearing. If we are unsuccessful in defending our tax positions for the remaining years, our profitability will be reduced.

We are also subject to examination by other tax authorities, including state revenue agencies and other foreign governments. While we regularly assess the likelihood of favorable or unfavorable outcomes resulting from examinations by the IRS and other tax authorities to determine the adequacy of our provision for income taxes, there can be no assurance that the actual outcome resulting from these examinations will not materially adversely affect our financial condition and operating results. Additionally, the IRS and several foreign tax authorities have increasingly focused attention on intercompany transfer pricing with respect to sales of products and services and the use of intangibles. Tax authorities could disagree with our intercompany charges, cross-jurisdictional transfer pricing or other matters and assess additional taxes. If we do not prevail in any such disagreements, our profitability may be affected.

Historically the computation of our tax provision assumes that we will have sufficient profitability in the respective jurisdictions to continue to record deferred tax assets without a valuation allowance. As of the period ended October 1, 2023, we determined that it was no longer more likely than not that we would have sufficient profitability to realize the U.S. federal and state deferred tax assets. Accordingly, we recorded a full valuation allowance to impair U.S. federal and state deferred tax assets. Future benefit of these deferred tax assets will be realized in the period they are utilized.

We are subject to, and must remain in compliance with numerous new, existing and changing laws and regulations worldwide concerning the manufacturing, use, distribution and sale of our products. Some of our customers also require that we comply with their own unique requirements relating to these matters. Any failure to comply with such laws, regulations and requirements, and any associated unanticipated costs, may adversely affect our business, financial condition and results of operations.

We are a global company subject to numerous U.S. and foreign laws and regulations. Many of these laws and regulations are continuously evolving and developing, and the interpretations, application or impact of these laws and regulations on us are uncertain and could be interpreted in ways that harm our business. For example, we manufacture and sell products which contain electronic components, and such components may contain materials that are subject

to government regulation in both the locations that we manufacture and assemble our products, as well as the locations where we sell our products. Certain regulations also limit the use of lead in electronic components. To our knowledge, we maintain compliance with all applicable current government regulations concerning the materials utilized in our products, for all the locations in which we operate. Since we operate on a global basis, this is a complex process which requires continual monitoring of regulations and an ongoing compliance process to ensure that we and our suppliers are in compliance with all existing regulations. There are areas where new regulations have been enacted which could increase our cost of the components that we utilize or require us to expend additional resources to ensure compliance. For example, the SEC's "conflict minerals" rules apply to our business, and we expended significant resources to ensure compliance. The implementation of these requirements by government regulators and our partners and/or customers could adversely affect the sourcing, availability, and pricing of minerals used in the manufacture of certain components used in our products. In addition, the supply-chain due diligence investigation required by the conflict minerals rules require expenditures of resources and management attention regardless of the results of the investigation. If there is an unanticipated new regulation or new interpretations or applications of existing laws and regulations which significantly impacts our use of various components or requires more expensive components, that regulation would have a material adverse impact on our business, financial condition and results of operations.

One area which has a large number of evolving and developing regulations is environmental compliance. Management of environmental pollution, climate change and other ESG considerations has produced significant legislative and regulatory efforts on a global basis, and we believe this will continue both in scope and the number of countries participating. These changes could directly increase the cost of energy which may have an impact on the way we manufacture products or utilize energy to produce our products. In addition, any new regulations or laws in the environmental area might increase the cost of raw materials we use in our products. Environmental regulations require us to reduce product energy usage, monitor and exclude an expanding list of restricted substances and to participate in required recover and recycling of our products. While future changes in regulations are certain, we are currently unable to predict how any such changes will impact us and if such impacts will be material to our business. If there is a new law or regulation, or a new interpretation and application of existing laws, that significantly increases our costs of manufacturing or causes us to significantly alter the way that we manufacture our products, this would have a material adverse effect on our business, financial condition and results of operations.

Our selling and distribution practices are also regulated in large part by U.S. federal and state as well as foreign antitrust and competition laws and regulations. In general, the objective of these laws is to promote and maintain free competition by prohibiting certain forms of conduct that tend to restrict production, raise prices, or otherwise control the market for goods or services to the detriment of consumers of those goods and services. Potentially prohibited activities under these laws may include unilateral conduct, or conduct undertaken as the result of an agreement with one or more of our suppliers, competitors, or customers. The potential for liability under these laws can be difficult to predict as it often depends on a finding that the challenged conduct resulted in harm to competition, such as higher prices, restricted supply, or a reduction in the quality or variety of products available to consumers. We utilize a number of different distribution channels to deliver our products to the end consumer, and regularly enter agreements with resellers of our products at various levels in the distribution chain that could be subject to scrutiny under these laws in the event of private litigation or an investigation by a governmental competition authority. In addition, many of our products are sold to consumers via the Internet. Many of the competition-related laws that govern these Internet sales were adopted prior to the advent of the Internet, and, as a result, do not contemplate or address the unique issues raised by online sales. New interpretations or applications of existing laws and regulations, whether by courts or by the state, federal or foreign governmental authorities charged with the enforcement of those laws and regulations, may also impact our business in ways we are currently unable to predict. Any failure on our part or on the part of our employees, agents, distributors or other business partners to comply with the laws and regulations governing competition can result in negative publicity and diversion of management time and effort and may subject us to significant litigation liabilities and other penalties.

In addition to government regulations, many of our customers require us to comply with their own requirements regarding manufacturing, health and safety matters, corporate social responsibility, employee treatment, anti-corruption, use of materials, environmental concerns and other ESG considerations. Some customers may require us to periodically report on compliance with their unique requirements, and some customers reserve the right to audit our business for compliance. We are increasingly subject to requests for compliance with these customer requirements. For example, there has been significant focus from our customers as well as the press regarding corporate social responsibility policies and other ESG considerations. We regularly audit our manufacturers; however, any deficiencies in compliance by our manufacturers may harm our business and our brand. In addition, we may not have the resources

to maintain compliance with these customer requirements and failure to comply may result in decreased sales to these customers, which may have a material adverse effect on our business, financial condition and results of operations.

We must comply with indirect tax laws in multiple jurisdictions, as well as complex customs duty regimes worldwide. Audits of our compliance with these rules may result in additional liabilities for taxes, duties, interest and penalties related to our international operations which would reduce our profitability.

Our operations are routinely subject to audit by tax authorities in various countries. Many countries have indirect tax systems where the sale and purchase of goods and services are subject to tax based on the transaction value. These taxes are commonly referred to as sales and/or use tax, value-added tax ("VAT") or goods and services tax ("GST"). In addition, the distribution of our products subjects us to numerous complex customs regulations, which frequently change over time. Failure to comply with these systems and regulations can result in the assessment of additional taxes, duties, interest and penalties. While we believe we are in compliance with local laws, we cannot assure that tax and customs authorities would agree with our reporting positions and upon audit may assess us additional taxes, duties, interest and penalties.

Additionally, some of our products are subject to U.S. export controls, including the Export Administration Regulations and economic sanctions administered by the Office of Foreign Assets Control. We also incorporate encryption technology into certain of our solutions. These encryption solutions and underlying technology may be exported outside of the United States only with the required export authorizations or exceptions, including by license, a license exception, appropriate classification notification requirement and encryption authorization.

Furthermore, our activities are subject to U.S. economic sanctions laws and regulations that prohibit the shipment of certain products and services without the required export authorizations, including to countries, governments and persons targeted by U.S. embargoes or sanctions. Additionally, the current U.S. administration has been critical of existing trade agreements and may impose more stringent export and import controls. Obtaining the necessary export license or other authorization for a particular sale may be time consuming and may result in delay or loss of sales opportunities even if the export license ultimately is granted. While we take precautions to prevent our solutions from being exported in violation of these laws, including using authorizations or exceptions for our encryption products and implementing IP address blocking and screenings against U.S. government and international lists of restricted and prohibited persons and countries, we have not been able to guarantee, and cannot guarantee that the precautions we take will prevent all violations of export control and sanctions laws, including if purchasers of our products bring our products and services into sanctioned countries without our knowledge. Violations of U.S. sanctions or export control laws can result in significant fines or penalties and incarceration could be imposed on employees and managers for criminal violations of these laws.

Also, various countries, in addition to the United States, regulate the import and export of certain encryption and other technology, including import and export licensing requirements, and have enacted laws that could limit our ability to distribute our products and services or our end-users' ability to utilize our solutions in their countries. Changes in our products and services or changes in import and export regulations may create delays in the introduction of our products in international markets.

Adverse action by any government agencies related to indirect tax laws could materially adversely affect our business, operating results and financial condition.

We are exposed to credit risk and fluctuations in the market values of our investment portfolio.

Although we have not recognized any material losses on our cash equivalents and short-term investments, future declines in their market values could have a material adverse effect on our financial condition and operating results. Given the global nature of our business, we have investments with both domestic and international financial institutions. Accordingly, we face exposure to fluctuations in interest rates, which may limit our investment income. If these financial institutions default on their obligations or their credit ratings are negatively impacted by liquidity issues, credit deterioration or losses, financial results, or other factors, the value of our cash equivalents and short-term investments could decline and result in a material impairment, which could have a material adverse effect on our financial condition and operating results.

Governmental regulations of imports or exports affecting Internet security could affect our net revenue.

Any additional governmental regulation of imports or exports or failure to obtain required export approval of our encryption technologies could adversely affect our international and domestic sales. The United States and various foreign governments have imposed controls, export license requirements, and restrictions on the import or export of some technologies, particularly encryption technology. In addition, from time to time, governmental agencies have proposed additional regulation of encryption technology, such as requiring the escrow and governmental recovery of private encryption keys. In response to terrorist activity, governments could enact additional regulation or restriction on the use, import, or export of encryption technology. This additional regulation of encryption technology could delay or prevent the acceptance and use of encryption products and public networks for secure communications, resulting in decreased demand for our products and services. In addition, some foreign competitors are subject to less stringent controls on exporting their encryption technologies. As a result, they may be able to compete more effectively than we can in the United States and the international Internet security market.

If our goodwill becomes impaired, as occurred in 2022, we may be required to record a significant charge to earnings.

Goodwill is required to be tested for impairment at least annually. Factors that may be considered when determining if the carrying value of our goodwill may not be recoverable include a significant decline in our expected future cash flows or a sustained, significant decline in our stock price and market capitalization.

As a result of our acquisitions, we have significant goodwill recorded on our balance sheets. In addition, significant negative industry or economic trends, such as those that have occurred as a result of the recent economic downturn, including reduced estimates of future cash flows or disruptions to our business could indicate that goodwill might be impaired. If, in any period our stock price decreases to the point where our market capitalization is less than our book value, this too could indicate a potential impairment and we may be required to record an impairment charge in that period. Our valuation methodology for assessing impairment requires management to make judgments and assumptions based on projections of future operating performance. The estimates used to calculate the fair value of a reporting unit change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and goodwill impairment for each reporting unit. For example, in 2022, the market price of our common stock and market capitalization declined and the U.S. WiFi market contracted, which had a significant negative impact on our Connected Home business. As a result, we recognized a goodwill impairment charge in the first quarter of 2022. We have not recognized any impairment charge on our NETGEAR for Business reporting unit. However, we operate in highly competitive environments and projections of future operating results and cash flows may vary significantly from actual results. As a result, we may incur substantial impairment charges to earnings in our financial statements should an impairment of our goodwill be determined on our NETGEAR for Business reporting unit, resulting in an adverse impact on our results of operations.

General Risk Factors

If we lose the services of our key personnel, we may not be able to execute our business strategy effectively.

Changes in our management team may disrupt our business, strategic and employee relationships, which may delay or prevent the achievement of our business objectives. During the transition periods, there may be uncertainty among investors, employees and others concerning our future direction and performance. For example, we appointed a new Chief Executive Officer effective January 31, 2024 and have made other leadership changes and hires. The failure to successfully transition could adversely affect our results of operations. We do not maintain any key person life insurance policies. Our business model requires extremely skilled and experienced senior management who are able to withstand the rigorous requirements and expectations of our business. Our success depends on senior management being able to execute at a very high level. The loss of our senior management or other key engineering, research, development, sales or marketing personnel, particularly if lost to competitors, could harm our ability to implement our business strategy and respond to the rapidly changing needs of our business. Our future success also depends on our ability to hire for key functions. The market for talent in the technology industry, especially in the areas of software and subscription services is competitive, and we may not have the resources to compete at the same level as larger companies who are able to offer more compelling compensation packages. Therefore, our ability to recruit new talent and retain existing talent may be adversely affected, and as a result our business as a whole may suffer. While we

believe that we have mitigated some of the business execution and business continuity risk with our organization into two business segments with separate leadership teams, the loss of any key personnel would still be disruptive and harm our business, especially given that our business is leanly staffed and relies on the expertise and high performance of our key personnel.

Global economic conditions could materially adversely affect our revenue and results of operations.

Our business has been and may continue to be affected by a number of factors that are beyond our control, such as general geopolitical, economic and business conditions, conditions in the financial markets, and changes in the overall demand for Pro AV, networking and smart home products. A severe and/or prolonged economic downturn could adversely affect our customers' financial condition and the levels of business activity of our customers. Weakness in, and uncertainty about, global economic conditions may cause businesses to postpone spending in response to tighter credit, negative financial news and/or declines in income or asset values, which could have a material negative effect on the demand for networking products. Adverse changes in economic conditions, including inflation, slower growth or recession, new or increased tariffs and other barriers to trade, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment and currency fluctuations could adversely impact the demand and sale of our products to end users and the quantity of products our customers decide to purchase from us (or change the mix of products demanded) and make it more challenging to forecast our operating results and make business decisions. For example, during the fourth quarter of 2022, our APAC sales were dampened by a sudden economic downturn in China due to sudden, widespread COVID-19 infections and illnesses.

The uncertainty in global and regional economic conditions have also affected the financial markets and financial institutions on which we rely and have resulted in a number of adverse effects including a low level of liquidity in many financial markets, banking sector disruptions, extreme volatility in credit, equity, currency and fixed income markets, instability in the stock market, high inflation and high unemployment. Macroeconomic weakness and uncertainty also make it more difficult for us to accurately forecast revenue, gross margin and expenses. If we are unable to successfully anticipate changing economic, geopolitical and financial conditions, we may be unable to effectively plan for and respond to those changes which could further disrupt our business or limit our ability to access certain assets and materially adversely affect our business and results of operations.

In addition, availability of our products from third-party manufacturers and our ability to distribute our products into the United States and non-U.S. jurisdictions may be impacted by factors such as an increase in duties, tariffs or other restrictions on trade; raw material shortages or price increases, work stoppages, strikes and political unrest; uncertain economic conditions; economic crises and international disputes or conflicts; changes in leadership and the political climate in countries from which we import products; and failure of the United States to maintain normal trade relations with China and other countries. Any of these occurrences could materially adversely affect our business, operating results and financial condition.

Furthermore, uncertainty about, or worsening of economic conditions could adversely affect consumer sentiment and demand for our products and services. Consumer confidence and spending could be adversely affected by financial market volatility, negative financial news, conditions in the real estate, mortgage and technology markets, declines in income or asset values, changes to fuel and other energy costs, labor reductions, labor and healthcare costs and other economic factors. This could also impact the quantity of products our customers decide to purchase from us and may have a longer-term impact on the inventory levels these customers choose to carry. Lower demands could also impact manufacturing capacity utilization and contribute to further increased component costs. These and other economic factors could materially and adversely affect our revenue and results of operations.

Political events, war, terrorism, public health issues, climate changes, natural disasters, sudden changes in trade and immigration policies, and other circumstances could materially adversely affect us.

Our corporate headquarters are located in Northern California and one of our warehouses is located in Southern California. Substantially all of our critical enterprise-wide information technology systems, including our main servers, are currently housed in colocation facilities in Arizona and different geographic regions in the United States. The majority of our manufacturing occurs in Southeast Asia and mainland China. Each of these regions are known for or susceptible to seismic activity and other natural disasters, such as drought, wildfires, storms, sea-level rise, and flooding. Furthermore, the global effects of climate change have resulted in increased frequency and severity of these

extreme weather events and could cause physical damage or disrupt operations. If our manufacturers or warehousing facilities are disrupted or destroyed, we would be unable to distribute our products on a timely basis, which could harm our business. This could also lead to increased costs and decreased revenues.

In addition, health epidemics, war, terrorism, geopolitical uncertainties, social and economic instability, public health issues, sudden changes in trade and immigration policies (such as the higher tariffs on certain products imported from China, U.S. sanctions against Russia as a result of the Russia-Ukraine dispute, the Israel-Hamas conflict, and Red Sea crisis), and other business interruptions have caused and could cause damage or disruption to international commerce and the global economy, and thus could have a strong negative effect on us, our suppliers, logistics providers, manufacturing vendors and customers. Our business operations are subject to interruption by natural disasters, fire, power shortages, geopolitical disputes or conflicts, terrorist attacks and other hostile acts, labor disputes, public health issues, and other events beyond our control. In addition, in the past, labor disputes at third-party manufacturing facilities have led to workers going on strike, and labor unrest could materially affect our third-party manufacturers' abilities to manufacture our products.

Such events could decrease demand for our products, make it difficult, more expensive or impossible for us to make and deliver products to our customers or to receive components from our direct or indirect suppliers, and create delays and inefficiencies in our supply chain. Wars or geopolitical conflicts, major public health issues, including pandemics such as COVID-19, could negatively affect us through more stringent employee travel restrictions, additional limitations in freight services or increase in freight costs, governmental actions limiting the movement of products between regions, delays in production ramps of new products, and disruptions in the operations of our manufacturing vendors and component suppliers.

Our stock price has experienced recent volatility and may be volatile in the future and your investment in our common stock could suffer a decline in value.

There has been significant volatility in the market price and trading volume of securities of companies in the technology industry and the stock market as a whole, which may be unrelated to the financial performance of these companies. These broad market fluctuations may negatively affect the market price of our common stock.

Some specific factors that may have a significant effect on our common stock market price include:

- actual or anticipated fluctuations in our operating results or our competitors' operating results;
- actual or anticipated changes in the growth rate of the general networking sector, our growth rates or our competitors' growth rates;
- conditions in the financial markets in general or changes in general economic, political and market conditions, including government efforts to mitigate economic downturns or control inflation;
- novel and unforeseen market forces and trading strategies, such as the massive short squeeze rally caused by retail investors on companies such as GameStop;
- actual or anticipated changes in governmental regulation, including taxation and tariff policies;
- interest rate or currency exchange rate fluctuations;
- our ability to forecast or report accurate financial results; and
- changes in stock market analyst recommendations regarding our common stock, other comparable companies or our industry generally.

We are required to evaluate our internal controls under Section 404 of the Sarbanes-Oxley Act of 2002 and any adverse results from such evaluation, including restatements of our issued financial statements, could impact investor confidence in the reliability of our internal controls over financial reporting.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we are required to furnish a report by our management on our internal control over financial reporting. Such report must contain among other matters, an assessment of the effectiveness of our internal control over financial reporting as of the end of our fiscal year, including a statement as

to whether or not our internal control over financial reporting is effective. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by management. From time to time, we conduct internal investigations as a result of whistleblower complaints. In some instances, the whistleblower complaint may implicate potential areas of weakness in our internal controls. Although all known material weaknesses have been remediated, we cannot be certain that the measures we have taken ensure that restatements will not occur in the future. Execution of restatements create a significant strain on our internal resources and could cause delays in our filing of quarterly or annual financial results, increase our costs and cause management distraction. Restatements may also significantly affect our stock price in an adverse manner.

Continued performance of the system and process documentation and evaluation needed to comply with Section 404 is both costly and challenging. During this process, if our management identifies one or more material weaknesses in our internal control over financial reporting, we will be unable to assert such internal control is effective. If we are unable to assert that our internal control over financial reporting is effective as of the end of a fiscal year or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which may have an adverse effect on our stock price.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk management and strategy

We implement and maintain various information security processes designed to identify, assess and manage material risks from cybersecurity threats to our critical computer networks, third party hosted services, communications systems, hardware and software, and our critical data, including intellectual property and confidential information that is proprietary, strategic or competitive in nature (“Information Systems and Data”).

Our cybersecurity functions include representatives from information technology, engineering, information security, legal, impacted business units or products and other departments as applicable (together, the “Cybersecurity Team”) helps identify, assess and manage the Company’s cybersecurity threats and risks. The Cybersecurity Team is responsible for identifying, assessing and managing cybersecurity risks by monitoring and evaluating our threat environment using various methods including, for example manual and automated tools such as vulnerability scans, penetration tests and a public bug bounty program; subscribing to reports and services that identify cybersecurity threats; conducting risk assessments and internal and external audits; using external intelligence feeds; and conducting tabletop incident response exercises.

Depending on the environment, we implement and maintain various technical, physical, and organizational measures, processes, standards and policies designed to manage and mitigate material risks from cybersecurity threats to our Information Systems and Data, including, for example: (1) having an information security incident response plan for incident detection and response; (2) maintaining a disaster recovery plan, business continuity program, vulnerability management process and vendor risk management process; (3) conducting periodic risk assessments and employee training on cybersecurity; (4) maintaining security controls intended to address certain recognized industry cyber frameworks; (5) encrypting and segregating data, having network security controls, access controls and physical security, monitoring systems, managing assets (tracking and disposal) and conducting penetration testing; and (6) maintaining cybersecurity insurance.

Our assessment and management of material risks from cybersecurity threats are integrated into the Company’s overall risk management processes. For example, (1) cybersecurity risk is addressed as a component of the Company’s enterprise risk management program; (2) our Cybersecurity Team works with our management team in an effort to prioritize our risk management processes and mitigate cybersecurity threats that are more likely to lead to a material impact to our business; (3) our Cybersecurity Team and management team evaluates material risks from cybersecurity threats against our overall business objectives and reports to the cybersecurity committee chairperson of the board of

directors who may then notify the cybersecurity committee and board of directors (as appropriate), to further evaluate our overall enterprise risk.

We use third-party service providers to assist us from time to time in an effort to identify, assess, and manage material risks from cybersecurity threats. For example, these service providers include professional services firms, threat intelligence service providers, managed cybersecurity service providers, penetration testing firms and forensic investigators. We also have a public bug bounty program.

We use third-party service providers to perform a variety of functions throughout our business, such as using application providers for core applications (including finance, HR, CRM, email services, collaboration tools etc.), hosting companies for our websites, contract manufacturing organizations, distributors and supply chain resources for software, hardware, manufacturing and distribution of our products. We have a vendor management process designed to manage cybersecurity risks associated with our use of these providers. This process includes risk assessments, security questionnaires, review of vendor security programs, review of available security assessments, reports, and audits. Depending on the nature of the services provided, the sensitivity of the Information Systems and Data at issue, and the type of provider, our vendor management process may involve different levels of assessment designed to help identify cybersecurity risks associated with a provider and impose contractual obligations related to cybersecurity on the provider.

For a description of the risks from cybersecurity threats that may materially affect the Company and how they may do so, see our risk factors under Part 1. Item 1A. Risk Factors in this Annual Report on Form 10-K, including *“Product security vulnerabilities, system security risks, data protection breaches, cyber-attacks, improper use of artificial intelligence (“AI”) tools, and other threats and risks, could disrupt or otherwise compromise our products, services, internal operations or information technology systems, or those of third parties with whom we work. Actual or perceived non-compliance with our privacy and security obligations could lead to regulatory investigations or actions, litigation, fines and penalties, business operation disruption, reputational harm, loss of revenue or profits, loss of customers or sales, and other adverse business consequences.”*.

Governance

Our board of directors addresses the Company’s cybersecurity risk management as part of its general oversight function. The board of directors’ cybersecurity committee is responsible for overseeing the Company’s cybersecurity risk management processes, including oversight and mitigation of risks from cybersecurity threats.

Our cybersecurity risk assessment and management processes are implemented and maintained by certain Company management, including our Chief Information Officer, our VP of Corporate Cybersecurity and our Chief Technology Officer of Software, each of whom have over 20 years of industry expertise, including past roles at other public companies and as consultants.

Our Chief Information Officer and Chief Technology Officer of Software are responsible for hiring appropriate personnel, helping to integrate cybersecurity risk considerations into the Company’s overall risk management strategy, and communicating key priorities to relevant personnel. Our Chief Information Officer and Chief Technology Officer of Software are responsible for approving budgets, helping prepare for cybersecurity incidents, approving cybersecurity processes, and reviewing security assessments and other security-related reports.

Our information security incident response plan is designed to escalate certain cybersecurity incidents to members of management depending on the circumstances, including the incident response leadership team. The incident response leadership team works with the Company’s incident response team to help the Company mitigate and remediate cybersecurity incidents of which they are notified. In addition, the Company’s information security incident response plan includes reporting to the cybersecurity committee chairperson of the board of directors for certain cybersecurity incidents and, if appropriate, the cybersecurity committee and the board of directors.

The cybersecurity committee receives periodic notices (written and verbal) from the Cybersecurity Team concerning the Company’s significant cybersecurity threats and risk and the processes the Company has implemented that are intended to address them. The cybersecurity committee also receives quarterly reports, summaries or presentations related to the Company’s cybersecurity program as it relates to both our corporate systems and products.

Item 2. *Properties*

Our principal administrative, sales, marketing, and research and development facilities currently occupy approximately 142,700 square feet in an office complex in San Jose, California, under a lease that expires in September 2025. In September 2024, we entered into a lease agreement to relocate our principal facilities to another office complex that occupies approximately 89,409 square feet in San Jose, California. This new lease will commence in 2025 and expires in September 2036.

Our international headquarters occupy approximately 7,000 square feet in an office complex in Cork, Ireland, under a lease that expires in December 2037. Our international sales personnel are based out of local sales offices or home offices in Australia, Canada, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Korea, Poland, Singapore, Sweden, Switzerland, New Zealand, Spain, the Netherlands, and the United Kingdom. We also have operations personnel using leased facilities in Singapore, and Taipei (Taiwan). We maintain research and development facilities in Richmond B.C. (Canada), Taipei (Taiwan), and Bangalore (India). From time to time, we consider various alternatives related to our long-term facilities' needs. While we believe our existing facilities provide suitable space for our operations and are adequate to meet our immediate needs, it may be necessary to lease additional space to accommodate future growth or to reduce office space to be in line with our needs to balance the office needs and hybrid work environment. We have invested in internal capacity and strategic relationships with outside manufacturing vendors as needed to meet anticipated demand for our products.

We use third parties to provide warehousing services to us in facilities located in both Northern and Southern California, Netherlands, Singapore and Australia.

Item 3. *Legal Proceedings*

The information set forth under the heading "Litigation and Other Legal Matters" in Note 8, *Commitments and Contingencies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K, is incorporated herein by reference. For additional discussion of certain risks associated with legal proceedings, see Item 1A, *Risk Factors*.

Item 4. *Mine Safety Disclosures*

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is publicly traded on the Nasdaq Global Select Market (“Nasdaq”) under the symbol “NTGR”.

Holders of Common Stock

On February 7, 2025, there were 68 stockholders of record, one of which was Cede & Co., a nominee for Depository Trust Company (“DTC”). All of the shares of our common stock held by brokerage firms, banks and other financial institutions as nominees for beneficial owners are deposited into participant accounts at DTC and are therefore considered to be held of record by Cede & Co. as one stockholder.

Dividend Policy

We have never declared or paid cash dividends on our capital stock. We do not anticipate paying cash dividends in the foreseeable future.

Repurchase of Equity Securities by the Company

Period	Total Number of Shares Purchased ⁽²⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (In millions)
September 30, 2024 - October 27, 2024	957	\$ 20.06	—	3.8
October 28, 2024 - November 24, 2024	223,691	\$ 23.93	222,155	3.6
November 25, 2024 - December 31, 2024	202,289	\$ 26.57	201,256	3.4
Total	426,937	\$ 25.18	423,411	

⁽¹⁾ From time to time, our Board of Directors has authorized programs under which we may repurchase shares of our common stock, depending on market conditions, in the open market or through privately negotiated transactions.

⁽²⁾ During the three months ended December 31, 2024, we repurchased and retired, as reported on trade date, approximately 4,000 shares of common stock at a cost of approximately \$79,000 to facilitate tax withholding for Restricted Stock Units.

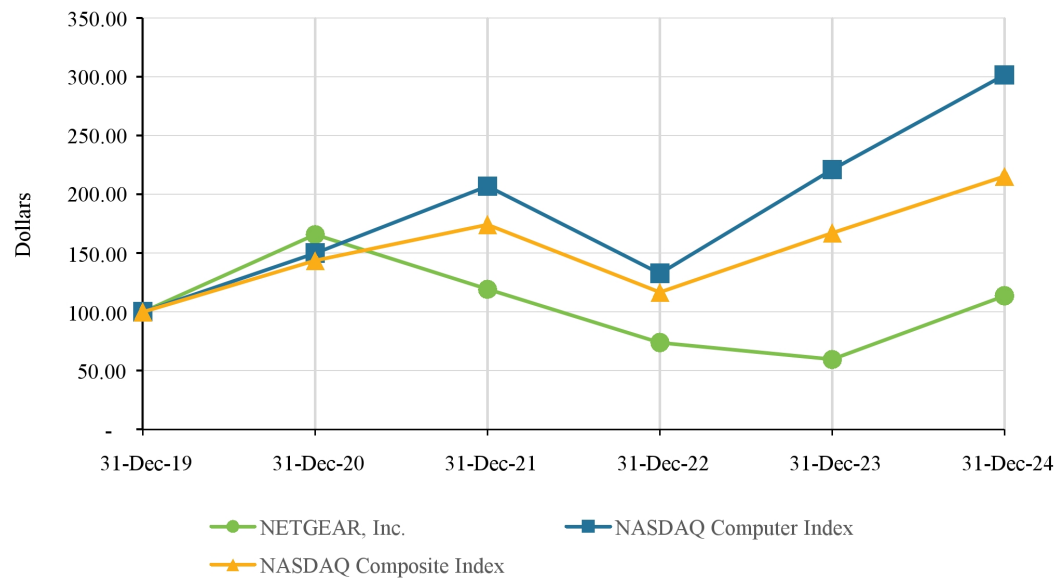
Recent Sales of Unregistered Securities

None.

Stock Performance Graph

Notwithstanding any statement to the contrary in any of our previous or future filings with the SEC, the following information relating to the price performance of our common stock shall not be deemed “filed” with the SEC or “soliciting material” under the Exchange Act and shall not be incorporated by reference into any such filings.

The following graph shows a comparison from December 31, 2019 through December 31, 2024 of cumulative total return for our common stock, the Nasdaq Composite Index and the Nasdaq Computer Index. Such returns are based on historical results and are not intended to suggest future performance. Data for the Nasdaq Composite Index and the Nasdaq Computer Index assume reinvestment of dividends. We have never paid dividends on our common stock and have no present plans to do so.



Item 6. *[Reserved]*

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations together with the audited consolidated financial statements and notes to the financial statements included elsewhere in this Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed under "Risk Factors" in Part I, Item 1A above.

This section generally discusses the results of our operations for the year ended December 31, 2024 ("fiscal 2024") compared to the year ended December 31, 2023 ("fiscal 2023"). For a discussion of the year ended December 31, 2023 compared to the year ended December 31, 2022, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Business and Executive Overview

We are a global leader in innovative and advanced networking technologies for businesses, homes, and service providers. We deliver a wide range of intelligent solutions designed to unleash the full potential of connectivity. Our goal is to power extraordinary experiences where people collaborate and connect to a world of information and innovation. Our highly differentiated connected solutions range from switching and wireless products to augment business networks and audio and video ("AV") over Ethernet for Pro AV applications to our good, better, and best WiFi solutions, security and support services to protect and enhance business and home networks. Additionally, we continually invest in research and development to create new technologies and services and to capitalize on technological inflection points and trends, such as audio and video over Ethernet, multi-Gigabit internet service to homes, WiFi 7, eSIM and future technologies. Our product line helps to create and extend wired and wireless networks as well as devices that attach to the network, such as services that complement and enhance our product line offerings. These products are available in multiple configurations to address the changing needs of our customers in each geographic region.

Through 2024, we operated and reported in two segments: NETGEAR for Business and Connected Home. We believe that this structure reflected our operational and financial management, and that it enabled us to focus on growth opportunities while maintaining financial discipline. The leadership team of each segment is focused on serving customer needs through product and service development efforts, both from a product marketing and engineering standpoint. The NETGEAR for Business segment offers reliable, easy-to-use, high-performance networking solutions, including switches, routers, access points, software, and AV over IP technologies, tailored to meet the diverse needs of organizations of all sizes. The Connected Home segment offers advanced connectivity, powerful performance, and enhanced security features right out of the box, designed to help keep families safe online, whether at home or on the go, including high-performance, dependable and easy-to-use premium WiFi networking solutions such as 4G/5G mobile products, WiFi 7 Tri-band and Quad-band mesh systems and routers, WiFi 6E, WiFi 6, and subscription services that provide consumers a range of value-added services focused on performance, security, privacy and premium support. We conduct business across three geographic regions: Americas; Europe, Middle East, and Africa ("EMEA"); and Asia Pacific ("APAC").

As we announced in February 2025, beginning with the first quarter of 2025, the Connected Home segment will be separated into two segments, consisting of Mobile and Home Networking, in order to further strengthen operational and financial management and enable further focus on growth opportunities while maintaining financial discipline. Following this separation, the Company will operate and report in three segments: NETGEAR for Business, Mobile and Home Networking. In mid-January 2025, we conducted a restructuring activity to reduce targeted costs that we are reinvesting into the business to capitalize on our highest priority opportunities to expand revenue and profitability.

Business Overview

The markets in which our segments operate are intensely competitive and subject to rapid technological evolution. We believe that the principal competitive factors in the business, consumer, and service provider markets for networking products include product breadth, price points, brand name, security and privacy, performance, features, functionality and reliability, product availability, timeliness of new product introductions, size and scope of the sales channel, ease-of-installation, maintenance and use, and customer service and support. To remain competitive,

we believe we must continue to aggressively invest resources in highly differentiated, “good, better, best”, high performance reliable and trusted connectivity solutions, complemented by valuable subscription services, expanding our sales channels including our direct-to-consumer capabilities and custom installers, increasing engagement with our customers and manufacturing partners, and maintaining customer satisfaction worldwide. Our investments reflect our enhanced focus on the security of our products and systems, as the threat of cyber-attacks and exploitation of potential security vulnerabilities in our industry is on the rise and is increasingly a significant consumer concern.

We sell our products through multiple sales channels worldwide, including traditional and online retailers, wholesale distributors, direct market resellers (“DMRs”), value-added resellers (“VARs”), broadband service providers, and through our direct online store at www.netgear.com. Our retail channel includes traditional and online retail locations both domestically and internationally, such as Amazon.com (worldwide), Best Buy, Wal-Mart, Staples, Office Depot, Target, Electra (Sweden), Fnac Darty (Europe), JB HiFi (Australia), Elkjop (Norway), and Boulanger (France). Our DMRs include CDW Corporation, Insight Corporation, and PC Connection in domestic markets. Our main wholesale distributors include Ingram Micro, TD Synnex, and D&H Distribution Company. In addition, we also sell our products through broadband service providers, such as multiple system operators, xDSL, mobile, and other broadband technology operators domestically and internationally. Some of these retailers and broadband service providers purchase directly from us, while others are fulfilled through wholesale distributors around the world. A substantial portion of our net revenue is derived from a limited number of wholesale distributors, service providers and retailers. While we expect these channels to continue to be a significant part of our sales strategy, increasingly, customers are choosing to purchase products and services directly from us. We expect revenue through our direct online store or in-app offerings to continue to increase as a percentage of overall revenue for the foreseeable future.

Financial Overview

During the year ended December 31, 2024, our net revenue decreased by \$67.1 million, compared to the prior year, mainly driven by decreases of \$60.9 million in our Connected Home segment, and \$6.2 million in our NETGEAR for Business segment. The decrease in Connected Home net revenue was mainly due to market contraction, leading to a year-over-year decline in the retail channel, and, to a lesser extent, a decline in net revenue in the service provider channel. The year-over-year decrease in NETGEAR for Business net revenue was mainly due to our work with our channel partners to optimize their inventory carrying levels in the first half of 2024. Despite the year-over-year decline in net revenue, we saw continued strong demand for the Pro AV product line of managed switches, which experienced double digit growth in end market sales, and growth in our services revenue. In addition, our premium portfolio of products in Connected Home segment continued to outperform the market. Our gross margin percentage decreased 450 basis points, compared to the prior year, primarily attributable to higher cost of inventory, higher freight costs, and higher excess and obsolete inventory expense as we accelerated the depletion of our slower moving inventory, partially offset by higher mix of NETGEAR for Business products, which generally carry higher gross margin. Income from operations increased by \$45.5 million in spite of lower revenue, compared to the prior year, primarily attributable to the payment received from the litigation settlement with TP-Link, leading to a contra-expense of \$92.7 million in the litigation reserves, and a reduction of \$10.9 million in general and administrative expenses to offset the related legal fees incurred to date.

Geographically, net revenue from NETGEAR for Business decreased in Americas and EMEA but increased in APAC, whereas net revenue from Connected Home decreased in all three regions, during the year ended December 31, 2024, compared to the prior year.

Global Events Affecting our Business and Operations

Macroeconomic and geopolitical trends created uncertainty in the global economic environment in recent years. These include conditions such as the new tariffs by the Trump administration, the potential for a recession, fluctuations in inflation, interest rate changes, and the related negative impact on the global economy, foreign exchange rate fluctuations, particularly changes of the U.S. dollar, and ongoing worldwide tensions, including the Russia-Ukraine conflict, Israel-Hamas conflict, and Red Sea crisis. The extent of impacts from these macroeconomic and geopolitical trends on our ongoing operational and financial performance, including our ability to execute our business strategies in the expected time frame, will depend on future developments. The broader implications of the macroeconomic uncertainty, and any related disruptions to channel partners and freight are unpredictable. Refer to Item 1A, Risk Factors of Part I of this Annual Report on Form 10-K for various risks and uncertainties associated with the macroeconomic trends and uncertainty.

In 2024, we completed efforts to work with our channel partners to optimize their inventory carrying levels for both the NETGEAR for Business and Connected Home businesses and started to see more predictable performance aligned to the market during the second half of the year. The ongoing uncertain macroeconomic environment, elevated interest rates and cost of inventory, and significant destocking of the channel impacted our net revenue and profitability. We believe these factors will improve in 2025 and, combined with our positioning to take advantage of the highest growth market opportunities we are facing, we should expect growth and demonstrably improved profitability in the coming year, when normalized for the TP Link settlement.

Looking forward, we expect to continue to see more predictable performance that is aligned with the market for both of our businesses as now both our destocking and inventory reduction actions are substantially completed. We expect to experience continued net revenue growth in our NETGEAR For Business segment, led by our ProAV line of managed switches, along with a product portfolio that reaches the market more broadly, including our more recently introduced WiFi 7 mesh and router products, and 5G and WiFi 7 mobile hotspots. However, for NETGEAR for Business segment, although end user demand for our ProAV line of managed switches remains strong, we are facing lengthy lead times for supply, which will result in us under shipping in the first fiscal quarter of 2025. For our Connected Home segment, we are seeing signs of market stability and expect to experience normal seasonality in the retail portion of this business. We aim to execute on our strategy of capitalizing on the technological inflection points of audio and video over Ethernet, WiFi 7, WiFi 6E, WiFi 6, and 5G, to develop products that serve a broader segment of the market with a good, better, best product strategy, and to simplify, develop and roll out service offerings that build recurring service revenue streams.

Critical Accounting Estimates

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). The preparation of these financial statements requires management to make assumptions, judgments and estimates that can have a significant impact on the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. Actual results could differ significantly from these estimates. These estimates may change as new events occur, as additional information is obtained and as our operating environment changes. On a regular basis, we evaluate our assumptions, judgments and estimates and make changes accordingly. We also discuss our critical accounting estimates with the Audit Committee of the Board of Directors. Note 1, *The Company and Summary of Significant Accounting Policies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K describes the significant accounting policies used in the preparation of the consolidated financial statements.

We have listed below our critical accounting estimates that we believe to have the greatest potential impact on our consolidated financial statements. Historically, our assumptions, judgments and estimates relative to our critical accounting estimates have not differed materially from actual results. We do not expect the estimates and assumptions are likely to change materially.

Revenue Recognition

We enter into contracts with customers to sell products and services, and while some sales agreements contain standard terms and conditions, there are agreements that contain non-standard terms and conditions and include promises to transfer multiple goods or services. As a result, significant interpretation and judgment is sometimes required to determine the appropriate accounting for these transactions including: (1) whether performance obligations are considered distinct and required to be accounted for separately or combined, including allocation of transaction price; (2) combining contracts that may impact the allocation of the transaction price between product and services; and (3) estimating and accounting for variable consideration, including rights of return, sales incentives, and price protection as a reduction of the transaction price.

Our standard obligation to our direct customers generally provides for a full refund if such products are not merchantable or are found to be damaged or defective. In determining estimates for future returns, we estimate variable consideration at the expected value based on management’s analysis of historical data, channel inventory levels, current economic trends and changes in customer demand. Sales incentives and price protection are determined based on a combination of the actual amounts committed and through estimating future expenditure based upon historical customary business practice, historical pricing information, current pricing trends, and channel inventory levels. We

continue to assess variable consideration estimates such that it is probable that a significant reversal of revenue will not occur.

Provisions for Excess and Obsolete Inventory

On a quarterly basis we assess the value of our inventory and write down its value for estimated excess and obsolete inventory based upon assumptions about the future demand by reviewing inventory quantities on hand and on order under non-cancelable purchase commitments in comparison to our estimated forecast of product demand to determine what inventory, if any, is not saleable at or above cost. Our analysis is based on the demand forecast which takes into account market conditions, product development plans, product life expectancy and other factors. Based on this analysis, we write down the affected inventory value for estimated excess and obsolescence charges. At the point of loss recognition, a new, lower cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis. As demonstrated during prior years, demand for our products can fluctuate significantly. If actual demand is lower than our forecasted demand and we fail to reduce our manufacturing accordingly, we could be required to write down the value of additional inventory, which would have a negative effect on our gross profit.

Goodwill

Goodwill is not amortized, but instead tested for impairment on an annual basis, or more frequently if certain events or indicators of potential impairment exist, and goodwill is written down when it is determined to be impaired.

We completed our annual impairment test of goodwill as of the first day of the fourth fiscal quarter of 2024, or September 30, 2024. We identified the reporting units for the purpose of goodwill impairment testing as NETGEAR for Business and Connected Home and performed a qualitative test. The results of the quantitative testing indicated that the fair value of the NETGEAR for Business reporting unit substantially exceeded its carrying amount, including goodwill, thus no goodwill impairment was recognized. An interim goodwill impairment test performed in the first fiscal quarter of 2022 resulted in an impairment charge of \$44.4 million in respect to our Connected Home reporting unit, which reduced the goodwill of this reporting unit to zero. No goodwill impairment was recognized for our NETGEAR for Business reporting unit in the years ended December 31, 2024, 2023 and 2022. Refer to Note 3, *Balance Sheet Components*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K for details.

For our NETGEAR for Business reporting unit, we do not believe it is likely that there will be a material change in the estimates or assumptions we use to test for impairment losses on goodwill. However, if the actual results are not consistent with our estimates or assumptions, we may be exposed to a future impairment charge that could be material.

Income Taxes

We account for income taxes under an asset and liability approach. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences resulting from different treatments for tax versus accounting of certain items, such as accruals and allowances not currently deductible for tax purposes. These differences result in deferred tax assets and liabilities, which are included within the consolidated balance sheets. We must then assess the likelihood that our deferred tax assets will be recovered from future taxable income and to the extent we believe that recovery is not more likely than not, we must establish a valuation allowance. Our assessment considers the recognition of deferred tax assets on a jurisdictional basis. Accordingly, in assessing our future taxable income on a jurisdictional basis, we consider the effect of its transfer pricing policies on that income. We have recorded a full valuation allowance against U.S. federal and state deferred tax assets since the recovery of the assets is considered uncertain. We believe that deferred tax assets recorded for foreign jurisdictions are recoverable; however, if there were a change in our ability to recover these assets, we would be required to take a charge in the period in which we determined that recovery was not more likely than not.

Uncertain tax provisions are recognized under guidance that provides that a company should use a more-likely-than-not recognition threshold based on the technical merits of the income tax position taken. Income tax positions that meet the more-likely-than-not recognition threshold should be measured in order to determine the tax benefit to

be recognized in the financial statements. We include interest expense and penalties related to uncertain tax positions as additional tax expense.

The Company made an accounting policy election related to accounting for the tax effects of Global Intangible Low-Taxed Income (“GILTI”) that was implemented as part of the Tax Cuts and Jobs Act of 2017 (the “Tax Act”), enacted on December 22, 2017. With regard to GILTI, the Company accounts for the tax effects as a period cost, if and when incurred.

Recent Accounting Pronouncements

For a complete description of recent accounting pronouncements, including the expected dates of adoption and estimated effects on financial condition and results of operations, refer to Note 1, *The Company and Summary of Significant Accounting Policies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K.

Results of Operations

The following table sets forth, for the periods presented, the consolidated statements of operations data, which is derived from the accompanying consolidated financial statements:

(In thousands, except percentage data)	Year Ended December 31,					
	2024		2023		2022	
Net revenue	\$ 673,759	100.0 %	\$ 740,840	100.0 %	\$ 932,472	100.0 %
Cost of revenue	477,832	70.9 %	491,588	66.4 %	681,923	73.1 %
Gross profit	195,927	29.1 %	249,252	33.6 %	250,549	26.9 %
Operating expenses:						
Research and development	81,082	12.0 %	83,295	11.2 %	88,443	9.5 %
Sales and marketing	123,694	18.4 %	127,778	17.4 %	139,675	15.0 %
General and administrative	63,468	9.4 %	66,243	8.9 %	56,316	6.0 %
Litigation reserves, net	(89,012)	(13.2)%	178	0.0 %	20	0.0 %
Restructuring and other charges	4,479	0.7 %	3,962	0.5 %	4,577	0.5 %
Goodwill impairment	—	— %	—	— %	44,442	4.8 %
Intangibles impairment	—	— %	1,071	0.1 %	—	— %
Total operating expenses	183,711	27.3 %	282,527	38.1 %	333,473	35.8 %
Income (loss) from operations	12,216	1.8 %	(33,275)	(4.5)%	(82,924)	(8.9)%
Other income, net	12,672	1.9 %	14,139	1.9 %	902	0.1 %
Income (loss) before income taxes	24,888	3.7 %	(19,136)	(2.6)%	(82,022)	(8.8)%
Provision for (benefit from) income taxes	12,525	1.9 %	85,631	11.5 %	(13,035)	(1.4)%
Net income (loss)	\$ 12,363	1.8 %	\$ (104,767)	(14.1)%	\$ (68,987)	(7.4)%

Net Revenue by Geographic Region

Our net revenue consists of gross product shipments and service revenue, less allowances for estimated sales returns, price protection, end-user customer rebates and other channel sales incentives deemed to be a reduction of revenue per the authoritative guidance for revenue recognition, and net changes in deferred revenue.

For reporting purposes, revenue is generally attributed to each geographic region based upon the location of the customer.

(In thousands, except percentage data)	Year Ended December 31,					
	2024	% Change	2023	% Change	2022	
Americas	\$ 456,040	(9.6)%	\$ 504,349	(18.3)%	\$ 617,211	
<i>Percentage of net revenue</i>	<i>67.7 %</i>		<i>68.1 %</i>		<i>66.2 %</i>	
EMEA	\$ 127,260	(14.5)%	\$ 148,922	(17.0)%	\$ 179,358	
<i>Percentage of net revenue</i>	<i>18.9 %</i>		<i>20.1 %</i>		<i>19.2 %</i>	
APAC	\$ 90,459	3.3 %	\$ 87,569	(35.6)%	\$ 135,903	
<i>Percentage of net revenue</i>	<i>13.4 %</i>		<i>11.8 %</i>		<i>14.6 %</i>	
Total net revenue	\$ 673,759	(9.1)%	\$ 740,840	(20.6)%	\$ 932,472	

2024 vs 2023

Americas

Net revenue in Americas decreased in fiscal 2024, primarily attributable to a decline in Connected Home segment's net revenue of 13.0%, compared to the prior year. The decline in Connected Home segment's net revenue was mainly due to market contraction, leading to a year-over-year decline in the retail channel. NETGEAR For Business segment's net revenue slightly decreased, compared to the prior year.

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EMEA

Net revenue in EMEA decreased in fiscal 2024, compared to the prior year, attributable to declines in NETGEAR for Business segment's net revenue of 13.7% and in Connected Home segment's net revenue of 16.5%. The net revenue decline in NETGEAR for Business was mainly driven by lower net revenue for our traditional transaction switches and our work with our channel partners to optimize their inventory carrying levels in the first half of 2024. The net revenue decline in Connected Home was mainly due to market contraction, leading to a year-over-year decline in both the retail and service provider channels.

APAC

Net revenue in APAC increased in fiscal 2024, compared to the prior year, mainly attributable to an increase in NETGEAR for Business segment's net revenue of 21.3%, primarily driven by the higher demand for the Pro AV product line of managed switches. The net revenue increase in APAC in fiscal 2024, compared to the prior year, was partially offset by a decrease in our Connected Home segment's net revenue of 15.8%, primarily driven by the lower demand for traditional broadband gateways.

For further discussions specific to our NETGEAR for Business and Connected Home, refer to the "Segment Information" section below.

Cost of Revenue and Gross Margin

Cost of revenue consists primarily of the following: the cost of finished products from our third-party manufacturers; overhead costs, including purchasing, product planning, inventory control, warehousing and distribution logistics; third-party software licensing fees; inbound freight; import duties/tariffs; warranty costs associated with returned goods; write-downs for excess and obsolete inventory; amortization of certain acquired intangibles and software development costs; and costs attributable to the provision of service offerings.

We outsource our manufacturing, warehousing and distribution logistics. We believe this outsourcing strategy allows us to better manage our product costs and gross margin. Our gross margin can be affected by a number of factors, including fluctuation in foreign exchange rates, sales returns, changes in average selling prices, end-user customer rebates and other channel sales incentives, changes in our cost of goods sold due to fluctuations and increases in prices paid for components, net of vendor rebates, royalty and licensing fees, warranty and overhead costs, inbound freight and duty/tariffs, conversion costs, charges for excess or obsolete inventory, amortization of acquired intangibles and capitalized software development costs. The following table presents costs of revenue and gross margin for the periods indicated:

(In thousands, except percentage data)	Year Ended December 31,				2022
	2024	% Change	2023	% Change	
Cost of revenue	\$ 477,832	(2.8)%	\$ 491,588	(27.9)%	\$ 681,923
Gross margin percentage	29.1%		33.6%		26.9%

2024 vs 2023

Gross margin percentage decreased for fiscal 2024, compared to the prior year, primarily attributable to higher cost of inventory and freight costs, and higher excess and obsolete inventory expense as we accelerated the depletion of our slower moving inventory, partially offset by higher mix of NETGEAR for Business products, which generally carry higher gross margin.

We expect our gross margin in the first fiscal quarter of 2025 to be higher than the same quarter of 2024 level. Forecasting gross margin percentages is difficult, and there are a number of risks related to our ability to maintain or improve our current gross margin levels. Our cost of revenue as a percentage of net revenue can vary significantly based upon factors such as: uncertainties surrounding revenue levels, broad-based inflationary pressures and the uncertain macroeconomic environment, future pricing and/or potential discounts as a result of the economy or in response to the strengthening of the U.S. dollar in our international markets, competition, the timing of sales, and related production level variances; import customs duties and imposed tariffs; changes in technology; changes in

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product mix; expenses associated with writing off excessive or obsolete inventory; variability of stock-based compensation costs; royalties to third parties; fluctuations in freight costs; manufacturing and purchase price variances; changes in prices on commodity components; and warranty costs. We expect that revenue derived from paid subscription service plans will continue to increase in the future, which may have a positive impact on our gross margin. However, we will continue to experience fluctuations in our gross margin due to the factors discussed above.

Operating Expenses

Research and Development

Research and development expenses consist primarily of personnel expenses, payments to suppliers for design services, safety and regulatory testing, product certification expenditures to qualify our products for sale into specific markets, prototypes, IT and facility allocations, and other consulting fees. Research and development expenses are recognized as they are incurred. Our research and development organization is focused on enhancing our ability to introduce innovative and easy-to-use products and services. The following table presents research and development expenses, for the periods indicated:

(In thousands, except percentage data)	Year Ended December 31,				
	2024	% Change	2023	% Change	2022
Research and development	\$ 81,082	(2.7)%	\$ 83,295	(5.8)%	\$ 88,443

2024 vs 2023

The decline in research and development expenses in fiscal 2024, compared to the prior year, was primarily driven by a decrease in IT and facility allocation of \$1.4 million, and a decrease in engineering projects and outside professional service fees of \$1.0 million.

We believe that innovation and technological leadership is critical to our future success, and we are committed to continuing a significant level of research and development to develop new technologies, products and services. We expect research and development expenses as a percentage of net revenue in the first fiscal quarter of 2025 to be in line with or slightly higher than the same quarter of 2024 level. We continue to invest in research and development to grow audio and video over Ethernet, web-managed, AV over IP managed switches, NETGEAR for Business wireless products, our cloud platform capabilities, our recurring services and mobile applications, and to broaden our WiFi 7 offerings for consumers to align to our good-better-best strategy and broaden our 5G mobile products. Our NETGEAR for Business segment will receive most of our incremental investments for 2025 and we will be focused on in-sourcing our software capabilities, expanding our product portfolio that will allow us to grow our share in the sizable AV and enterprise WiFi markets. The research and development expense resulting from the incremental investment is partially offset by efficiencies in the research and development expense on the consumer side as affected by our restructuring in January 2025. Research and development expenses may fluctuate depending on the timing and number of development activities and could vary significantly as a percentage of net revenue, depending on actual revenues achieved in any given quarter.

Sales and Marketing

Sales and marketing expenses consist primarily of advertising, trade shows, corporate communications and other marketing expenses, product marketing expenses, outbound freight costs, amortization of certain intangibles, personnel expenses for sales and marketing staff, technical support expenses, and IT and facility allocations. The following table presents sales and marketing expenses, for the periods indicated:

(In thousands, except percentage data)	Year Ended December 31,				
	2024	% Change	2023	% Change	2022
Sales and marketing	\$ 123,694	(3.2)%	\$ 127,778	(8.5)%	\$ 139,675

2024 vs 2023

The decline in sales and marketing expenses for fiscal 2024, compared to the prior year, was primarily attributable to a decrease in brand marketing expenditures of \$5.7 million, partially offset by an increase in personnel-related expenditures of \$1.2 million, mainly due to higher variable compensation.

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We expect sales and marketing expenses as a percentage of net revenue in the first fiscal quarter of 2025 to be in line with the same quarter of 2024 level. Most of our incremental investments in sales and marketing in 2025 will be related to go-to-market capabilities of our product offerings in the NETGEAR for Business segment, partially offset by efficiencies in marketing on the consumer side. Expenses may fluctuate depending on revenue levels achieved as certain expenses, such as commissions, are determined based upon the revenues achieved. Forecasting sales and marketing expenses is highly dependent on expected revenue levels and could vary significantly depending on actual revenue achieved in any given quarter. Marketing expenses may also fluctuate depending upon the timing, extent and nature of marketing programs. Marketing expenditure committed with a customer is generally recorded as a reduction of revenue per authoritative guidance.

General and Administrative

General and administrative expenses consist of salaries and related expenses for executives, finance and accounting, human resources, information technology, professional fees, including legal costs associated with defending claims against us, allowance for doubtful accounts, IT and facility allocations, and other general corporate expenses. The following table presents general and administrative expenses, for the periods indicated:

(In thousands, except percentage data)	Year Ended December 31,			
	2024	% Change	2023	% Change
General and administrative	\$ 63,468	(4.2)%	\$ 66,243	17.6 %
				2022
				\$ 56,316

2024 vs 2023

The decrease in general and administrative expenses for fiscal 2024, compared to the prior year, was primarily due to a decrease in legal and professional services fees of \$13.9 million, mainly attributable to a \$10.9 million reduction in expenses to offset the legal fees incurred to date associated with the litigation settlement payment from TP-Link. The decrease in general and administrative expenses was partially offset by an increase in personnel-related expenditures of \$10.2 million, primarily due to higher compensations, which also included stock-based compensation, associated with executives' transition, and higher variable compensation.

We expect general and administration expenses as a percentage of net revenue in the first fiscal quarter of 2025 to be below the same quarter of 2024 level. General and administrative expenses could fluctuate depending on a number of factors, including the level and timing of expenditures associated with litigation defense costs in connection with the litigation matters described in Note 8, *Commitments and Contingencies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K. Future general and administrative expense increases or decreases in absolute dollars are difficult to predict due to the lack of visibility of certain costs, including legal costs associated with defending claims against us, as well as legal costs associated with asserting and enforcing our intellectual property portfolio and other factors.

Litigation Reserves, Net

The following table presents litigation reserves, net for the periods indicated:

(In thousands, except percentage data)	Year Ended December 31,			
	2024	% Change	2023	% Change
Litigation reserves, net	\$ (89,012)	**	\$ 178	**
				2022
				\$ 20

** Percentage change not meaningful.

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2024 vs 2023

The decrease in litigation reserves, net for fiscal 2024, compared to the prior year, was mainly attributable to a contra-expense of \$92.7 million associated with the litigation settlement payment from TP-Link, partially offset by a \$3.6 million litigation reserve associated with a liability from a settlement.

Restructuring and Other Charges

The following table presents restructuring and other charge for the periods indicated:

	Year Ended December 31,			
(In thousands, except percentage data)	2024	% Change	2023	% Change
Restructuring and other charges	\$ 4,479	13.0 %	\$ 3,962	(13.4) %

2024 vs 2023

The restructuring and other charges were slightly higher in fiscal 2024, compared to the prior year. The charges were primarily associated with the reorganization of our business in each year to better align the cost structure of the business with the areas to deliver long-term growth and expanding profitability. For a detailed discussion of restructuring and other charges, refer to Note 13. *Restructuring and Other Charges*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K.

Other Income, Net

Other income, net consists of interest income, which represents amounts earned and incurred on our cash, cash equivalents and short-term investments, and other income and expenses, which primarily represents gains and losses on transactions denominated in foreign currencies, gains and losses on investments, and other non-operating income and expenses, including gain on litigation settlements. The following table presents other income, net for the periods indicated:

	Year Ended December 31,				
(In thousands, except percentage data)	2024	% Change	2023	% Change	2022
Other income, net	\$ 12,672	(10.4)%	\$ 14,139	**	\$ 902

** Percentage change not meaningful.

2024 vs 2023

The decrease in other income, net for fiscal 2024 was primarily due to \$6.0 million cash received relating to a favorable litigation settlement for false product marketing in the prior year but not in the current year, partially offset by higher interest income resulting from higher interest rates and higher cash and short-term investment balances. For details on the changes in Other income, net, refer to Note 6, *Other Income, Net*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K.

Provision for (Benefit from) Income Taxes

(In thousands, except percentage data)	Year Ended December 31,				
	2024	% Change	2023	% Change	2022
Provision for (benefit from) income taxes	\$ 12,525	(85.4)%	\$ 85,631	**	\$ (13,035)
Effective tax rate	50.3 %		(447.5)%		15.9 %

** Percentage change not meaningful.

2024 vs 2023

The tax expense in 2024 resulted primarily from the increase in profits, plus the change in valuation allowance, partially offset by the benefit from certain changes in estimate upon filing the 2023 U.S. federal tax return and the

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recognition of uncertain tax benefits. The tax expense in 2023 resulted primarily from the full valuation allowance recorded against the U.S. federal and state deferred tax assets.

During fiscal 2024, we evaluated the impact of the Global Intangible Low-Tax Income (“GILTI”), Foreign Derived Intangible Income (“FDII”) and Base Erosion and Anti-abuse Tax (“BEAT”) provisions. These provisions resulted in a net reduction of tax of \$0.5 million.

We are subject to income taxes in the U.S. and numerous foreign jurisdictions. Our future foreign tax rate could be affected by changes in the composition in earnings in countries with tax rates differing from the U.S. federal rate. We are currently under examination in various U.S. and foreign jurisdictions.

Segment Information

In the first fiscal quarter of 2024, resulting from certain segment structure changes, we revised our allocation method by allocating certain historically unallocated operating expenses to our individual operating segments. The segment financial information from the prior years has been recast to conform to the current year presentation. Additional information on the change, a description of our products and services, as well as segment financial data, for each segment and a reconciliation of segment contribution income (loss) to income (loss) before income taxes can be found in Note 11, *Segment Information*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K.

NETGEAR for Business Segment

(In thousands, except percentage data)	Year Ended December 31,					
	2024	% Change	2023	% Change	2022	
Net revenue	\$ 287,812	(2.1)%	\$ 293,975	(21.3)%	\$ 373,649	
Percentage of net revenue	42.7%		39.7%		40.1%	
Contribution income	\$ 44,005	(22.5)%	\$ 56,765	(22.8)%	\$ 73,542	
Contribution margin	15.3%		19.3%		19.7%	

2024 vs 2023

NETGEAR for Business net revenue decreased in fiscal 2024, compared to the prior year, primarily due to our work with our channel partners to optimize their inventory carrying levels in the first half of 2024. In the second half of fiscal 2024, we started to see more predictable performance aligned to the market, led by continuous strong demand for the Pro AV product line of managed switches, which experienced double digit growth in end market sales. Geographically, NETGEAR for Business net revenue increased in APAC but decreased in EMEA and Americas, compared to the prior year.

NETGEAR for Business contribution income decreased in fiscal 2024, compared to the prior year, primarily due to lower net revenue, and lower gross margin achievement mainly attributable to higher cost of inventory, higher excess and obsolete inventory expense as we accelerated the depletion of our slower moving inventory, and higher freight costs.

Connected Home Segment

(In thousands, except percentage data)	Year Ended December 31,				
	2024	% Change	2023	% Change	2022
Net revenue	\$ 385,947	(13.6)%	\$ 446,865	(20.0)%	\$ 558,823
Percentage of net revenue	57.3 %		60.3 %		59.9 %
Contribution (loss) income	\$ (26,011)	**	\$ 9,545	**	\$ (17,531)
Contribution margin	(6.7)%		2.1 %		(3.1)%

** Percentage change not meaningful.

2024 vs 2023

Connected Home net revenue decreased in fiscal 2024, compared to the prior year, primarily due to market contraction, leading to a year-over-year decline in the retail channel, and, to a lesser extent, a decline in net revenue in service provider channel. Despite the decline in the overall consumer networking market in fiscal year 2024, our premium portfolio of products continued to outperform the market, and we saw growth in our service revenue. Geographically, Connected Home net revenue decreased across all three regions, compared to the prior year.

Connected Home contribution income decreased in fiscal 2024, compared to the prior year, primarily due to lower net revenue, and lower gross margin achievements due to higher cost of inventory, and higher freight costs, partially offset by lower warranty expense as a percentage of net revenue, which also represented a lower warranty in absolute dollar amount.

Liquidity and Capital Resources

Our principal sources of liquidity are cash, cash equivalents, short-term investments and cash generated from operations. As of December 31, 2024, we had cash, cash equivalents and short-term investment of \$408.7 million, an increase of \$125.0 million from December 31, 2023.

As of December 31, 2024, approximately 23% of our cash and cash equivalents and short-term investments were outside of the U.S. The cash and cash equivalents and short-term investments balances outside of the U.S. are subject to fluctuation based on the settlement of intercompany balances. As we repatriate these funds in accordance with our designation of funds not permanently reinvested outside of the U.S., we will be required to pay income taxes in certain U.S. states and applicable foreign withholding taxes during the period when such repatriation occurs. We have recorded deferred taxes for the tax effect of repatriating the funds to the U.S.

Cash Flows

The following table presents our cash flows for the periods presented:

(In thousands)	Year Ended December 31,		
	2024	2023	2022
Cash provided by (used in) operating activities	\$ 164,797	\$ 56,853	\$ (13,732)
Cash used in investing activities	(26,157)	(27,433)	(79,517)
Cash provided by (used in) financing activities	(28,913)	797	(24,023)
Net cash increase (decrease)	\$ 109,727	\$ 30,217	\$ (117,272)

2024 vs 2023

Operating activities

Net cash provided by operating activities increased by \$107.9 million in fiscal 2024, compared to the prior year, primarily due to a net proceed before tax of \$103.6 million resulting from the litigation settlement payment from TP-Link and favorable working capital movements. Our accounts payable (excluding payables related to property and equipment) increased from \$46.4 million as of December 31, 2023, to \$57.4 million as of December 31, 2024, primarily due to the timing of inventory receipts and supplier payments. Accounts receivable decreased from \$185.1 million as of December 31, 2023, to \$156.2 million as of December 31, 2024, primarily due to the timing of cash

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collections and lower revenue. Inventory decreased from \$248.9 million as of December 31, 2023 to \$162.5 million as of December 31, 2024, as we made further progress in optimizing our inventory levels.

Investing activities

Net cash used in investing activities decreased by \$1.3 million in fiscal 2024, compared to the prior year, mainly driven by lower net purchases of short-term investments, partially offset by higher purchases of property and equipment.

Financing activities

Net cash used in financing activities was \$28.9 million in fiscal 2024, compared to net cash provided of \$0.8 million in the prior year, primarily due to repurchases of our common stock in the current year, partially offset by proceeds from exercise of stock options.

Based on our current plans and market conditions, we believe that our existing cash, cash equivalents and short-term investments, together with cash generated from operations, will be sufficient to satisfy our anticipated cash requirements, including contractual and other obligations, capital expenditures, and commitments for business operations, for the next twelve months and the foreseeable future. However, we may require or desire additional funds to support our operating expenses and capital requirements or for other purposes, such as acquisitions, and may seek to raise such additional funds through public or private equity financing or from other sources. We cannot assure you that additional financing will be available at all or that, if available, such financing would be obtainable on terms favorable to us and would not be dilutive. Our future liquidity and cash requirements will depend on numerous factors, including the introduction of new products and potential acquisitions of related businesses or technology.

Stock Repurchases

From time to time, our Board of Directors has authorized programs under which we may repurchase shares of our common stock. Under the authorizations, the timing and actual number of shares subject to repurchase are at the discretion of management and are contingent on a number of factors, such as levels of cash generation from operations, cash requirements for acquisitions and the price of our common stock. On July 16, 2024, the Board of Directors authorized management to repurchase up to 3.0 million shares of the Company's outstanding common stock, incremental to the remaining shares under the Company's previous repurchase program. As of December 31, 2024, approximately 3.4 million shares remained authorized for repurchase under the repurchase program. During the year ended December 31, 2024, we repurchased and retired, reported based on trade date, approximately 2.1 million shares of common stock, at a cost of approximately \$33.6 million under the repurchase authorization. As of December 31, 2024, common stock repurchases at a cost of approximately \$0.5 million were pending settlement. We did not repurchase any shares of common stock during the year ended December 31, 2023. Under the Inflation Reduction Act signed into law in 2022, the exercise tax on stock repurchases was approximately \$0.2 million for the year ended December 31, 2024.

During the years ended December 31, 2024 and 2023, we repurchased and retired, reported based on trade date, approximately 226,000 and 198,000 shares of common stock at a cost of \$3.4 million and \$2.8 million, respectively, to administratively facilitate the withholding and subsequent remittance of personal income and payroll taxes for individuals receiving Restricted Stock Units.

For a detailed discussion of our common stock repurchases, refer to Note 9, *Stockholders' Equity*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K. We remain confident in our ability to generate meaningful levels of cash, and plan to continue to opportunistically repurchase shares in the future.

Contractual and Other Obligations

The following table summarizes our non-cancelable short-term and long-term contractual and other obligations as of December 31, 2024:

(In thousands)	Short-term	Long-term	Total
Purchase obligations ^{(1) (6)}	\$ 57,430	\$ —	\$ 57,430
Operating leases ⁽²⁾	13,149	65,401	78,550
Other non-trade purchase commitments ^{(3) (6)}	1,914	9,368	11,282
Tax Act payables ^{(4) (5)}	3,756	—	3,756
	<u>\$ 76,249</u>	<u>\$ 74,769</u>	<u>\$ 151,018</u>

(1) Represent non-cancellable inventory-related purchase agreements with suppliers. A further \$213.7 million of purchase orders beyond contractual termination periods remained outstanding. Consequently, we may incur expenses for materials and components, such as chipsets purchased by the supplier to fulfill the purchase order if the purchase order is cancelled. Expenses incurred in respect of cancelled purchase orders have historically not been significant relative to the original order value. For a detailed discussion on our purchase obligations, refer to Note 8, *Commitments and Contingencies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K.

Our commitments for property and equipment purchases as of December 31, 2024 were not material.

(2) Represent undiscounted non-cancellable remaining lease payments. These balances (excluding the amounts for the office lease described below) are included on our consolidated balance sheets. These lease payments are consistent with contractual terms and are not expected to differ significantly, unless a substantial change in our headcount needs requires us to exit an office facility early or expand our occupied space. For a detailed discussion on our operating leases, refer to Note 14, *Leases*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K.

As of December 31, 2024, we entered into an office lease that has not yet commenced with short-term and long-term future lease payments of \$0.8 million and \$42.1 million, respectively, that are not yet recorded on our Consolidated Balance Sheets. This lease will commence in 2025 with a non-cancelable lease term of 11 years.

(3) Represent non-cancellable purchase commitments pertaining to non-trade activities.

(4) Represent estimated liability related to a one-time transaction tax that resulted from the passage of the Tax Act.

(5) Included on our consolidated balance sheets.

(6) For a detailed discussion, refer to Note 8, *Commitments and Contingencies*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K.

In addition, as of December 31, 2024, we had \$7.3 million of total gross unrecognized tax benefits and related interest and penalties. The timing of any payments that could result from these unrecognized tax benefits will depend upon a number of factors. The unrecognized tax benefits have been excluded from the contractual obligations table because reasonable estimates cannot be made of whether, or when, any cash payments for such items might occur. The possible reduction in liabilities for uncertain tax positions in multiple jurisdictions that may impact the statements of operations in the next 12 months was approximately \$1.3 million, excluding the interest, penalties and the effect of any related deferred tax assets or liabilities.

Our contractual and other obligations are expected to be funded by our existing cash, cash equivalents and short-term investments, together with cash generated from operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We do not use derivative financial instruments in our investment portfolio. We have an investment portfolio of fixed income securities that are classified as available-for-sale securities, which was immaterial as of December 31, 2024 and 2023. These securities, like all fixed income instruments, are subject to interest rate risk and will fall in value if market interest rates increase. We attempt to limit this exposure by investing primarily in highly rated short-term securities. Our investment policy requires investments to be rated triple-A with the objective of minimizing the potential risk of principal loss. Due to the short duration and conservative nature of our investment portfolio, a hypothetical movement of 10% in interest rates would not have a material impact on our operating results and the total value of the portfolio over the next fiscal year. We monitor our interest rate and credit risks, including our credit exposure to specific rating categories and to individual issuers. There were no impairment charges on such investments during fiscal years 2024, 2023 and 2022.

Foreign Currency Exchange Rate Risk

We invoice our international customers primarily in foreign currencies including, but not limited to, the Australian dollar, British pound, Euro, Canadian dollar, and Japanese Yen. As the customers that are currently invoiced in local currency become a larger percentage of our business, or to the extent we begin to bill additional customers in foreign currencies, the impact of fluctuations in foreign currency exchange rates could have a more significant impact on our results of operations. For those customers in our international markets that we continue to sell to in U.S. dollars, an increase in the value of the U.S. dollar relative to foreign currencies could make our products more expensive and therefore reduce the demand for our products. Such a decline in the demand for our products could reduce sales and negatively impact our operating results. Certain operating expenses of our foreign operations require payment in the local currencies.

We are exposed to risks associated with foreign exchange rate fluctuations due to our international sales and operating activities. These exposures may change over time as business practices evolve and could negatively impact our operating results and financial condition. Additionally, we enter into certain foreign currency forward contracts that have been designated as cash flow hedges under the authoritative guidance for derivatives and hedging to partially offset our business exposure to foreign currency exchange rate risk on portions of our anticipated foreign currency net revenue, cost of revenue, and certain operating expenses. The objective of these foreign currency forward contracts is to reduce the impact of currency exchange rate movements on our operating results by offsetting gains and losses on the forward contracts with increases or decreases in foreign currency transactions. The contracts are marked-to-market on a monthly basis with gains and losses included in other income, net in the consolidated statements of operations or in accumulated other comprehensive income (loss) on the consolidated balance sheets which are further reclassified from other comprehensive income (loss) to revenue, cost of revenue, or operating expenses when the underlying hedged items are recognized. We also use foreign currency forward contracts to partially offset our business exposure to foreign currency exchange rate risk associated with our foreign currency denominated assets and liabilities. These non-designated hedges are carried at fair value with adjustments to fair value recorded to other income, net in our consolidated statements of operations.

We do not use foreign currency contracts for speculative or trading purposes. Hedging of our balance sheet and anticipated cash flow exposures may not always be effective to protect us against currency exchange rate fluctuations. In addition, we do not fully hedge our balance sheets and anticipated cash flow exposures, leaving us at risk to foreign exchange gains and losses on the un-hedged exposures. If there were an adverse movement in exchange rates, we might suffer significant losses. For additional disclosure on our foreign currency contracts, refer to Note 4, *Derivative Financial Instruments*, in Notes to Consolidated Financial Statements in Item 8 of Part II of this Annual Report on Form 10-K.

As of December 31, 2024 and 2023, we had net assets in various local currencies. A hypothetical 10% movement in foreign exchange rates would result in a before-tax positive or negative impact of approximately \$0.7 million, \$0.7 million and \$1.0 million net income (loss), net of our hedged position as of December 31, 2024, 2023 and 2022, respectively. Actual future gains and losses associated with our foreign currency exposures and positions may differ materially from the sensitivity analyses performed as of December 31, 2024 and 2023 due to the inherent limitations associated with predicting the foreign currency exchange rates, and our actual exposures and positions. For the years ended December 31, 2024, 2023, and 2022, 24% of total net revenue was denominated in a currency other than the U.S. dollar.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of NETGEAR, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of NETGEAR, Inc. and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of operations, of comprehensive income (loss), of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

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with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Provision for Excess and Obsolete Inventory

As described in Notes 1 and 3 to the consolidated financial statements, on a quarterly basis, management assesses the value of inventory and writes down its value for estimated excess and obsolete inventory based upon assumptions about the future demand by reviewing inventory quantities on hand and on order under non-cancellable purchase commitments in comparison to the estimated forecast of product demand to determine what inventory, if any, is not saleable at or above cost. Management's excess and obsolete inventory analysis is primarily based on a demand forecast which takes into account market conditions, product development plans, product life expectancy and other factors. The recorded provision for excess and obsolete inventory was \$6.1 million for the year ended December 31, 2024.

The principal considerations for our determination that performing procedures relating to the provision for excess and obsolete inventory is a critical audit matter are (i) the significant judgment by management to estimate excess and obsolete inventory and (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to the significant assumption regarding the demand forecast.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the provision for excess and obsolete inventory. These procedures also included, among others, testing management's process for estimating excess and obsolete inventory, evaluating the appropriateness of the method, testing the completeness, accuracy, and relevance of underlying data used in the estimate, and reasonableness of the significant assumption related to the demand forecast. Evaluating the reasonableness of the significant assumption related to the demand forecast involved considering (i) the accuracy of historical demand forecasting and (ii) historical sales trends.

/s/ PricewaterhouseCoopers LLP
San Jose, California
February 14, 2025

We have served as the Company's auditor since 2002.

NETGEAR, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 286,444	\$ 176,717
Short-term investments	122,246	106,931
Accounts receivable, net of allowance for doubtful accounts of \$507 and \$338 as of December 31, 2024 and December 31, 2023, respectively	156,210	185,059
Inventories	162,539	248,851
Prepaid expenses and other current assets	30,590	30,421
Total current assets	758,029	747,979
Property and equipment, net	11,288	8,273
Operating lease right-of-use assets	28,047	37,285
Goodwill	36,279	36,279
Other non-current assets	16,587	17,326
Total assets	\$ 850,230	\$ 847,142
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 58,481	\$ 46,850
Accrued employee compensation	23,290	21,286
Other accrued liabilities	148,078	168,084
Deferred revenue	30,261	27,091
Income taxes payable	9,973	1,037
Total current liabilities	270,083	264,348
Non-current income taxes payable	7,583	12,695
Non-current operating lease liabilities	19,796	29,698
Other non-current liabilities	11,702	4,906
Total liabilities	309,164	311,647
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock: \$0.001 par value; 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock: \$0.001 par value; 200,000,000 shares authorized; shares issued and outstanding: 28,500,118 and 29,615,723 as of December 31, 2024 and 2023, respectively	29	30
Additional paid-in capital	997,912	967,651
Accumulated other comprehensive income	241	136
Accumulated deficit	(457,116)	(432,322)
Total stockholders' equity	541,066	535,495
Total liabilities and stockholders' equity	\$ 850,230	\$ 847,142

The accompanying notes are an integral part of these consolidated financial statements.

NETGEAR, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Year Ended December 31,		
	2024	2023	2022
Net revenue	\$ 673,759	\$ 740,840	\$ 932,472
Cost of revenue	477,832	491,588	681,923
Gross profit	195,927	249,252	250,549
Operating expenses:			
Research and development	81,082	83,295	88,443
Sales and marketing	123,694	127,778	139,675
General and administrative	63,468	66,243	56,316
Litigation reserves, net	(89,012)	178	20
Restructuring and other charges	4,479	3,962	4,577
Goodwill impairment	—	—	44,442
Intangibles impairment	—	1,071	—
Total operating expenses	183,711	282,527	333,473
Income (loss) from operations	12,216	(33,275)	(82,924)
Other income, net	12,672	14,139	902
Income (loss) before income taxes	24,888	(19,136)	(82,022)
Provision for (benefit from) income taxes	12,525	85,631	(13,035)
Net income (loss)	\$ 12,363	\$ (104,767)	\$ (68,987)
Net income (loss) per share			
Basic	\$ 0.43	\$ (3.57)	\$ (2.38)
Diluted	\$ 0.42	\$ (3.57)	\$ (2.38)
Weighted average shares used to compute net income (loss) per share:			
Basic	28,905	29,355	29,007
Diluted	29,683	29,355	29,007

The accompanying notes are an integral part of these consolidated financial statements.

NETGEAR, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Year Ended December 31,		
	2024	2023	2022
Net income (loss)	\$ 12,363	\$ (104,767)	\$ (68,987)
Other comprehensive income (loss), before tax:			
Change in unrealized gains and losses on derivatives	72	345	(511)
Change in unrealized gains and losses on available-for-sale investments	43	448	(320)
Other comprehensive income (loss), before tax	115	793	(831)
Tax benefit (provision) related to derivatives	(10)	(43)	68
Tax benefit (provision) related to available-for-sale investments	—	(79)	79
Other comprehensive income (loss), net of tax	105	671	(684)
Comprehensive income (loss)	\$ 12,468	\$ (104,096)	\$ (69,671)

The accompanying notes are an integral part of these consolidated financial statements.

NETGEAR, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholder's Equity
	Shares	Amount				
Balance as of December 31, 2021	<u>29,286</u>	<u>\$ 29</u>	<u>\$ 923,228</u>	<u>\$ 149</u>	<u>\$ (226,591)</u>	<u>\$ 696,815</u>
Change in unrealized gains and losses on available-for-sale investments, net of tax	—	—	—	(241)	—	(241)
Change in unrealized gains and losses on derivatives, net of tax	—	—	—	(443)	—	(443)
Net loss	—	—	—	—	(68,987)	(68,987)
Stock-based compensation	—	—	17,734	—	—	17,734
Repurchase of common stock	(1,032)	—	—	—	(24,377)	(24,377)
Restricted stock unit withholdings	(202)	—	—	—	(4,807)	(4,807)
Issuance of common stock under stock-based compensation plans	856	—	5,161	—	—	5,161
Balance as of December 31, 2022	<u>28,908</u>	<u>29</u>	<u>946,123</u>	<u>(535)</u>	<u>(324,762)</u>	<u>620,855</u>
Change in unrealized gains and losses on available-for-sale investments, net of tax	—	—	—	369	—	369
Change in unrealized gains and losses on derivatives, net of tax	—	—	—	302	—	302
Net loss	—	—	—	—	(104,767)	(104,767)
Stock-based compensation	—	—	17,938	—	—	17,938
Restricted stock unit withholdings	(198)	—	—	—	(2,793)	(2,793)
Issuance of common stock under stock-based compensation plans	906	1	3,590	—	—	3,591
Balance as of December 31, 2023	<u>29,616</u>	<u>30</u>	<u>967,651</u>	<u>136</u>	<u>(432,322)</u>	<u>535,495</u>
Change in unrealized gains and losses on available-for-sale investments, net of tax	—	—	—	43	—	43
Change in unrealized gains and losses on derivatives, net of tax	—	—	—	62	—	62
Net income	—	—	—	—	12,363	12,363
Stock-based compensation	—	—	22,678	—	—	22,678
Repurchase of common stock	(2,105)	(2)	—	—	(33,748)	(33,750)
Restricted stock unit withholdings	(226)	—	—	—	(3,409)	(3,409)
Issuance of common stock under stock-based compensation plans	1,215	1	7,583	—	—	7,584
Balance as of December 31, 2024	<u>28,500</u>	<u>\$ 29</u>	<u>\$ 997,912</u>	<u>\$ 241</u>	<u>\$ (457,116)</u>	<u>\$ 541,066</u>

The accompanying notes are an integral part of these consolidated financial statements.

NETGEAR, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Twelve Months Ended		
	2024	2023	2022
Cash flows from operating activities:			
Net income (loss)	\$ 12,363	\$ (104,767)	\$ (68,987)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	6,514	7,161	10,070
Stock-based compensation	22,678	17,938	17,734
Gain on investments, net	(3,552)	(3,226)	(87)
Goodwill impairment	—	—	44,442
Intangibles impairment	—	1,071	—
Deferred income taxes	1,001	82,319	(21,842)
Provision for excess and obsolete inventory	6,064	3,168	3,657
Changes in assets and liabilities:			
Accounts receivable, net	28,849	92,425	(16,327)
Inventories	80,248	47,595	12,396
Prepaid expenses and other assets	5,101	(3,189)	5,696
Accounts payable	11,486	(38,947)	11,857
Accrued employee compensation	2,004	(2,846)	(572)
Other accrued liabilities	(15,152)	(45,893)	(13,332)
Deferred revenue	3,368	6,969	5,425
Income taxes payable	3,825	(2,925)	(3,862)
Net cash provided by (used in) operating activities	164,797	56,853	(13,732)
Cash flows from investing activities:			
Purchases of short-term investments	(137,228)	(135,920)	(153,577)
Proceeds from maturities of short-term investments	120,290	115,006	80,417
Purchases of property and equipment	(8,994)	(5,799)	(5,757)
Purchases of long-term investments	(225)	(720)	(600)
Net cash used in investing activities	(26,157)	(27,433)	(79,517)
Cash flows from financing activities:			
Repurchases of common stock	(33,088)	—	(24,377)
Restricted stock unit withholdings	(3,409)	(2,793)	(4,807)
Proceeds from exercise of stock options	4,019	—	743
Proceeds from issuance of common stock under employee stock purchase plan	3,565	3,590	4,418
Net cash provided by (used in) financing activities	(28,913)	797	(24,023)
Net increase (decrease) in cash and cash equivalents	109,727	30,217	(117,272)
Cash and cash equivalents, at beginning of period	176,717	146,500	263,772
Cash and cash equivalents, at end of period	\$ 286,444	\$ 176,717	\$ 146,500
Supplemental Cash Flow Information:			
Cash paid for income taxes, net	\$ 7,738	\$ 7,194	\$ 9,396
Non-cash investing and financing activities:			
Unpaid property and equipment	\$ 1,041	\$ 476	\$ 203

The accompanying notes are an integral part of these consolidated financial statements.

NETGEAR, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. The Company and Summary of Significant Accounting Policies

The Company

NETGEAR, Inc. (“NETGEAR” or the “Company”) was incorporated in Delaware in January 1996. The Company is a global leader in innovative and advanced networking technologies for businesses, homes, and service providers. The Company delivers a wide range of intelligent solutions designed to unleash the full potential of connectivity. Its highly differentiated connected solutions range from switching and wireless products to augment business networks and audio and video (“AV”) over Ethernet for Pro AV applications to the good, better, and best WiFi solutions, security and support services to protect and enhance business and home networks. Additionally, the Company continually invest in research and development to create new technologies and services and to capitalize on technological inflection points and trends, such as audio and video over Ethernet, multi-Gigabit internet service to homes, WiFi 7, eSIM and future technologies. Its product line helps to create and extend wired and wireless networks as well as devices that attach to the network, such as services that complement and enhance its product line offerings. These products are available in multiple configurations to address the changing needs of our customers in each geographic region.

The Company sells networking products through multiple sales channels worldwide, including traditional retailers, online retailers, wholesale distributors, direct market resellers (“DMRs”), value-added resellers (“VARs”), broadband service providers and its direct online store at www.netgear.com.

Basis of presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All inter-company accounts and transactions have been eliminated in the consolidation of these subsidiaries.

Fiscal periods

The Company’s fiscal year begins on January 1 of the year stated and ends on December 31 of the same year. The Company reports its results on a fiscal quarter basis rather than on a calendar quarter basis. Under the fiscal quarter basis, each of the first three fiscal quarters ends on the Sunday closest to the calendar quarter end, with the fourth quarter ending on December 31.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. As of the date of issuance of these consolidated financial statements, the Company is not aware of any specific event or circumstance that would require it to update its estimates, judgments or revise the carrying value of its assets or liabilities. These estimates may change, as new events occur and additional information is obtained, and are recognized in the consolidated financial statements as soon as they become known.

Significant Accounting Policies

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity or a remaining maturity at the time of purchase of three months or less to be cash equivalents. The Company deposits cash and cash equivalents with high credit quality financial institutions.

Investments

Short-term investments are partially comprised of marketable and convertible debt securities that consist of government and private company debts with an original maturity or a remaining maturity at the time of purchase, of

greater than three months and no more than 12 months. These debt securities are classified as available-for-sale securities in accordance with the provisions of the authoritative guidance for investments and are carried at fair value with unrealized gains and losses reported as a separate component of stockholders' equity. Credit losses on available-for-sale debt securities with unrealized losses are recognized as allowances for credit losses limited to the amount by which fair value is below amortized cost.

Short-term investments also include marketable securities related to deferred compensation under the Company's Deferred Compensation Plan. Mutual funds are the only investments allowed in the Company's Deferred Compensation Plan and the investments are held in a grantor trust formed by the Company. The Company has classified these investments as trading securities as the grantor trust actively manages the asset allocation to match the participants' notional fund allocations. These securities are recorded at fair market value with unrealized gains and losses included in Other income, net in the consolidated statements of operations.

Long-term investments are comprised of equity investments without readily determinable fair values, investments in convertible debt securities and investments in limited partnership funds, and are included in Other non-current assets on the consolidated balance sheets. Equity investments without readily determinable fair values are accounted for at cost, less impairment and adjusted for subsequent observable price changes obtained from orderly transactions for identical or similar investments issued by the same investee. Such changes in the basis of the equity investment are recognized in Other income, net in the consolidated statements of operations. The Company does not have a controlling interest or the ability to exercise significant influence over these investees and these investments do not have readily determinable fair values. Investments in convertible debt securities are carried at fair value with unrealized gains and losses reported as a separate component of stockholders' equity. Investments in limited partnership funds amounted to \$2.3 million as of December 31, 2024 and 2023, which are measured at fair value using the net asset value practical expedient. Changes in the fair value of these investments are recognized in Other income, net in the consolidated statements of operations.

Certain risks and uncertainties

The Company's products are concentrated in the networking and smart connected industries, which are characterized by rapid technological advances, changes in customer requirements and evolving regulatory requirements and industry standards. The success of the Company depends on management's ability to anticipate and/or to respond quickly and adequately to such changes. Any significant delays in the development or introduction of products could have a material adverse effect on the Company's business and operating results.

The Company relies on a limited number of third parties to manufacture all of its products. If any of the Company's third-party manufacturers cannot or will not manufacture its products in required volumes, on a cost-effective basis, in a timely manner, or at all, the Company will have to secure additional manufacturing capacity. Any interruption or delay in manufacturing could have a material adverse effect on the Company's business and operating results.

Derivative financial instruments

The Company uses foreign currency forward contracts that generally mature within six months of inception to manage the exposures to foreign exchange risk related to expected future cash flows on certain forecasted revenue, cost of revenue, operating expenses, and on certain existing assets and liabilities. Under its foreign currency risk management strategy, the Company utilizes derivative instruments to reduce the impact of currency exchange rate movements on the Company's operating results by offsetting gains and losses on the forward contracts with increases or decreases in foreign currency transactions. The Company does not use derivative financial instruments for speculative purposes.

The Company accounts for its derivative instruments as either assets or liabilities and records them at fair value. The Company has entered into master netting arrangements which allow net settlements under certain conditions. Although netting is permitted, it is currently the Company's policy and practice to record all derivative assets and liabilities on a gross basis on the consolidated balance sheets. Derivatives that are not designated as hedges under the authoritative guidance for derivatives are adjusted to fair value through earnings. For derivative instruments that hedge the exposure to variability in expected future cash flows and are designated as cash flow hedges, the gains or losses on the derivative instrument are reported as a component of accumulated other comprehensive income in stockholders' equity and reclassified into the same line item in the statement of operations as the hedged transaction, and in the same period that the hedged transaction effects earnings. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions.

Concentration of credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents, short-term investments and accounts receivable. The Company believes that there is minimal credit risk associated with the investment of its cash and cash equivalents and short-term investments, due to the restrictions placed on the type of investment that can be entered into under the Company's investment policy. The Company's short-term investments consist of investment-grade securities, and the Company's cash and investments are held and managed by recognized financial institutions.

The Company's customers are primarily distributors as well as retailers and broadband service providers who sell or distribute the products to a large group of end-users. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of the Company's customers to make required payments. The Company regularly performs credit evaluations of the Company's customers' financial condition and considers factors such as historical experience, credit quality, age of the accounts receivable balances, geographic or country-specific risks and current economic conditions that may affect customers' ability to pay. The Company does not require collateral from its customers.

As of December 31, 2024, Best Buy, Inc. and affiliates and Amazon and affiliates each accounted for approximately 19% of the Company's total accounts receivable. As of December 31, 2023, Best Buy, Inc. and affiliates and Amazon and affiliates accounted for approximately 21% and 11% of the Company's total accounts receivable, respectively. No other customers accounted for 10% or greater of the Company's total accounts receivable.

The Company is exposed to credit loss in the event of nonperformance by counterparties to the foreign currency forward contracts used to mitigate the effect of foreign currency exchange rate changes. The Company believes the counterparties for its outstanding contracts are large, financially sound institutions and thus, the Company does not anticipate nonperformance by these counterparties. In the event of turbulence or the onset of a financial crisis in financial markets, the failure of counterparties cannot be ruled out.

Fair value measurements

The carrying amounts of the Company's financial instruments, including cash equivalents, short-term investments, accounts receivable, and accounts payable approximate their fair values due to their short maturities. Foreign currency forward contracts are recorded at fair value based on observable market data. Refer to Note 12, *Fair Value Measurements*, in Notes to Consolidated Financial Statements for disclosures regarding fair value measurements in accordance with the authoritative guidance for fair value measurements and disclosures.

Allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts for estimated credit losses resulting from the inability of its customers to make required payments and reviews it quarterly. The Company determines expected credit losses by performing credit evaluations of its customers' financial condition, establishing specific reserves for customers in an adverse financial condition and adjusting for its expectations of changes in conditions that may impact the collectability of outstanding receivables. The Company considers factors such as historical experience, credit quality, age of the accounts receivable balances, and geographic or country-specific risks. If the financial condition of the Company's customers should deteriorate or if actual defaults are higher than the Company's historical experience, additional allowances may be required, which could have an adverse impact on operating expenses.

Inventories

Inventories consist primarily of finished goods which are valued at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method. On a quarterly basis, the Company assesses the value of the inventory and writes down its value for estimated excess and obsolete inventory based upon assumptions about the future demand by reviewing inventory quantities on hand and on order under non-cancelable purchase commitments in comparison to the Company's estimated forecast of product demand to determine what inventory, if any, is not saleable at or above cost. The Company's analysis is primarily based on the demand forecast which takes into account market conditions, product development plans, product life expectancy and other factors. At the point of loss recognition, a new, lower cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase of the newly established cost basis.

Property and equipment, net

Property and equipment are stated at historical cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment	2 years
Furniture and fixtures	5 years
Software	2-5 years
Machinery and equipment	2-3 years
Leasehold improvements	Shorter of the lease term or 5 years

Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. The carrying value of the asset is reviewed on a regular basis for the existence of facts, both internal and external, that may suggest impairment.

Leases

The Company determines if an arrangement is a lease or contains a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, other accrued liabilities, and operating lease liabilities on the consolidated balance sheets. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheets. The Company has lease agreements with lease and non-lease components, which are generally accounted for separately. For certain office leases, the Company accounts for the lease and non-lease components as a single lease component to the extent that the timing and pattern of transfer are similar for the lease and non-lease components and the lease component qualifies as an operating lease. Lease expense is recognized on a straight-line basis over the lease term.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Generally, the implicit rate of interest in arrangements is not readily determinable and the Company utilizes its incremental borrowing rate in determining the present value of lease payments. The Company's incremental borrowing rate is a hypothetical rate based on a benchmark interest rate adjusted for its specific credit risk. The operating lease ROU asset includes any lease payments made and excludes lease incentives.

Goodwill

Goodwill represents the purchase price over estimated fair value of net assets of businesses acquired in a business combination. Goodwill acquired in a business combination is not amortized, but instead tested for impairment at least annually on the first day of the fourth quarter. Should certain events or indicators of impairment occur between annual impairment tests, the Company performs the impairment test as those events or indicators occur. Examples of such events or circumstances include the following: a significant decline in the Company's expected future cash flows; a sustained, significant decline in the Company's stock price and market capitalization; a significant adverse change in the business climate; and slower growth rates.

Goodwill is tested for impairment at the reporting unit level by first performing a qualitative assessment to determine whether it is more likely than not (that is, a likelihood of more than 50%) that the fair value of the reporting unit is less than its carrying value. The qualitative assessment considers the following factors: macroeconomic conditions, industry and market considerations, cost factors, overall company financial performance, events affecting the reporting units, and changes in the Company's share price. If the reporting unit does not pass the qualitative assessment, the Company estimates its fair value and compares the fair value with the carrying value of its reporting unit, including goodwill. If the fair value is greater than the carrying value of its reporting unit, no impairment is recorded. If the fair value is less than the carrying value, an impairment loss is recognized for the amount that the carrying amount of a reporting unit, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. The impairment charge would be recorded to earnings in the consolidated statements of operations.

Intangibles, net

Purchased intangibles with finite lives are amortized using the straight-line method over the estimated economic lives of the assets, which range from three to ten years. Finite-lived intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred to the customers at the amount that reflects the consideration that the Company expects to be entitled to in exchange for those goods or services.

The Company derives its revenue primarily from product sales, consisting of sales of NETGEAR for Business and Connected Home hardware products to its customers - retailers, distributors and service providers. Revenue is recognized at a point in time when control of the goods is transferred to the customer, generally occurring upon shipment or delivery dependent upon the terms of the underlying contract or once the risk of loss has been transferred to the customer. The Company evaluates its customers' ability to pay based on various factors like historical payment experience, financial metrics and customer credit scores. Payment is collected within a short period of time from the date control over the product is transferred to the customer or after commencement of services.

Revenue for services relates primarily to sales of subscriptions of the Company's value-added services, including security and privacy, parental controls and remote network management as well as advanced technical support and extended warranty. Service revenue is generally recognized over time ratably over the contract term beginning when the customer is expected to activate their account. Service contracts are generally for 30 days or 12 months in length, billed either monthly or annually and generally in advance. The technical support services consist of telephone and internet access to technical support personnel and extended warranty. All such service or support sales are typically recognized using an input measure of progress by looking at the time elapsed and based on the customer receiving the benefit throughout the contract period. To date, services revenue has not represented a significant percentage of our total revenue.

Revenue from all sale types is recognized at the transaction price and is calculated as selling price net of variable consideration which may include estimates for future returns, sales incentives and price protection. We record estimated variable consideration related to these items as a reduction to revenue at the time of revenue recognition. An allowance for future sales returns is established based on historical trends in product return rates. The Company uses the expected value method to arrive at the amount of variable consideration which is based on management's analysis of historical and anticipated returns information, sell through and channel inventory levels, current economic trends, and changes in customer demand. The Company's standard obligation to its direct customers generally provides for a full refund in the event that such product is not merchantable or is found to be damaged or defective. Certain distributors and retailers generally have the right to return product for stock rotation purposes as well. At the time the Company records the reduction to revenue, the Company includes within cost of revenue a write-down to reduce the carrying value of such products to net realizable value.

In addition to channel returns, sales incentive programs offer certain reimbursement rights to qualified distributors and retailers for marketing expenditures. Distinct goods or service received in exchange for payment from a customer are accrued within operating expenses or cost of revenue as appropriate, otherwise expenditures are recorded as a reduction of revenue. The Company provides price protections in limited cases, with variable consideration assessed based on customary business practice such as anticipated price decreases, historical pricing information and customer claims processing.

For products sold with third-party services where the Company obtains control of the products and/or service before transferring it to the customer, the Company recognizes revenue based on the gross amount billed to customers. The Company recognizes revenue on a net basis when the Company is acting as an agent between the customer and the vendor. The Company considers several factors in determining when it obtains control, such as determining the responsible party for fulfillment of the services, whether the Company has inventory risk before the service is transferred or if it has discretion to establish pricing for the third-party services.

Contracts with Multiple Performance Obligations

Some of the Company's contracts with customers contain multiple promised goods or services. Such contracts may include hardware products with embedded software and other various software subscription services and support. For these contracts, the Company evaluates whether each deliverable is a distinct promise and if so, accounts for the promises separately as individual performance obligations. If a promised good or service is not distinct in accordance with the revenue guidance, the Company combines that good or service with the other promised goods or services in the arrangement and accounts for it as a distinct good. The embedded software on most of the hardware products is not considered distinct and therefore the combined hardware and incidental software are treated as one performance obligation and recognized at the point in time when control of product transfers to the customer. Services included with certain hardware products are considered distinct, as a customer can benefit from the product without these services and, therefore, the hardware and service are treated as separate performance obligations.

Revenue is allocated among the performance obligations based on their relative standalone selling prices. Standalone selling prices are generally determined based on the prices charged to customers or using an adjusted market assessment. The estimated standalone selling price is directly observable from those sales based on a range of prices and may include using information such as prices charged for similar offerings, estimated costs to provide the performance obligation and other observable inputs. Revenues allocated to the hardware and bundled subscription are recognized when control has transferred to the customer, which generally occurs when the product is shipped. Revenue allocated to product-related bundled services are deferred and recognized on a straight-line basis over the estimated period they are expected to be provided.

Deferred Revenue

Deferred revenue consists of service and support fees due in advance of satisfying performance. The majority of the Company's deferred revenue balance consists of the unrecognized portion of service revenue from its value-added services, including cyber security, parental controls and remote network management services as well as advanced technical support and extended warranty, which is recognized as revenue ratably over the contractual service period. Performance obligations expected to be fulfilled within one year are classified as current liabilities and the remaining are recorded as noncurrent liabilities.

Warranties

Hardware products regularly include warranties to the end customers that consist of bug fixes, minor updates such that the product continues to function according to published specs in a dynamic environment, and phone support. These standard warranties are assurance type warranties and do not offer any services beyond the assurance that the product will continue working as specified. Therefore, warranties are not considered separate performance obligations in the arrangement. Instead, the expected cost of product warranty is accrued as expense at the time we recognize revenue in accordance with authoritative guidance. Extended warranties are sold separately and include additional support services. The transaction price for extended warranties is accounted for as service revenue and recognized over the life of the contract.

Shipping and Handling

Shipping and handling fees billed to customers are included in Net revenue. Shipping and handling costs associated with inbound freight are included in Cost of revenue. In cases where the Company gives a freight allowance to the customer for their own inbound freight costs, such costs are appropriately recorded as a reduction in Net revenue. Shipping and handling costs associated with outbound freight are included in Sales and marketing expenses. The Company has elected to account for shipping and handling activities related to contracts with customers as costs to fulfill the promise to transfer the associated products.

Shipping and handling costs associated with outbound freight totaled \$9.5 million, \$8.8 million and \$16.9 million in the years ended December 31, 2024, 2023 and 2022, respectively.

Research and development

Costs incurred in the research and development of new products are charged to expense as incurred.

Advertising costs

Advertising costs are expensed as incurred. Total advertising and promotional expenses were \$23.3 million, \$28.9 million, and \$27.0 million in the years ended December 31, 2024, 2023 and 2022, respectively.

Income taxes

The Company accounts for income taxes under an asset and liability approach. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences resulting from different treatment for tax versus accounting for certain items, such as accruals and allowances not currently deductible for tax purposes. These differences result in deferred tax assets and liabilities, which are included within the consolidated balance sheets. The Company must then assess the likelihood that the Company's deferred tax assets will be recovered from future taxable income and to the extent the Company believes that recovery is not more likely than not, the Company must establish a valuation allowance. The Company's assessment considers the recognition of deferred tax assets on a jurisdictional basis. Accordingly, in assessing its future taxable income on a jurisdictional basis, the Company considers the effect of its transfer pricing policies on that income. The Tax Act introduced a new tax on Global Intangible Low-Taxed Income ("GILTI") effective as of January 1, 2018. The Company's policy is to treat GILTI as a period cost if and when incurred.

In the ordinary course of business there is inherent uncertainty in assessing the Company's income tax positions. The Company assesses its tax positions and records benefits for all years subject to examination based on management's evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company records the largest amount of tax benefit with a greater than 50 percent likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recorded in the financial statements. Where applicable, associated interest and penalties have also been recognized as a component of income tax expense.

Net income (loss) per share

Basic net income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted net income per share is computed by dividing the net income for the period by the weighted average number of shares of common stock and potentially dilutive common stock outstanding during the period. Potentially dilutive common shares include common shares issuable upon exercise of stock options, vesting of restricted stock awards and performance shares, and issuances of shares under the Employee Stock Purchase Plan, which are reflected in diluted net income per share by application of the treasury stock method. Potentially dilutive common shares are excluded from the computation of diluted net income per share when their effect is anti-dilutive.

Stock-based compensation

The Company measures stock-based compensation at the grant date based on the fair value of the award. The fair value of stock options and the shares offered under the Employee Stock Purchase Plan ("ESPP") is estimated using the Black-Scholes option pricing model. Estimated compensation cost relating to restricted stock units ("RSUs") and performance shares is based on the closing fair market value of the Company's common stock on the date of grant.

The compensation expense for equity awards is recognized over the vesting period of the award under a straight-line vesting method. Forfeitures are accounted for as they occur. In addition, for performance shares, the Company evaluates the probability of achieving the performance conditions at the end of each reporting period and records the related stock-based compensation expense based on performance to date over the service period. All excess tax benefits and tax deficiencies arising from stock awards vesting or settlement are recorded as income tax expense or benefit rather than in equity. Refer to Note 10, *Employee Benefit Plans*, in Notes to Consolidated Financial Statements for a further discussion on stock-based compensation.

Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other gains and losses affecting stockholder's equity that the Company excluded from net income (loss), including gains and losses related to fair value of short-term investments and the effective portion of cash flow hedges that were outstanding as of the end of the year.

Foreign currency translation and re-measurement

The Company's functional currency is the U.S. dollar for all of its international subsidiaries. Foreign currency transactions of international subsidiaries are re-measured into U.S. dollars at the end-of-period exchange rates for monetary assets and liabilities, and at historical exchange rates for non-monetary assets. Revenue is re-measured at average exchange rates in effect during each period. Expenses are re-measured at average exchange rates in effect during each period, except for expenses related to non-monetary assets, which are re-measured at historical exchange rates. Gains and losses arising from foreign currency transactions are included in Other income, net.

Recent accounting pronouncements

Accounting Pronouncements Recently Adopted

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures", which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for the Company for the year ended December 31, 2024 and early adoption is permitted. The Company adopted the new standard effective December 31, 2024 on a retrospective basis. The adoption did not have any impact on the Company's financial position, results of operations or cash flows. Refer to Note 11, *Segment Information*, for details.

Accounting Pronouncements Not Yet Effective

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures", which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. ASU 2023-09 is effective for the Company for the year ending December 31, 2025 and early adoption is permitted. The guidance allows for adoption using either a prospective or retrospective transition method. The Company is evaluating the impact that the updated standard will have on its financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses", which expands the disclosure requirements for specific costs and expenses. ASU 2024-03 is effective for the Company for the year ended December 31, 2027 and early adoption is permitted. Upon adoption, the guidance should be applied retrospectively to all prior periods presented in the financial statements. The Company does not expect that the guidance will have material impacts on its financial position, results of operations or cash flows. The Company is evaluating the impact that the updated standard will have on its financial statement disclosures.

With the exception of the new standards discussed above, there have been no other new accounting pronouncements that have significance, or potential significance, to the Company's financial position, results of operations and cash flows.

Note 2. Revenue Recognition

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

Transaction Price Allocated to the Remaining Performance Obligations

Remaining performance obligations represent the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting period. Unsatisfied and partially unsatisfied

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performance obligations consist of contract liabilities, in-transit orders with destination terms, and non-cancellable backlog. Non-cancellable backlog includes goods for which customer purchase orders have been accepted, that are scheduled or in the process of being scheduled for shipment, and that are not yet invoiced.

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that were unsatisfied or partially unsatisfied as of December 31, 2024:

(In thousands)	Less than 1 year	1 to 2 years	Beyond 2 years	Total
Performance obligations	\$ 53,939	\$ 3,023	\$ 2,128	\$ 59,090

Contract Costs

Costs to fulfill a contract are capitalized when they relate directly to an existing contract or specific anticipated contract, generate or enhance resources that will be used to fulfill performance obligations and are recoverable. These costs include direct cost incurred at inception of a contract which enables the fulfillment of the performance obligation and totaled \$6.3 million and \$6.0 million as of December 31, 2024 and 2023, respectively. There was no impairment of capitalized contract costs during the years ended December 31, 2024, 2023 and 2022.

Applying the practical expedient, the Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that otherwise would have been recognized is one year or less. These costs are included in Sales and marketing and General and administrative expenses. If the incremental direct costs of obtaining a contract, which consist of sales commissions, relate to a service recognized over a period longer than one year, costs are deferred and amortized in line with the related services over the period of benefit. Deferred commissions are classified as non-current based on the original amortization period of over one year. As of December 31, 2024 and 2023, deferred commissions were not significant.

Contract Balances

The Company records accounts receivable when it has an unconditional right to consideration. Contract liabilities are recorded when cash payments are received or due in advance of performance, where the Company has unsatisfied performance obligations. Contract liabilities are mainly classified as Deferred revenue on the consolidated balance sheets.

Payment terms vary by customer. The time between invoicing and when payment is due is not significant. For certain products or services and customer types, payment is required before the products or services are delivered to the customer.

The following table reflects the contract balances:

(In thousands)	Balance Sheet Location	December 31, 2024	December 31, 2023
Accounts receivable, net	Accounts receivable, net	\$ 156,210	\$ 185,059
Contract liabilities – current	Deferred revenue	\$ 30,261	\$ 27,091
Contract liabilities – non-current	Other non-current liabilities	\$ 5,101	\$ 4,903

The difference in the balances of the Company's contract assets and liabilities as of December 31, 2024 and 2023 primarily results from the timing difference between the Company's performance and the customer's payment.

During the years ended December 31, 2024, 2023 and 2022, \$51.1 million, \$48.4 million and \$38.5 million, respectively, of revenue were deferred due to unsatisfied performance obligations for service contracts and undelivered product commitments, \$47.7million, \$41.4 million and \$33.1 million, respectively, of revenue were recognized for the satisfaction of performance obligations, and \$27.4 million, \$21.5 million and \$16.9 million, respectively, of this recognized revenue were included in the contract liability balance at the beginning of the period, respectively.

There were no significant changes in estimates during the periods that would affect the contract balances.

Disaggregation of Revenue

In the following table, net revenue is disaggregated by geographic region and sales channel. The Company conducts business across three geographic regions: Americas; Europe, Middle East, and Africa (“EMEA”); and Asia Pacific (“APAC”). The table also includes reconciliations of the disaggregated revenue by reportable segment. Through 2024, the Company operated and reported in two segments: NETGEAR for Business, and Connected Home. Sales and usage-based taxes are excluded from net revenue.

(In thousands)	2024			Year Ended December 31, 2023			2022		
	NETGEAR for Business	Connected Home	Total	NETGEAR for Business	Connected Home	Total	NETGEAR for Business	Connected Home	Total
Geographic regions ⁽¹⁾ :									
Americas	\$ 144,336	\$ 311,704	\$ 456,040	\$ 146,045	\$ 358,304	\$ 504,349	\$ 173,599	\$ 443,612	\$ 617,211
EMEA	88,782	38,478	127,260	102,839	46,083	148,922	129,626	49,732	179,358
APAC	54,694	35,765	90,459	45,091	42,478	87,569	70,424	65,479	135,903
Total	<u>\$ 287,812</u>	<u>\$ 385,947</u>	<u>\$ 673,759</u>	<u>\$ 293,975</u>	<u>\$ 446,865</u>	<u>\$ 740,840</u>	<u>\$ 373,649</u>	<u>\$ 558,823</u>	<u>\$ 932,472</u>
Sales channels:									
Service provider	\$ 977	\$ 90,035	\$ 91,012	\$ 579	\$ 98,659	\$ 99,238	\$ 4,234	\$ 148,331	\$ 152,565
Non-service provider	286,835	295,912	582,747	293,396	348,206	641,602	369,415	410,492	779,907
Total	<u>\$ 287,812</u>	<u>\$ 385,947</u>	<u>\$ 673,759</u>	<u>\$ 293,975</u>	<u>\$ 446,865</u>	<u>\$ 740,840</u>	<u>\$ 373,649</u>	<u>\$ 558,823</u>	<u>\$ 932,472</u>

Note 3. Balance Sheet Components

Available-for-sale investments

Amortized cost and estimated fair market value of investments classified as available-for-sale, excluding cash equivalents, as of December 31, 2024, and December 31, 2023, were as follows:

December 31, 2024				
(In thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. treasury securities	\$ 119,199	\$ 171	\$ —	\$ 119,370
Total	\$ 119,199	\$ 171	\$ —	\$ 119,370

December 31, 2023				
(In thousands)	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. treasury securities	\$ 98,326	\$ 128	\$ —	\$ 98,454
Convertible debt	173	—	—	173
Total	\$ 98,499	\$ 128	\$ —	\$ 98,627

The contractual maturities on the U.S. treasury securities as of December 31, 2024, are all due within one year. Accrued interest receivable as of December 31, 2024, was \$0.8 million and was recorded within Prepaid expenses and other current assets on the consolidated balance sheets.

The Company had no investment classified as available-for-sale in a continuous unrealized loss position for which an allowance for credit losses was not recorded as of December 31, 2024.

In the years ended December 31, 2024, 2023 and 2022, no unrealized losses on available-for-sale securities were recognized in income. The Company does not intend to sell, and it is unlikely that it will be required to sell the investments in an unrealized loss position prior to their anticipated recovery. The investments are high quality U.S. treasury securities and the decline in fair value is largely due to changes in interest rates and other market conditions with the fair value expected to recover as they reach maturity. There were no other-than-temporary impairments for these securities during the years ended December 31, 2024, 2023 and 2022. Refer to Note 12, *Fair Value Measurements*, for detailed disclosures regarding fair value measurements.

Inventories

(In thousands)	December 31, 2024	December 31, 2023
Raw materials	\$ 13,439	\$ 19,955
Finished goods	149,100	228,896
Total	\$ 162,539	\$ 248,851

The Company records provisions for excess and obsolete inventory based on assumptions about future demand and the amounts incurred were \$6.1 million, \$3.2 million and \$3.7 million for the years ended December 31, 2024, 2023 and 2022, respectively. While management believes the estimates and assumptions underlying its current forecasts are reasonable, there is risk that additional charges may be necessary if current forecasts are greater than actual demand.

Property and equipment, net

(In thousands)	December 31, 2024	December 31, 2023
Machinery and equipment	\$ 54,355	\$ 47,826
Furniture, fixtures, and leasehold improvements	20,028	18,205
Software	24,610	25,760
Computer equipment	5,384	5,458
Total property and equipment, gross	104,377	97,249
Accumulated depreciation	(93,089)	(88,976)
Total	\$ 11,288	\$ 8,273

Depreciation expense pertaining to property and equipment was \$6.5 million, \$6.9 million and \$9.5 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Intangibles, net

(In thousands)	December 31, 2024				December 31, 2023			
	Gross	Accumulated Amortization	Accumulated Impairment	Net	Gross	Accumulated Amortization	Accumulated Impairment	Net
Technology	\$ 59,799	\$ (58,906)	\$ (893)	\$ —	\$ 59,799	\$ (58,906)	\$ (893)	\$ —
Other	10,345	(10,167)	(178)	—	10,345	(10,167)	(178)	—
Total	\$ 70,144	\$ (69,073)	\$ (1,071)	\$ —	\$ 70,144	\$ (69,073)	\$ (1,071)	\$ —

Amortization of purchased intangibles in the years ended December 31, 2023 and 2022 was \$0.3 million and \$0.5 million, respectively.

An intangible asset impairment charge of \$1.1 million was recognized for the Connected Home reporting unit in the year ended December 31, 2023, which reduced the intangibles, net to zero. No intangibles impairment was recorded in the years ended December 31, 2024 or 2022.

Goodwill

Each year on the first day of fourth fiscal quarter, the Company assesses its goodwill for potential impairment. This impairment testing is applied more frequently than once a year if the Company is aware of changed conditions or circumstances since the last impairment testing that might call into question whether the current balances are fairly recorded.

The Company completed its annual impairment test of goodwill as of the first day of the fourth fiscal quarter of 2024, or September 30, 2024. The Company identified the reporting units for the purpose of goodwill impairment testing as NETGEAR for Business and Connected Home and performed a qualitative test on the NETGEAR for Business reporting unit. Based upon the results of the qualitative testing, the Company believed that it was more-likely-than-not that the fair value of the NETGEAR for Business reporting unit was greater than its carrying value and therefore performing the next step of impairment test for this reporting unit was unnecessary. No goodwill impairment was recognized for the NETGEAR for Business reporting unit in the years ended December 31, 2024, 2023 or 2022. An interim goodwill impairment test performed in the first fiscal quarter of 2022 resulted in an impairment charge of \$44.4 million in respect to the Connected Home reporting unit, which reduced the goodwill of this reporting unit to zero. Accumulated goodwill impairment charges as of December 31, 2024 was \$44.4 million for the Connected Home reporting unit and zero for the NETGEAR for Business reporting unit.

Other non-current assets

(In thousands)	December 31, 2024	December 31, 2023
Non-current deferred income taxes	\$ 2,332	\$ 3,343
Long-term investments	8,381	8,367
Restricted cash	2,107	—
Other	3,767	5,616
Total	\$ 16,587	\$ 17,326

Long-term investments

The Company's long-term investments are primarily comprised of equity investments without readily determinable fair values and investments in limited partnership funds. The carrying value of the equity investments without readily determinable fair values was \$6.1 million as of December 31, 2024 and 2023 respectively. For such equity investments without readily determinable fair value still held at December 31, 2024, there were no cumulative downward adjustments for price changes or impairment, and the cumulative upward adjustments for price changes was \$0.3 million. Investments in limited partnership funds amounted to \$2.3 million as of December 31, 2024 and 2023, respectively.

Other accrued liabilities

(In thousands)	December 31, 2024	December 31, 2023
Current operating lease liabilities	\$ 10,837	\$ 11,869
Sales and marketing	59,129	75,535
Warranty obligations	5,192	5,738
Sales returns ⁽¹⁾	31,711	34,824
Freight and duty	4,979	2,837
Other	36,230	37,281
Total	\$ 148,078	\$ 168,084

⁽¹⁾ Inventory expected to be received from future sales returns amounted to \$15.1 million and \$16.9 million as of December 31, 2024 and 2023, respectively. Provisions to write down expected returned inventory to net realizable value amounted to \$9.0 million and \$9.7 million as of December 31, 2024 and December 31, 2023, respectively.

Note 4. Derivative Financial Instruments

The Company's subsidiaries have material future cash flows related to revenue and expenses denominated in currencies other than the U.S. dollar, the Company's functional currency worldwide. The Company executes currency forward contracts that typically mature in less than 6 months to mitigate its currency risk, in currencies including Australian dollars, British pounds, euros, Canadian dollar and Japanese Yen. The Company does not enter into derivatives transactions for trading or speculative purposes.

The Company's foreign currency forward contracts do not contain any credit-risk-related contingent features. The Company enters into derivative contracts with high-quality financial institutions and limits the amount of credit exposure to any individual counter-party. The Company continuously evaluates the credit quality of its counter-party financial institutions and does not consider non-performance a material risk.

The Company may choose not to hedge certain foreign exchange exposures for a variety of reasons, including, but not limited to, materiality, accounting considerations or the prohibitive economic cost of hedging particular exposures. There can be no assurance the hedges will offset more than a portion of the financial impact resulting from movements in foreign exchange rates. The Company's accounting policies for these instruments are based on whether the instruments are designated as hedge or non-hedge instruments in accordance with the authoritative guidance for derivatives and hedging. The Company records all derivatives on the balance sheets at fair value. Cash flow hedge gains and losses are recorded in the other comprehensive income (loss) ("OCI") until the hedged item is recognized in earnings. Derivatives that are not designated as hedging instruments are adjusted to fair value through earnings in Other income, net in the consolidated statements of operations.

Cash flow hedges

To help manage the exposure of operating margins to fluctuations in foreign currency exchange rates, the Company hedges a portion of its anticipated foreign currency revenue, costs of revenue and certain operating expenses. These hedges are designated at the inception of the hedge relationship as cash flow hedges under the authoritative guidance for derivatives and hedging. Effectiveness of the hedge relationships are tested at least quarterly both prospectively and retrospectively using regression analysis to ensure that the hedge relationship has been effective and is likely to remain effective in the future. The Company typically executes ten forward contracts per quarter with maturities under six months and with an average USD notional amount of approximately \$4.9 million that are designated as cash flow hedges.

The Company expects to reclassify to earnings all of the amounts recorded in OCI associated with its cash flow hedges over the next twelve months. OCI associated with cash flow hedges of foreign currency revenue, cost of revenue and operating expenses are recognized in the same period and in the same line item in the statement of operations as hedged item. The Company did not recognize any material net gains or losses related to anticipated transactions that failed to occur during the years ended December 31, 2024, 2023 and 2022.

Non-designated hedges

The Company enters into non-designated hedges under the authoritative guidance for derivatives and hedging to manage the exposure of non-functional currency monetary assets and liabilities not already hedged by de-designated cash flow hedges. The non-designated hedges are generally expected to offset the changes in value of its net non-functional currency asset and liability position resulting from foreign exchange rate fluctuations. The Company adjusts its non-designated hedges monthly and typically executes about nine non-designated forwards per quarter with maturities less than three months and an average USD notional amount of approximately \$2.9 million.

Fair Value of Derivative Instruments

The fair values of the Company's derivative instruments and the line items on the consolidated balance sheets to which they were recorded were summarized as follows:

(In thousands)	Balance Sheet			Balance Sheet		
	Location	December 31, 2024	December 31, 2023	Location	December 31, 2024	December 31, 2023
Derivatives not designated as hedging instruments	Prepaid expenses and other current assets	\$ 979	\$ 284	Other accrued liabilities	\$ 254	\$ 1,672
Derivatives designated as hedging instruments	Prepaid expenses and other current assets	74	7	Other accrued liabilities	19	19
Total		\$ 1,053	\$ 291		\$ 273	\$ 1,691

Refer to Note 12, *Fair Value Measurements*, in Notes to Consolidated Financial Statements for detailed disclosures regarding fair value measurements. Refer to Note 9, *Stockholders' Equity*, for details on the accumulated other comprehensive income (loss) activity related to derivatives and refer to Note 11, *Segment Information*, for details on gain/(loss), net pertaining to derivatives not designated as hedging instruments that were recognized in Other income, net.

Note 5. Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing the net income for the period by the weighted average number of common shares outstanding during the period. Diluted net income per share is computed by dividing the net income for the period by the weighted average number of shares of common stock and potentially dilutive common stock outstanding during the period. Potentially dilutive common shares include common shares issuable upon exercise of stock options, vesting of restricted stock units and performance shares, and issuances of shares under the Employee Stock Purchase Plan (the "ESPP"), which are reflected in diluted net income per share by application of the treasury stock method. Potentially dilutive common shares are excluded from the computation of diluted net income per share when their effect is anti-dilutive.

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Net income (loss) per share consisted of the following:

(In thousands, except per share data)	Year Ended December 31,		
	2024	2023	2022
Numerator:			
Net income (loss)	\$ 12,363	\$ (104,767)	\$ (68,987)
Denominator:			
Weighted average common shares – basic	28,905	29,355	29,007
Potentially dilutive common share equivalent	778	—	—
Weighted average common shares – dilutive	29,683	29,355	29,007
Basic net income (loss) per share	\$ 0.43	\$ (3.57)	\$ (2.38)
Diluted net income (loss) per share	\$ 0.42	\$ (3.57)	\$ (2.38)
Anti-dilutive employee stock-based awards, excluded	1,127	2,362	1,556

Note 6. Other Income, Net

Other income, net consisted of the following:

(In thousands)	Year Ended December 31,		
	2024	2023	2022
Interest income	\$ 12,152	\$ 6,842	\$ 1,825
Foreign currency transaction gain (loss), net	(3,434)	(6)	(2,335)
Foreign currency contract gain (loss), net	3,292	267	2,692
Gain (loss) on investments, net	(93)	(8)	(271)
Gain on litigation settlement	—	6,000	—
Other	755	1,044	(1,009)
Total	\$ 12,672	\$ 14,139	\$ 902

Note 7. Income Taxes

Income before income taxes and the provision for income taxes consisted of the following:

(In thousands)	Year Ended December 31,		
	2024	2023	2022
United States	\$ 10,634	\$ (33,944)	\$ (100,609)
International	14,254	14,808	18,587
Total	<u>\$ 24,888</u>	<u>\$ (19,136)</u>	<u>\$ (82,022)</u>

(In thousands)	Year Ended December 31,		
	2024	2023	2022
Current:			
U.S. Federal	\$ 7,641	\$ 358	\$ 3,477
State	1,868	599	1,329
Foreign	2,286	2,423	4,236
	<u>11,795</u>	<u>3,380</u>	<u>9,042</u>
Deferred:			
U.S. Federal	—	65,880	(18,761)
State	—	15,629	(3,017)
Foreign	730	742	(299)
	<u>730</u>	<u>82,251</u>	<u>(22,077)</u>
Total	<u>\$ 12,525</u>	<u>\$ 85,631</u>	<u>\$ (13,035)</u>

Net deferred tax assets consisted of the following:

(In thousands)	Year Ended December 31,	
	2024	2023
Deferred Tax Assets:		
Accruals and allowances	\$ 18,573	\$ 21,324
Net operating loss carryforwards	1,604	1,770
Stock-based compensation	1,416	2,312
Operating lease liability	5,146	7,315
Deferred revenue	1,889	2,085
Tax credit carryforwards	1,673	935
Acquired intangibles	14,814	18,664
Capitalized research and development	61,703	50,670
Depreciation and amortization	999	1,088
Other	4,161	4,392
Total deferred tax assets	<u>111,978</u>	<u>110,555</u>
Deferred Tax Liabilities:		
Right of use asset	(4,412)	(6,179)
Other	(1,414)	(1,205)
Total deferred tax liabilities	<u>(5,826)</u>	<u>(7,384)</u>
Valuation Allowance⁽¹⁾	<u>(103,820)</u>	<u>(99,828)</u>
Net deferred tax assets	<u>\$ 2,332</u>	<u>\$ 3,343</u>

⁽¹⁾ Valuation allowance is presented gross. The valuation allowance net of the federal tax effect was \$99.6 million and \$95.7 million for the years ended December 31, 2024 and 2023, respectively.

Management's judgment is required in determining the Company's provision for income taxes, its deferred tax assets and any valuation allowance recorded against its deferred tax assets. As of December 31, 2024, a valuation allowance of \$103.8 million was placed against deferred tax assets. During the year ended December 31, 2023, a valuation allowance of \$99.8 million was placed against all U.S. federal and state tax attributes since it was determined that recovery of the assets is not more likely than not. Accordingly, the valuation allowance increased \$4.0 million during 2024. In management's judgment it is more likely than not that foreign deferred tax assets will be realized in

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the future as of December 31, 2024, and as such no valuation allowance has been recorded against these deferred tax assets.

The effective tax rate differed from the applicable U.S. statutory federal income tax rate as follows:

	Year Ended December 31,		
	2024	2023	2022
Tax at federal statutory rate	21.0 %	21.0 %	21.0 %
State, net of federal benefit	6.0 %	(3.1)%	1.7 %
Impact of international operations	(2.6)%	8.3 %	2.7 %
Stock-based compensation	1.0 %	(2.3)%	(2.7)%
Tax credits	(2.5)%	5.8 %	1.7 %
Valuation allowance	26.7 %	(474.3)%	(0.3)%
Goodwill impairment	— %	— %	(9.6)%
Recognition of previously unrecognized tax benefits	(0.8)%	(0.3)%	1.8 %
Non-deductible license fees	1.5 %	(1.7)%	(0.3)%
Others	0.0 %	(0.9)%	(0.1)%
Provision for income taxes	50.3 %	(447.5)%	15.9 %

As a result of changes in fair value of available-for-sale securities and foreign currency hedging, income tax (provision) benefits of \$(10,000), \$(122,000), and \$147,000 were recorded in comprehensive income related to the years ended December 31, 2024, 2023, and 2022, respectively.

As of December 31, 2024, the Company has approximately \$0.2 million of acquired federal net operating loss carryforwards as well as \$1.7 million of California tax credits carryforwards. All the losses are subject to annual usage limitations under Internal Revenue Code Section 382. The federal losses expire in different years beginning in fiscal year 2035.

The Company files income tax returns in the U.S. federal jurisdiction and various state, local, and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state, or local income tax examinations for years prior to 2020. The Company is no longer subject to foreign income tax examinations before 2004. The Italian Tax Authority (ITA) has audited the Company's 2004 through 2012 tax years. The Company was in litigation with the ITA with respect to these years and had appellate hearings on all years at the Italian Supreme Court in March 2024. The Company successfully defended its positions for the 2007 through 2012 tax years. The 2004 through 2006 years were remanded back to the lower courts for rehearing and hence, remain in litigation. The Company has limited audit activity in various other states and foreign jurisdictions. Due to the uncertain nature of ongoing tax audits, the Company has recorded its liability for uncertain tax positions as part of its long-term liability as payments cannot be anticipated over the next 12 months. The existing tax positions of the Company continue to generate an increase in the liability for uncertain tax positions. The liability for uncertain tax positions may be reduced for liabilities that are settled with taxing authorities or on which the statute of limitations could expire without assessment from tax authorities. The possible reduction in liabilities for uncertain tax positions resulting from the expiration of statutes of limitation in multiple jurisdictions in the next 12 months is approximately \$1.3 million, excluding the interest, penalties and the effect of any related deferred tax assets or liabilities.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits (“UTB”) is as follows:

(In thousands)	Federal, State, and Foreign Tax
Balance as of December 31, 2021	\$ 9,204
Additions based on tax positions related to the current year	805
Additions for tax positions of prior years	8
Settlements	(1,355)
Reductions due to lapse of applicable statutes	(554)
Adjustments due to foreign exchange rate movement	(174)
Balance as of December 31, 2022	7,934
Additions based on tax positions related to the current year	426
Additions for tax positions of prior years	533
Reductions due to lapse of applicable statutes	(507)
Adjustments due to foreign exchange rate movement	232
Balance as of December 31, 2023	8,618
Additions based on tax positions related to the current year	372
Additions for tax positions of prior years	10
Settlements	(712)
Reductions for tax positions of prior years	(31)
Reductions due to lapse of applicable statutes	(799)
Adjustments due to foreign exchange rate movement	72
Balance as of December 31, 2024	\$ 7,530

The total amount of net UTB that, if recognized would affect the effective tax rate as of December 31, 2024 is \$4.8 million. The ending net UTB results from adjusting the gross balance at December 31, 2024 for items such as U.S. federal and state deferred tax, interest, and deductible taxes. The net UTB is included as a component of non-current income taxes payable within the consolidated balance sheets.

As of December 31, 2024 and 2023, accrued interest and penalties on a gross basis were \$2.1 million and \$2.6 million, respectively. Included in accrued interest are amounts related to tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility.

The Company has not provided deferred taxes on earnings of \$9.0 million of undistributed earnings of foreign subsidiaries that are indefinitely reinvested outside of the U.S. The Company estimates that if these earnings were repatriated to the U.S., it would result in approximately \$1.9 million in associated tax without consideration of foreign tax credits. Determination of foreign tax credit limitations depends on several factors which cannot be estimated.

Note 8. Commitments and Contingencies

Purchase Obligations

The Company has entered into various inventory-related purchase agreements with suppliers. Generally, under these agreements, 50% of orders are cancelable by giving notice 46 to 60 days prior to the expected shipment date and 25% of orders are cancelable by giving notice 31 to 45 days prior to the expected shipment date. As of December 31, 2024, the Company had approximately \$57.4 million, as compared to \$42.6 million as of December 31, 2023, in short-term non-cancelable purchase commitments with suppliers or where the suppliers had procured unique materials and components upon receipts of the Company's purchase orders. Due to an elongation of the time from order placement to production that occurred several years ago, the Company issued purchase orders to supply chain partners beyond contractual termination periods. As of December 31, 2024, \$213.7 million of purchase orders beyond contractual termination periods remained outstanding. Consequently, the Company may incur expenses for materials and components, such as chipsets purchased by the supplier to fulfill the purchase order if the purchase order is cancelled. Expenses incurred in respect of cancelled purchase orders have historically not been significant relative to the original order value. For those orders not governed by master purchase agreements, the commitments are governed by the commercial terms on the Company's purchase orders subject to acknowledgment from its suppliers. The Company establishes a loss liability for all products it does not expect to sell or orders it anticipates canceling for which it has committed purchases from suppliers. Such loss liability is included in Other accrued liabilities on the Company's consolidated balance sheets. Losses incurred in relation to purchase commitments, including unique materials and components, amounted to \$4.6 million, \$3.5 million and \$5.5 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Non-Trade Commitments

As of December 31, 2024, the Company's non-cancellable purchase commitments pertaining to non-trade activities were as follows (in thousands):

2025	\$	1,914
2026		2,010
2027		2,111
2028		2,216
2029		3,031
Total	\$	<u>11,282</u>

Warranty Obligations

Changes in the Company's warranty obligations, which is included in Other accrued liabilities on the consolidated balance sheets, were as follows:

(In thousands)	Year Ended December 31,		
	2024	2023	2022
Balance as of beginning of the period	\$ 5,738	\$ 6,320	\$ 6,861
Provision for warranty liability made	3,925	5,105	5,230
Settlements made	(4,471)	(5,687)	(5,771)
Balance as of the end of the period	<u>\$ 5,192</u>	<u>\$ 5,738</u>	<u>\$ 6,320</u>

Guarantees and Indemnifications

The Company, as permitted under Delaware law and in accordance with its Bylaws, indemnifies its officers and directors for certain events or occurrences, subject to certain limits, while the officer or director is or was serving at the Company's request in such capacity. The term of the indemnification period is for the officer's or director's lifetime. The maximum amount of potential future indemnification is unlimited; however, the Company has a Director and Officer Insurance Policy that enables it to recover a portion of any future amounts paid. As a result of its insurance policy coverage, the Company believes the fair value of each indemnification agreement is minimal. Accordingly, the Company has no liabilities recorded for these agreements as of December 31, 2024.

In its sales agreements, the Company typically agrees to indemnify its direct customers, distributors and resellers (the “Indemnified Parties”) for any expenses or liability resulting from claimed infringements by the Company’s products of patents, trademarks or copyrights of third parties that are asserted against the Indemnified Parties, subject to customary carve outs. The terms of these indemnification agreements are generally perpetual after execution of the agreement. The maximum amount of potential future indemnification is generally unlimited. From time to time, the Company receives requests for indemnity and may choose to assume the defense of such litigation asserted against the Indemnified Parties. The Company believes the estimated fair value of these agreements is minimal. Accordingly, the Company has no liabilities recorded for these agreements as of December 31, 2024.

Leases

As of December 31, 2024, the Company entered into an office lease that has not yet commenced with short-term and long-term future lease payments of \$0.8 million and \$42.1 million, respectively, that are not yet recorded on the Consolidated Balance Sheets. This lease will commence in 2025 with a non-cancelable lease term of 11 years.

Litigation and Other Legal Matters

The Company is involved in disputes, litigation, and other legal actions, including, but not limited to, the matters described below. In all cases, at each reporting period, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. In such cases, the Company accrues for the amount, or if a range, the Company accrues the low end of the range, only if there is not a better estimate than any other amount within the range, as a component of legal expense within litigation reserves, net. The Company monitors developments in these legal matters that could affect the estimate the Company had previously accrued. In relation to such matters, the Company currently believes that there are no existing claims or proceedings that are likely to have a material adverse effect on its financial position within the next twelve months, or the outcome of these matters is currently not determinable. There are many uncertainties associated with any litigation, and these actions or other third-party claims against the Company may cause the Company to incur costly litigation and/or substantial settlement charges. In addition, the resolution of any intellectual property litigation may require the Company to make royalty payments, which could have an adverse effect in future periods. If any of those events were to occur, the Company’s business, financial condition, results of operations, and cash flows could be adversely affected. The actual liability in any such matters may be materially different from the Company’s estimates, which could result in the need to adjust the liability and record additional expenses.

Huawei v. NETGEAR Inc., NETGEAR Deutschland GmbH, and Exertis-Connect GmbH (at the Dusseldorf District Court, Germany)

On or around March of 2022, Huawei filed two patent infringement lawsuits at the District Court of Dusseldorf, Germany, against NETGEAR Inc., NETGEAR Deutschland GmbH, and Exertis-Connect GmbH, a third-party webstore selling NETGEAR products in Germany. Huawei asserted one EU patent in each suit, EP 3 337 077 B1 (“EP 077”) in case no. 08/22 and EP 3 143 741 B1 (EP 741) in case no. 09/22. In its complaints, Huawei alleged that the Company’s WiFi 6 products infringed the two patents, which Huawei further claimed are standard-essential patents. On or around February 9, 2023, the Federal Patent Court issued preliminary opinions finding both asserted patents invalid. The Company attended an oral hearing for both infringement cases on March 21, 2023 before the Dusseldorf District Court and the Court dismissed case no. 09/22 for the EP 741 and stayed case no. 08/22 for EP 077. On or around May 10, 2022, the Company was served with two suits that Huawei filed before the Jinan Intermediate People’s Court of China asserting Patent Nos. ZL 201811536087.9 (case no. 407) and ZL 201810757332.2 (case no. 408) against the Company’s WiFi 6 products. On or around June 12, 2024, the Jinan Court found that the Company Wi-Fi 6 products infringe Huawei’s two asserted Chinese patents. The Company appealed both cases to the Chinese Supreme Court on June 21, 2024.

On December 31, 2024, the Company entered into a license agreement with Sisvel International S.A., which includes a license to Huawei’s Wi-Fi 6 patent portfolio, resolving all outstanding related litigation between the Company and Huawei. All pending cases worldwide between Huawei and the Company have been dismissed.

Huawei v. NETGEAR Inc., NETGEAR Deutschland GmbH, and NETGEAR International Limited (at the Unified Patent Court - UPC)

On or around July 3, 2023, Huawei filed an infringement suit, asserting patent EP 3 611 989 (the '989 Patent), against NETGEAR Inc., NETGEAR Deutschland GmbH, and NETGEAR International Limited at the Unified Patent Court (UPC) in Munich, Germany. On or around December 11, 2023, Huawei filed a second UPC suit, asserting EP 3 678 321 (EP 321), against the Company. The Company submitted its Statement of Defense on April 18, 2024.

On December 31, 2024, the Company entered into a license agreement with Sisvel International S.A., which includes a license to Huawei's Wi-Fi 6 patent portfolio, resolving all outstanding related litigation between the Company and Huawei. All pending cases worldwide between Huawei and the Company have been dismissed.

Huawei v. NETGEAR Inc., NETGEAR Deutschland GmbH, and NETGEAR International Limited (at the Munich District Court, Germany)

On May 17, 2024, Huawei filed a Complaint asserting EP 3 334 112 (EP 112) against the Company's Wi-Fi-6 products at the Munich District Court. The entities named in the suit are NETGEAR Inc, NETGEAR International, and NETGEAR Germany. The Parties attended an oral hearing on December 19, 2024. On July 10, 2024, Huawei filed a Complaint asserting EP 3 937 445 (EP 445) against the Company's Wi-Fi-6 products at the Munich District Court. The Company filed a Statement of Defense for NETGEAR Germany on July 10, 2024.

On December 31, 2024, the Company entered into a license agreement with Sisvel International S.A., which includes a license to Huawei's Wi-Fi 6 patent portfolio, resolving all outstanding related litigation between the Company and Huawei. All pending cases worldwide between Huawei and the Company have been dismissed.

The Company, at this time, is not able to reasonably estimate any financial impact to the Company resulting from any ongoing litigation matters.

The Company does not believe that it is reasonably possible that a material loss has been incurred for any of the matters disclosed above, and consequently has not established any material loss provisions.

For the year ended December 31, 2024, the Company entered into a settlement agreement with TP-Link, resulting in the dismissal of all pending litigation between the parties. As part of the settlement, the Company received a payment from TP-Link, leading to a \$92.7 million contra-expense in litigation reserves and a \$10.9 million reduction in general and administrative expenses to offset related legal fees incurred to date. The Company included the amounts in the consolidated statements of operations.

Note 9. Stockholders' Equity

Stock Repurchases

From time to time, the Company's Board of Directors has authorized programs under which the Company may repurchase shares of its common stock, depending on market conditions, in the open market or through privately negotiated transactions. Under the authorizations, the timing and actual number of shares subject to repurchase are at the discretion of management and are contingent on a number of factors, such as levels of cash generation from operations, cash requirements for acquisitions and the price of the Company's common stock. On July 16, 2024, the Board of Directors authorized management to repurchase up to 3.0 million shares of the Company's outstanding common stock, incremental to the remaining shares under the Company's previous repurchase program. As of December 31, 2024, 3.4 million shares remained authorized for repurchase under the repurchase program. The Company repurchased and retired, reported based on trade date, approximately 2.1 million and 1.0 million shares of common stock, at a cost of approximately \$33.6 million and \$24.4 million during the year ended December 31, 2024 and 2022, respectively. As of December 31, 2024, common stock repurchases at a cost of approximately \$0.5 million were pending settlement. The Company did not repurchase any shares during the year ended December 31, 2023. Under the Inflation Reduction Act signed into law in 2022, the exercise tax on stock repurchases was approximately \$0.2 million for the year ended December 31, 2024.

The Company repurchased, reported based on trade date, approximately 226,000, 198,000 and 202,000 shares of common stock at a cost of approximately \$3.4 million, \$2.8 million and \$4.8 million, to administratively facilitate

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the withholding and subsequent remittance of personal income and payroll taxes for individuals receiving RSUs during the years ended December 31, 2024, 2023 and 2022, respectively.

These shares were retired upon repurchase. The Company's policy related to repurchases of its common stock is to charge the excess of cost over par value to retained earnings. All repurchases were made in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended.

Accumulated Other Comprehensive Income (Loss)

The following table sets forth the changes in accumulated other comprehensive income (loss) ("AOCI") by component:

(In thousands)	Unrealized gains (losses) on available -for-sale investments	Unrealized gains (losses) on derivatives	Estimated tax benefit (provision)	Total
Balance as of December 31, 2021	\$ (2)	\$ 173	\$ (22)	\$ 149
Other comprehensive income (loss) before reclassifications	(320)	(704)	188	(836)
Less: Amount reclassified from accumulated other comprehensive income (loss)	—	(193)	41	(152)
Net current period other comprehensive income (loss)	(320)	(511)	147	(684)
Balance as of December 31, 2022	(322)	(338)	125	(535)
Other comprehensive income (loss) before reclassifications	448	2,337	(540)	2,245
Less: Amount reclassified from accumulated other comprehensive income (loss)	—	1,992	(418)	1,574
Net current period other comprehensive income (loss)	448	345	(122)	671
Balance as of December 31, 2023	126	7	3	136
Other comprehensive income (loss) before reclassifications	43	(733)	159	(531)
Less: Amount reclassified from accumulated other comprehensive income (loss)	—	(805)	169	(636)
Net current period other comprehensive income (loss)	43	72	(10)	105
Balance as of December 31, 2024	\$ 169	\$ 79	\$ (7)	\$ 241

The following table provides details about significant amounts reclassified out of each component of AOCI:

(In thousands)	Year Ended December 31,		
	2024	2023	2022
Amount Reclassified from AOCI			
Gains (losses) on cash flow hedge:			
Foreign currency forward contracts			
Affected line item in the statement of operations			
Net revenue	\$ (897)	\$ 2,337	\$ (218)
Cost of revenue	—	(4)	3
Research and development	13	(33)	(14)
Sales and marketing	58	(246)	40
General and administrative	21	(62)	(4)
Total before tax	(805)	1,992	(193)
Tax impact	169	(418)	41
Total, net of tax	\$ (636)	\$ 1,574	\$ (152)

Note 10. Employee Benefit Plans

2006 Long Term Incentive Plan

In April 2006, the Company adopted the 2006 Long Term Incentive Plan (the “2006 Plan”). The 2006 Plan provides for the granting of stock options, stock appreciation rights, restricted stock, restricted stock units (“RSU”) performance awards and other stock awards, to eligible directors, employees and consultants of the Company. The Company’s 2006 Plan expired on April 13, 2016 by its terms. No further equity awards can be granted under the 2006 Plan. Outstanding awards under the 2006 Stock Plan remain subject to the terms and conditions of the 2006 Plan.

2016 Equity Incentive Plan

In April 2016, the Company’s Board of Directors adopted the 2016 Equity Incentive Plan (the “2016 Plan”) which was approved by the Company’s stockholders at the 2016 Annual Meeting of Stockholders on June 3, 2016. The 2016 Plan provides for the granting of stock options, stock appreciation rights, restricted stock, RSUs, performance shares and performance units to eligible directors, employees and consultants of the Company. The original maximum aggregate number of shares that could be issued under the 2016 Plan was 2.5 million shares, plus (i) any shares that were available for grant under the Company’s 2006 Plan as of immediately prior to the 2006 Plan’s expiration by its terms, which was 699,827 shares, plus (ii) any shares granted under the 2006 Plan that expire, are forfeited to or repurchased by the Company. In May 2018, the Company adopted amendments to the 2016 Plan which increased the number of shares of the Company’s common stock that may be issued under the 2016 Plan by an additional 1.7 million shares. In January 2019, the Company received the approval from its Compensation Committee to increase the number of shares that the Company may be issued under the 2016 Plan to a new total of 3.1 million shares, pursuant to the adjustment provisions of the 2016 Plan. In May 2020, the Company adopted amendments to the 2016 Plan which increased the number of shares of the Company’s common stock that may be issued under the 2016 Plan by an additional 2.0 million shares. In June 2023, the Company’s stockholders approved amendments to the 2016 Plan which increased the number of shares of the Company’s common stock that may be issued under the 2016 Plan by an additional 2.0 million shares. As of December 31, 2024, approximately 2.3 million shares remained available for future grants under the 2016 Plan.

Options granted generally vest over four years with the first tranche at the end of twelve months from the date of grant and the remaining shares vesting monthly over the remaining three years. Options granted generally expire in 10 years from the date of grant. RSUs granted generally vest in annual installments over four years or over three years with the first tranche at the end of twelve months from the vest start date and the remaining vesting quarterly over the remaining two years. RSUs do not have an expiration date. Performance shares granted generally vest at the end of a three-year period if performance conditions are met and do not have an expiration date.

Any shares that are tendered by a participant of the 2016 Plan or retained by the Company as full or partial payment to the Company for the purchase of an award or to satisfy tax withholding obligations in connection with an award shall no longer again be made available for issuance under the 2016 Plan.

2024 Inducement Equity Incentive Plan

In February 2024, the Company adopted the 2024 Inducement Equity Incentive Plan (the “2024 Inducement Plan”), which was approved by the Company’s Board of Directors on February 9, 2024. The 2024 Inducement Plan provides for the granting of stock options, stock appreciation rights, restricted stock, RSUs, performance shares and performance units to eligible individuals who are entering into employment with the Company. The original maximum aggregate number of shares that could be issued under the 2024 Inducement Plan was 2.0 million shares. As of December 31, 2024, approximately 0.2 million shares were reserved for future grants under the 2024 Inducement Plan.

Employee Stock Purchase Plan

The Company sponsors an Employee Stock Purchase Plan (the “ESPP”), pursuant to which eligible employees may contribute up to 10% of compensation, subject to certain income limits, to purchase shares of the Company’s common stock. The terms of the plan include a look-back feature that enables employees to purchase stock semi-annually at a price equal to 85% of the lesser of the fair market value at the beginning of the offering period and the purchase date. The duration of each offering period is generally six-months. In April 2022, the Company approved an amendment to the plan to increase the number of shares of common stock authorized for sale under the plan by 1.0

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million shares to a total of 3.0 million shares. For the years ended December 31, 2024, 2023, and 2022, the Company recognized ESPP compensation expense of \$1.2 million, \$1.1 million and \$1.3 million, respectively. Approximately 312,000 shares of common stock were purchased at an average exercise price of \$11.44 in the year ended December 31, 2024. As of December 31, 2024, approximately 0.5 million shares were reserved for future issuance under the ESPP.

Option Activity

Stock option activity was as follows:

(In thousands, except per share amounts)	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of December 31, 2023	866	\$ 30.70		
Exercised	(163)	\$ 24.57		
Expired	(228)	\$ 31.15		
Outstanding as of December 31, 2024	475	\$ 32.60	1.42	\$ 367,881
As of December 31, 2024				
Vested and expected to vest	475	\$ 32.60	1.42	\$ 367,881
Exercisable Options	475	\$ 32.60	1.42	\$ 367,881

The aggregate intrinsic values in the table above represent the total pre-tax intrinsic values (the difference between the Company's closing stock price on the last trading day of 2024, or December 31, 2024, and the exercise price, multiplied by the number of shares underlying the in-the-money options) that would have been received by the option holders had all option holders exercised their options on December 31, 2024. This amount changes based on the fair market value of the Company's stock. Total intrinsic value of options exercised for the years ended December 31, 2024 and 2022 was \$0.4 million and \$0.2 million, respectively. There were no options exercised for the year ended December 31, 2023.

The total fair value of options vested during the years ended December 31, 2023, and 2022 was \$0.7 million and \$1.3 million, respectively. There were no options vested during the year ended December 31, 2024.

The following table summarizes significant ranges of outstanding and exercisable stock options as of December 31, 2024:

Range of Exercise Prices	Options Outstanding			Options Exercisable		
	Shares Outstanding (In thousands)	Weighted-Average Remaining Contractual Life (In years)	Weighted-Average Exercise Price Per Share (In dollars)	Shares Exercisable (In thousands)	Weighted-Average Exercise Price Per Share (In dollars)	
\$23.48 - \$23.48	3	1.23	\$ 23.48	3	\$ 23.48	
\$25.37 - \$25.37	5	2.42	\$ 25.37	5	\$ 25.37	
\$26.61 - \$26.61	271	1.42	\$ 26.61	271	\$ 26.61	
\$38.32 - \$38.32	25	3.59	\$ 38.32	25	\$ 38.32	
\$41.67 - \$41.67	171	1.07	\$ 41.67	171	\$ 41.67	
\$23.48 - \$41.67	475	1.42	\$ 32.60	475	\$ 32.60	

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Time-Based RSU Activity

RSU activity was as follows:

(In thousands, except per share amounts)	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Weighted Average Remaining Contractual Term	Average Intrinsic Value
Outstanding as of December 31, 2023	1,567	\$ 22.83		
Granted	1,939	\$ 15.91		
Vested	(739)	\$ 23.50		
Cancelled	(217)	\$ 19.66		
Outstanding as of December 31, 2024	2,550	\$ 17.64	1.20	\$ 71,060

The total fair value of RSUs vested during the years ended December 31, 2024, 2023 and 2022 was \$11.0 million, \$9.2 million and \$14.6 million, respectively. The grant date fair value of RSUs vested during the years ended December 31, 2024, 2023 and 2022 was \$17.4 million, \$17.8 million and \$21.5 million, respectively.

Performance-Based RSU Activity

Since 2020, the Company's executive officers were granted performance-based restricted stock units ("PSUs") under the 2016 Plan with vesting occurring at the end of a three-year period if performance conditions are met. In February 2024, the Company granted PSUs under the 2024 Inducement Plan to its newly-hired Chief Executive Officer with 1/3 of the target PSUs being allocated to each tranche and vesting occurring at the end of each anniversary of the vesting commencement date over a three-year period. In addition, in 2024, the Company granted PSUs under the 2024 Inducement Plan to its newly-hired employees with vesting occurring at the end of a three-year period if performance conditions are met. The number of PSUs earned and eligible to vest are determined based on achievement of the pre-determined performance or market conditions and the recipients' continued service with the Company. The number of PSUs to vest could range from 0% to 150% of the target shares granted. For PSUs with a performance condition, at the end of each reporting period, the Company evaluates the probability of achieving the performance conditions and records the related stock-based compensation expense based on performance to date over the service period. The stock-based compensation expense relating to PSUs with a market condition is recognized ratably from the service inception date to the vesting date for each tranche.

Performance-based RSU activity was as follows:

(In thousands, except per share amounts)	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Outstanding as of December 31, 2021	293	\$ 33.07
Granted	145	\$ 22.37
Vested	—	\$ —
Cancelled	(8)	\$ 27.17
Outstanding as of December 31, 2022	430	\$ 29.38
Granted	145	\$ 14.44
Vested	—	\$ —
Cancelled	(158)	\$ 27.85
Outstanding as of December 31, 2023	417	\$ 24.76
Granted	630	\$ 21.00
Vested	—	\$ —
Cancelled	(392)	\$ 25.12
Outstanding as of December 31, 2024	655	\$ 20.93

Valuation and Expense Information

The Company measures stock-based compensation at the grant date based on the estimated fair value of the award. Estimated compensation cost relating to time-based RSUs and PSUs with a performance condition is based on

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the closing fair market value of the Company's common stock on the date of grant. The grant date fair value for PSUs with a market condition is determined using the Monte Carlo valuation method. The fair value of options granted and the purchase rights granted under the ESPP is estimated on the date of grant using a Black-Scholes-Merton option valuation model that uses the assumptions noted in the following table. The estimated expected term of options granted is derived from historical data on employee exercise and post-vesting employment termination behavior. The risk-free interest rate of options granted and the purchase rights granted under the ESPP is based on the implied yield currently available on U.S. Treasury securities with a remaining term commensurate with the estimated expected term. Expected volatility of options granted under the 2016 Plan and the purchase rights granted under the ESPP is based on historical volatility over the most recent period commensurate with the estimated expected term. The Company has never declared or paid cash dividends on its capital stock and does not anticipate paying cash dividends in the foreseeable future.

No stock options were granted during the years ended December 31, 2024, 2023 and 2022. The following table sets forth the weighted-average assumptions used to estimate the fair value of purchase rights granted under the ESPP:

	Year Ended December 31,		
	2024	2023	2022
Expected life (in years)	0.5	0.5	0.5
Risk-free interest rate	5.01 %	5.19 %	2.25 %
Expected volatility	48.1 %	35.8 %	39.6 %
Dividend yield	—	—	—

The following table sets forth the stock-based compensation expense resulting from stock options, time-based and performance-based RSUs and the ESPP included in the Company's consolidated statements of operations:

(In thousands)	Year Ended December 31,		
	2024	2023	2022
Cost of revenue	\$ 1,613	\$ 1,405	\$ 1,353
Research and development	3,297	3,935	4,177
Sales and marketing	6,182	5,336	5,603
General and administrative	11,586	7,262	6,601
Total	\$ 22,678	\$ 17,938	\$ 17,734

Total stock-based compensation cost capitalized in inventory was less than \$0.9 million as of each of the years ended December 31, 2024, 2023 and 2022, respectively.

As of December 31, 2024, \$42.8 million of unrecognized compensation cost related to unvested time-based and performance-based RSUs is expected to be recognized over a weighted-average period of 2.1 years. If there are any modifications or cancellations of the underlying unvested awards, the Company may be required to accelerate, increase or cancel all or a portion of the remaining unearned stock-based compensation expense.

Note 11. Segment Information

Operating segments are components of an enterprise about which separate financial information is available and is evaluated quarterly by management, namely the Chief Operating Decision Maker (“CODM”) of an organization, in order to determine operating and resource allocation decisions. By this definition, the Company has identified its CEO as the CODM. The Company operates and reports in two segments: NETGEAR for Business and Connected Home:

- NETGEAR for Business: offers reliable, easy-to-use, high-performance networking solutions, including switches, routers, access points, software, and AV over IP technologies, tailored to meet the diverse needs of organizations of all sizes; and
- Connected Home: offers advanced connectivity, powerful performance, and enhanced security features right out of the box, designed to help keep families safe online, whether at home or on the go, including high-performance, dependable and easy-to-use premium WiFi networking solutions such as 4G/5G mobile products, WiFi 7 Tri-band and Quad-band mesh systems and routers, WiFi 6E, WiFi 6, and subscription services that provide consumers a range of value-added services focused on performance, security, privacy and premium support.

The Company believes that this structure reflects its current operational and financial management, and that it provides the best structure for the Company to focus on growth opportunities while maintaining financial discipline. The leadership team of each segment is focused on product and service development efforts, both from a product marketing and engineering standpoint, to service the unique needs of their customers.

The results of the reportable segments are derived directly from the Company’s management reporting system. The results are based on the Company’s method of internal reporting and are not necessarily in conformity with accounting principles generally accepted in the United States. Management measures the performance of each segment based on several metrics, including contribution income (loss). Segment contribution income (loss) includes all product line segment revenue less the related cost of sales, research and development and sales and marketing costs. Contribution income (loss) is used, in part, to evaluate the performance of, and allocate resources to, each of the segments. Certain operating expenses are not allocated to segments because they are separately managed at the corporate level. These unallocated indirect costs include corporate costs, such as corporate research and development, corporate marketing expense and general and administrative costs, amortization of intangibles, stock-based compensation expense, goodwill impairment, intangibles impairment, restructuring and other charges, litigation reserves, net, and other income, net.

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Effective on January 1, 2024, resulting from certain segment structure changes, the Company revised its allocation method by allocating certain historically unallocated operating expenses to its individual operating segments. Further, the Company adopted ASU 2023-07 “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures” effective for the year ended December 31, 2024 on a retrospective basis. The prior-year segment financial information has been recast to conform to the current-year presentation. Financial information for each reportable segment and a reconciliation of total segment contribution income to income (loss) before income taxes is as follows:

(In thousands, except percentage data)	Year Ended December 31,								
	2024			2023			2022		
	NETGEAR for Business	Connected Home	Total	NETGEAR for Business	Connected Home	Total	NETGEAR for Business	Connected Home	Total
Net revenue	\$ 287,812	\$ 385,947	\$ 673,759	\$ 293,975	\$ 446,865	\$ 740,840	\$ 373,649	\$ 558,823	\$ 932,472
Cost of revenue	168,399	307,820	476,219	163,083	326,843	489,926	230,525	449,531	680,056
Gross profit	119,413	78,127	197,540	130,892	120,022	250,914	143,124	109,292	252,416
Gross margin	41.5 %	20.2 %	29.3 %	44.5 %	26.9 %	33.9 %	38.3 %	19.6 %	27.1 %
Operating expenses	75,408	104,138	179,546	74,127 *	110,477 *	184,604 *	69,582 *	126,823 *	196,405 *
Contribution income (loss)	44,005	(26,011)	17,994	56,765 *	9,545 *	66,310 *	73,542 *	(17,531) *	56,011 *
Contribution margin	15.3 %	(6.7)%	2.7 %	19.3 % *	2.1 % *	9.0 % *	19.7 % *	(3.1)% *	6.0 % *
Corporate and unallocated costs			(67,633)			(76,179) *			(71,648) *
Amortization of intangibles ⁽¹⁾			—			(257)			(514)
Stock-based compensation expense			(22,678)			(17,938)			(17,734)
Goodwill impairment			—			—			(44,442)
Intangibles impairment			—			(1,071)			—
Restructuring and other charges			(4,479)			(3,962)			(4,577)
Litigation reserves, net			89,012			(178)			(20)
Other income, net ⁽²⁾			12,672			14,139			902
Loss before income taxes			\$ 24,888			\$ (19,136)			\$ (82,022)

⁽¹⁾ Amounts excluded amortization expenses related to patents within purchased intangibles in cost of revenue.

⁽²⁾ Amounts included gain/(loss), net from litigation settlement of \$6.0 million for the year ended December 31, 2023, and gain/(loss), net from derivatives not designated as hedging instruments of \$3.3 million, 0.3 million and \$2.7 million, for the years ended December 31, 2024, 2023 and 2022, respectively.

* Financial information for each reportable segment in the prior year periods were recast to conform to the current reportable segment structure.

The Company does not report total assets by segment for internal or external reporting purposes as the Company’s CODM does not evaluate operating segments, make strategic decisions, or allocate resources using discrete asset information.

Operations by Geographic Region

For reporting purposes, revenue is generally attributed to each geographic region based on the location of the customer. The following table shows net revenue by geography:

(In thousands)	Year Ended December 31,		
	2024	2023	2022
United States (U.S.)	\$ 443,818	\$ 489,968	\$ 598,649
Americas (excluding U.S.)	12,222	14,381	18,562
EMEA ⁽¹⁾	127,260	148,922	179,358
APAC ⁽¹⁾	90,459	87,569	135,903
Total net revenue	\$ 673,759	\$ 740,840	\$ 932,472

⁽¹⁾ No individual country, other than disclosed above, represented more than 10% of the Company’s total net revenue in the periods presented.

Long-lived assets by Geographic Region

The following table represents the Company's long-lived assets located in geographic areas, which consist of property and equipment, net and operating lease right-of-use assets:

(In thousands)	December 31, 2024	December 31, 2023
United States (U.S.)	\$ 19,057	\$ 25,051
Canada	5,573	4,714
Americas (excluding U.S. and Canada)	39	68
EMEA	3,127	3,739
Singapore	4,841	6,218
APAC (excluding Singapore) ⁽¹⁾	6,698	5,768
Total	\$ 39,335	\$ 45,558

⁽¹⁾ No individual country, other than disclosed above, represented more than 10% of the Company's total long-lived assets in the periods presented.

Significant Customers

For the year ended December 31, 2024, the Company had one customer, that accounted for 16% of net revenue. For the year ended December 31, 2023, the Company had two customers, that each individually accounted for 17% and 12% of net revenue, respectively. For the year ended December 31, 2022, the Company had two customers, that each individually accounted for 15% and 11% of net revenue, respectively. All of the customers were primarily within the Connected Home segment.

Note 12. Fair Value Measurements

The Company determines the fair values of its financial instruments based on a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The classification of a financial asset or liability within the hierarchy is based upon the lowest level input that is significant to the fair value measurement. The fair value hierarchy prioritizes the inputs into three levels that may be used to measure fair value:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following tables summarize assets and liabilities measured at fair value on a recurring basis:

(In thousands)	December 31, 2024		
	Total	Quoted market prices in active markets (Level 1)	Significant other observable inputs (Level 2)
Assets:			
Cash equivalents: money-market funds	\$ 111,043	\$ 111,043	\$ —
Available-for-sale investments: U.S. treasury securities ⁽¹⁾	119,370	—	119,370
Trading securities: mutual funds ⁽¹⁾	2,876	2,876	—
Foreign currency forward contracts ⁽²⁾	1,053	—	1,053
Total assets measured at fair value	<u>\$ 234,342</u>	<u>\$ 113,919</u>	<u>\$ 120,423</u>
Liabilities:			
Foreign currency forward contracts ⁽³⁾	\$ 273	\$ —	\$ 273
Total liabilities measured at fair value	<u>\$ 273</u>	<u>\$ —</u>	<u>\$ 273</u>

(In thousands)	December 31, 2023		
	Total	Quoted market prices in active markets (Level 1)	Significant other observable inputs (Level 2)
Assets:			
Cash equivalents: money-market funds	\$ 25,986	\$ 25,986	\$ —
Available-for-sale investments: U.S. treasury securities ⁽¹⁾	98,454	—	98,454
Trading securities: mutual funds ⁽¹⁾	8,304	8,304	—
Available-for-sale investments: convertible debt securities ⁽¹⁾	173	—	173
Foreign currency forward contracts ⁽²⁾	291	—	291
Total assets measured at fair value	<u>\$ 133,208</u>	<u>\$ 34,290</u>	<u>\$ 98,918</u>
Liabilities:			
Foreign currency forward contracts ⁽³⁾	\$ 1,691	\$ —	\$ 1,691
Total liabilities measured at fair value	<u>\$ 1,691</u>	<u>\$ —</u>	<u>\$ 1,691</u>

⁽¹⁾ Included in Short-term investments on the Company's consolidated balance sheets.

⁽²⁾ Included in Prepaid expenses and other current assets on the Company's consolidated balance sheets.

⁽³⁾ Included in Other accrued liabilities on the Company's consolidated balance sheets.

The Company's investments in money-market funds and mutual funds are classified within Level 1 of the fair value hierarchy because they are valued based on quoted market prices in active markets. The Company's investments in U.S. treasury securities are classified within Level 2 of the fair value hierarchy because they are valued based on readily available pricing sources for comparable or identical instruments in less active markets. The Company's investments in convertible debt securities issued by a publicly held company and certificates of deposits are classified within Level 2 of the fair value hierarchy as the fair value for the instrument approximates its cost based on the contractual terms of the arrangement. The Company's foreign currency forward contracts are classified within Level 2 of the fair value hierarchy as they are valued using pricing models that consider the contract terms as well as currency rates and counterparty credit rates. The Company verifies the reasonableness of these pricing models using observable market data for related inputs into such models. The Company enters into foreign currency forward contracts with only those counterparties that have long-term credit ratings of A-/A3 or higher. The carrying value of non-financial assets and liabilities measured at fair value in the financial statements on a recurring basis, including accounts receivable and accounts payable, approximate fair value due to their short maturities.

Note 13. Restructuring and Other Charges

The Company accounts for its restructuring plans under the authoritative guidance for exit or disposal activities. Accrued restructuring and other charges are classified within Accrued employee compensation and Other accrued liabilities on the consolidated balance sheets.

Restructuring and other charges recognized in fiscal years 2024, 2023 and 2022 were primarily for severance, and other costs in relation to the reorganization of our business to better align the cost structure of the business with projected revenue levels. The liabilities as of December 31, 2024 are expected to be settled in 2025.

The following table provides a summary of the activity related to accrued restructuring and other charges:

(In thousands)	Employee termination charges	Lease contract termination and other charges	Total
Balance as of December 31, 2021	\$ —	\$ 23	\$ 23
Additions	4,600	—	4,600
Cash payments	(2,714)	—	(2,714)
Adjustments	26	(23)	3
Balance as of December 31, 2022	1,912	—	1,912
Additions	3,834	631	4,465
Cash payments	(5,384)	(579)	(5,963)
Adjustments	(105)	(22)	(127)
Balance as of December 31, 2023	257	30	287
Additions	4,154	325	4,479
Cash payments	(3,722)	(86)	(3,808)
Adjustments	(25)	(269)	(294)
Balance as of December 31, 2024	\$ 664	\$ —	\$ 664

Note 14. Leases

The Company leases office space, cars, distribution centers and equipment under non-cancellable operating lease arrangements with various expiration dates through December 2037. The leases have remaining lease terms of approximately 1 year to 13 years, some of which include options to extend for up to a further 5 years, and some of which include options to terminate prior to completion of the contractual lease term with or without penalties. The Company determines the duration of the lease arrangement giving thought to whether or not it is reasonably certain that the Company will exercise options to extend or terminate the lease arrangement ahead of its contractual term. The leases do not contain any material residual value guarantees.

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The components of lease cost were as follows:

	Year Ended December 31,		
	2024	2023	2022
(In Thousands)			
Operating lease cost	\$ 12,424	\$ 12,586	\$ 11,067
Short-term lease cost	315	305	297
Total lease cost ⁽¹⁾	\$ 12,739	\$ 12,891	\$ 11,364

⁽¹⁾ Included in cost of revenue, sales and marketing, research and development and general and administration in the Company's consolidated statement of operations.

Supplemental cash flow information related to leases was as follows:

	Year Ended December 31,		
	2024	2023	2022
(In Thousands)			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows relating to operating leases	\$ 13,733	\$ 12,697	\$ 9,907
Lease liabilities arising from obtaining right-of-use assets:			
Operating leases	\$ 1,273	\$ 6,987	\$ 26,511

Supplemental balance sheet information related to leases was as follows:

	As of December 31,	
	2024	2023
Weighted Average Remaining Lease Term (in years)		
Operating leases	4.1	4.6
Weighted Average Discount Rate		
Operating leases	6.1 %	5.8 %

As of December 31, 2024, maturities of operating lease liabilities were as follows (in thousands):

	Operating Lease
2025	\$ 12,304
2026	8,839
2027	7,922
2028	1,406
2029	674
Thereafter	4,416
Total lease payments	35,561
Less imputed interest	(4,928)
Total	\$ 30,633

Item 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2024. In making this assessment, our management used the criteria established in Internal Control-Integrated Framework (2013), issued by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on management's assessment using those criteria, our management concluded that our internal control over financial reporting was effective as of December 31, 2024. The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by PricewaterhouseCoopers LLP (PCAOB ID: 238), an independent registered public accounting firm, as stated in their report which is included in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the fourth fiscal quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of our management (including our Chief Executive Officer and Chief Financial Officer), our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") were effective as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

Limitations on the Effectiveness of Controls

It should be noted that any system of controls, however well designed and operated, can provide only reasonable assurance, and not absolute assurance, that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals in all future circumstances.

Item 9B. Other Information
Insider Trading Arrangements

During the three months ended December 31, 2024, our Board of Directors and officers (as defined in Rule 16a-1(f)) under the Exchange Act adopted or terminated the contracts, instructions or written plans for the purchase or sale of the Company's securities set forth in the table below.

Name and Position	Action	Adoption/Termination Date	Type of Trading Arrangement		Total Shares of Common Stock to be Sold***	Total Shares of Common Stock to be Purchased	Expiration Date
			Rule 10b5-1*	Non-Rule 10b5-1**			
Sarah Butterfass, Director	Adopted	11/14/2024	Yes		40.0% net shares resulting from the vesting of 14,619 (gross) RSUs	N/A	10/31/2025
Charles J Prober, Chief Executive Officer	Adopted	11/20/2024	Yes		6.3% of net shares resulting from the vesting of 531,789 (gross) restricted stock and performance shares, 1,707 net shares from a prior ESPP purchase, and net shares to be purchased in Feb 2025 under ESPP	N/A	11/21/2026
Bryan Murray, Chief Financial Officer	Adopted	12/13/2024	Yes		10.0% of net shares resulting from the vesting of 68,438 (gross) restricted stock and performance shares, 2,199 net shares from prior ESPP purchases, and net shares to be purchased in Feb 2025 under ESPP	N/A	12/12/2025

* Contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

** "Non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K under the Exchange Act

*** Net shares issued with shares withheld to administratively facilitate the withholding and subsequent remittance of personal income and payroll taxes for the vesting of RSUs and PSUs.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Certain information required by Part III is incorporated herein by reference from our proxy statement related to our 2025 Annual Meeting of Stockholders (“Proxy Statement”), which we intend to file no later than 120 days after the end of the fiscal year covered by this Form 10-K.

Item 10. *Directors, Executive Officers and Corporate Governance*

The information required by this Item concerning our directors, insider trading policy, executive officers, standing committees and procedures by which stockholders may recommend nominees to our Board of Directors, is incorporated by reference to the sections of our Proxy Statement under the headings “Information Concerning the Nominees and Incumbent Directors,” “Other Compensation Policies and Information,” “Board and Committee Meetings,” and “Audit Committee” and to the information contained in the section captioned “Executive Officers of the Registrant” included under Part I of this Annual Report on Form 10-K.

We have adopted a Code of Ethics that applies to our Chief Executive Officer and senior financial officers, as required by the SEC. The current version of our Code of Ethics can be found on our Internet site at <http://www.netgear.com>. Additional information required by this Item regarding our Code of Ethics is incorporated by reference to the information contained in the section captioned “Corporate Governance Policies and Practices” in our Proxy Statement.

We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of our Code of Ethics by posting such information on our website at <http://www.netgear.com> within four business days following the date of such amendment or waiver.

Item 11. *Executive Compensation*

The information required by this Item is incorporated by reference to the sections of our Proxy Statement under the headings “Compensation Discussion and Analysis,” “Executive Compensation,” “Director Compensation,” “Fiscal Year 2024 Director Compensation,” “Compensation Committee Interlocks and Insider Participation,” and “Report of the Compensation Committee of the Board of Directors.”

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The additional information required by this Item is incorporated by reference to the information contained in the section captioned “Equity Compensation Plan Information” in our Proxy Statement.

The additional information required by this Item is incorporated by reference to the information contained in the section captioned “Security Ownership of Certain Beneficial Owners and Management” in our Proxy Statement.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by this Item is incorporated by reference to the information contained in the section captioned “Election of Directors” and “Related Party Transactions” in our Proxy Statement.

Item 14. *Principal Accountant Fees and Services*

The information required by this Item related to audit fees and services is incorporated by reference to the information contained in the section captioned “Ratification of Appointment of Independent Registered Public Accounting Firm” appearing in our Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

(1) *Financial Statements.*

The following consolidated financial statements of NETGEAR, Inc. are filed as part of this Annual Report on Form 10-K in Item 8, *Financial Statements and Supplementary Data*.

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Report of Independent Registered Public Accounting Firm (PCAOB ID: 238)	65
Consolidated Balance Sheets as of December 31, 2024 and 2023	67
Consolidated Statements of Operations for the three years ended December 31, 2024, 2023 and 2022	68
Consolidated Statements of Comprehensive Income (Loss) for the three years ended December 31, 2024, 2023, and 2022	69
Consolidated Statements of Stockholders' Equity for the three years ended December 31, 2024, 2023, and 2022	70
Consolidated Statements of Cash Flows for the three years ended December 31, 2024, 2023, and 2022	71
Notes to Consolidated Financial Statements	72

(2) *Financial Statement Schedule (Valuation and Qualifying Accounts) for the three years ended December 31, 2024.*

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Schedule II—Valuation and Qualifying Accounts	108

Schedule II—Valuation and Qualifying Accounts

	<u>Balance at Beginning of Year</u>	<u>Other</u>	<u>Additions (In thousands)</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
Allowance for doubtful accounts:					
Year ended December 31, 2024	\$ 338	\$ —	\$ 169	\$ —	\$ 507
Year ended December 31, 2023	397	—	—	(59)	338
Year ended December 31, 2022	\$ 399	\$ —	\$ —	\$ (2)	\$ 397

All other schedules have been omitted because they are not required, not applicable, or the required information is otherwise included.

(3) Exhibits.

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
3.1	Amended and Restated Certificate of Incorporation of the registrant	10-Q	8/4/2017	3.1	
3.2	Amended and Restated Bylaws of the registrant	8-K	4/20/2018	3.2	
4.1	Form of registrant's common stock certificate	S-1/A	7/14/2003	4.1	
4.2	Description of the Registrant's Securities	10-K	2/18/2020	4.2	
10.1#	Form of Indemnification Agreement for directors and officers				X
10.2#	2016 Equity Incentive Plan, as amended, and forms of agreement thereunder	10-K	2/16/2024	10.2	
10.3#	2024 Inducement Equity Incentive Plan and forms of agreement thereunder	8-K	2/14/2024	10.1	
10.4#	2003 Employee Stock Purchase Plan, as amended	S-8	8/5/2022	99.1	
10.5#	Amended and Restated 2006 Long-Term Incentive Plan and forms of agreements thereunder	S-8	6/6/2014	4.3	
10.6#	NETGEAR, Inc. Deferred Compensation Plan	8-K	4/5/2013	10.1	
10.7#	NETGEAR, Inc. Executive Bonus Plan	8-K	2/5/2020	99.2	
10.8*	Warehousing Agreement, dated July 5, 2001, between the registrant and APL Logistics Americas, Ltd.	S-1/A	4/21/2003	10.25	
10.9*	Distribution Operations Agreement, dated April 27, 2001, between the registrant and DSV Solutions B.V. (formerly Furness Logistics BV)	S-1/A	4/21/2003	10.26	
10.10*	Distribution Operations Agreement, dated December 1, 2001, between the registrant and Kerry Logistics (Hong Kong) Limited	S-1/A	4/21/2003	10.27	
10.11	Office Lease, dated as of September 25, 2007, by and between the registrant and BRE/Plumeria, LLC	8-K	9/27/2007	10.1	
10.11a	First Amendment to Office Lease, dated as of April 23, 2008, by and between the registrant and BRE/Plumeria, LLC	10-Q	5/9/2008	10.1	
10.11b	Second Amendment to Office Lease, dated June 25, 2015, by and between the registrant and KBSII/Plumeria, LLC	10-K	2/19/2016	10.11B	
10.12#	Office Lease, dated as of September 26, 2024, by and between the registrant and A&M PEAK FIRST STREET, LLC	10-Q	11/1/2024	10.1	
10.13#	Offer Letter, dated December 3, 1999, between the registrant and Patrick C.S. Lo	S-1	4/10/2003	10.5	
10.14#	Amendment to Offer Letter, dated December 23, 2008, between the registrant and Patrick C.S. Lo	10-K	3/4/2009	10.51	

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10.15#	<u>Offer Letter, dated January 30, 2024, between the registrant and Charles (CJ) Prober</u>	10-Q	5/3/2024	10.4	
10.16#	<u>Offer Letter, dated November 6, 2001, between the registrant and Bryan D. Murray</u>	10-K	2/18/2022	10.13	
10.17#	<u>Offer Letter, dated June 16, 2004, between the registrant and David J. Henry</u>	10-K	2/18/2022	10.14	
10.18#	<u>Employment Agreement, dated October 18, 2002, between the registrant and Michael F. Falcon</u>	S-1	4/10/2003	10.10	
10.19#	<u>Amendment to Employment Agreement, dated December 29, 2008, between the registrant and Michael F. Falcon</u>	10-K	3/4/2009	10.49	
10.20#	<u>Amendment to Employment Agreement, dated December 30, 2008, between the registrant and Michael A. Werdann</u>	10-K	3/4/2009	10.54	
10.21#	<u>Second Amendment to Employment Agreement, dated October 1, 2015, between the registrant and Michael A. Werdann</u>	10-K	2/19/2016	10.21	
10.22#	<u>Employment Agreement, dated July 12, 2024, between the registrant and Pramod Badjate</u>				X
10.23#	<u>Executive Succession and Advisory Services Agreement, dated January 30, 2024, between the registrant and Patrick C.S. Lo</u>	10-Q	5/3/2024	10.3	
10.24#	<u>Separation Agreement and Release, dated as of January 1, 2025, between the Registrant and David J. Henry</u>	8-K	1/07/2025	10.1	
10.25#	<u>Form of Change in Control and Severance Agreement (Chief Executive Officer)</u>	10-Q	5/3/2024	10.5	
10.26#	<u>Form of Change in Control and Severance Agreement (Other Executive Officers)</u>				X
19.1	<u>Insider Trading Policy</u>				X
21.1	<u>List of subsidiaries and affiliates</u>	10-K	2/16/2024	21.1	
23.1	<u>Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm</u>				X
24.1	<u>Power of Attorney (included on signature page)</u>				X
31.1	<u>Certification of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) / 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>				X
31.2	<u>Certification of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) / 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>				X
32.1	<u>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>				X
32.2	<u>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>				X

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97.1	NETGEAR, Inc. Clawback Policy	10-K	2/16/2024	97.1	
101.INS	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents				X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibits 101)				X
#	Indicates management contract or compensatory plan or arrangement.				
*	Confidential treatment has been granted as to certain portions of this Exhibit.				

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Jose, State of California, on the 14th day of February 2025.

NETGEAR, INC.

By: /s/ CHARLES (CJ) PROBER

Charles (CJ) Prober

Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Charles (CJ) Prober and Bryan D. Murray, and each of them, his attorneys-in-fact, each with the power of substitution, for him in any and all capacities, to sign any and all amendments to this Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Signature	Title	Date
<u>/S/ CHARLES (CJ) PROBER</u> Charles (CJ) Prober	Chief Executive Officer and Director (Principal Executive Officer)	February 14, 2025
<u>/S/ BRYAN D. MURRAY</u> Bryan D. Murray	Chief Financial Officer (Principal Financial and Accounting Officer)	February 14, 2025
<u>/S/ SARAH S. BUTTERFASS</u> Sarah S. Butterfass	Director	February 14, 2025
<u>/S/ LAURA J. DURR</u> Laura J. Durr	Director	February 14, 2025
<u>/S/ SHRAVAN K. GOLI</u> Shravan K. Goli	Director	February 14, 2025
<u>/S/ BRADLEY L. MAIORINO</u> Bradley L. Maiorino	Director	February 14, 2025
<u>/S/ LAURA C. ORVIDAS</u> Laura C. Orvida	Director	February 14, 2025
<u>/S/ JANICE M. ROBERTS</u> Janice M. Roberts	Director	February 14, 2025
<u>/S/ THOMAS H. WAECHTER</u> Thomas H. Waechter	Director	February 14, 2025

NETGEAR, INC.

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (“**Agreement**”) is made as of [•], 2024, by and between NETGEAR, Inc., a Delaware corporation (the “**Company**”), and [•] (“**Indemnitee**”).

WHEREAS, the Company and Indemnitee recognize the increasing difficulty in obtaining directors’ and officers’ liability insurance, the significant increases in the cost of such insurance and the general reductions in the coverage of such insurance;

WHEREAS, the Company and Indemnitee further recognize the substantial increase in corporate litigation in general, subjecting officers and directors to expensive litigation risks at the same time as the coverage of liability insurance has been limited;

WHEREAS, Indemnitee does not regard the current protection available as adequate under the present circumstances, and Indemnitee and other officers and directors of the Company may not be willing to continue to serve as officers and directors without additional protection; and

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve as officers and directors of the Company and to indemnify its officers and directors so as to provide them with the maximum protection permitted by law.

NOW, THEREFORE, the Company and Indemnitee hereby agree as follows:

1. Indemnification.

(a) Third Party Proceedings. The Company shall indemnify Indemnitee if Indemnitee is or was or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor, against any and all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe Indemnitee’s conduct was unlawful.

(b) Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee if Indemnitee was or is, or is threatened to be made, a party to or witness or other participant in, any Proceeding by or in the right of the Company to procure a judgment in its favor, to the fullest extent permitted by law, against all Expenses to the extent actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, except that no indemnification shall be made

in respect of any claim, issue or matter as to which Indemnatee shall have been adjudged, by a court of competent jurisdiction, to be liable to the Company unless and only to the extent that the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnatee is fairly and reasonably entitled to indemnity for such expenses that the court shall deem proper.

(c) Change in Control. The Company agrees that if there is a Change in Control (as defined in Section 11(c) hereof) of the Company (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control) then, with respect to all matters thereafter arising concerning the rights of Indemnatee to payments of Expenses and advancement of Expenses under this Agreement or any other agreement or under the Company's Certificate of Incorporation or Bylaws as now or hereafter in effect, Independent Legal Counsel (as defined in Section 11(f) hereof) shall be selected by Indemnatee and approved by the Company (which approval shall not be unreasonably withheld). Such counsel, among other things, shall render its written opinion to the Company and Indemnatee as to whether and to what extent Indemnatee would be permitted to be indemnified under applicable law and the Company agrees to abide by such opinion. The Company agrees to pay the reasonable fees of the Independent Legal Counsel referred to above and to fully indemnify such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(d) Mandatory Payment of Expenses. To the extent that Indemnatee has been successful on the merits or otherwise in defense of any Proceeding, or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnatee against Expenses actually and reasonably incurred by Indemnatee or on Indemnatee's behalf in connection therewith. For purposes of this section, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Indemnification for Expenses of a Witness. To the extent that Indemnatee is, by reason of such Indemnatee's status as a current or former director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, a witness in any Proceeding to which Indemnatee is not a party, Indemnatee shall be indemnified to the extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnatee or on Indemnatee's behalf in connection therewith.

2. Agreement to Serve. Indemnatee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of another Enterprise, for so long as Indemnatee is duly elected or appointed or until Indemnatee tenders his or her resignation or is removed from such position. Indemnatee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnatee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnatee. Indemnatee specifically acknowledges that any

employment with the Company (or any of its subsidiaries or any Enterprise) is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, with or without notice, except as may be otherwise expressly provided in any executed, written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), any existing formal severance policies adopted by the Company's board of directors or, with respect to service as a director or officer of the Company, the Company's Certificate of Incorporation or Bylaws or the DGCL. No such document shall be subject to any oral modification thereof.

3. Expenses; Indemnification Procedure; Presumptions.

(a) Advancement of Expenses. The Company shall advance all Expenses incurred by Indemnitee in connection with any Proceeding prior to its final disposition. Advances shall be unsecured and interest free and made without regard to Indemnitee's ability to repay such advances. Indemnitee hereby undertakes to repay such advances only if, and to the extent that, it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Company as authorized hereby. The advances to be made hereunder shall be paid by the Company to Indemnitee within forty-five (45) days following receipt by the Company of a written request therefore (which written request shall include invoices received by Indemnitee in connection with such Expenses, but in the case of invoices in connection with legal services, any references to legal work performed or to expenditure made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice). This Section 3(a) shall not apply to the extent advancement is prohibited by law and shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is not permitted under this Agreement, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 9(e) or 9(f) prior to a determination that Indemnitee is not entitled to be indemnified by the Company.

(b) Notice/Cooperation by Indemnitee. Indemnitee shall, as a condition precedent to Indemnitee's right to be indemnified under this Agreement, give the Company notice in writing of any matter for which Indemnitee intends to seek indemnification or advancement of Expenses as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure by Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights, except to the extent that such failure or delay materially prejudices the Company. In addition, Indemnitee shall give the Company such information and cooperation as it may reasonably require and as shall be within Indemnitee's power.

(c) Procedure. To obtain indemnification, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and as is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Proceeding. Any indemnification and advances provided for pursuant to this Agreement shall be made no later than [forty-five (45) days] after receipt of the timely written request of Indemnitee. If a claim under this

Agreement, under any statute, or under any provision of the Company's Certificate of Incorporation or Bylaws providing for indemnification or advancement, is not paid in full by the Company within [forty-five (45) days][NTD: with respect to indemnification, this is on the shorter side for the company to determine Indemnatee's right to indemnification (including bringing on Independent Counsel, if necessary) after a timely written request for payment thereof has first been received by the Company, Indemnatee may, but need not, at any time thereafter submit Indemnatee's claim to arbitration as described in Section 14 to recover the unpaid amount of the claim and, subject to Section 15 of this Agreement, Indemnatee shall also be entitled to be paid for the Expenses (including attorneys' fees) of bringing such claim. It shall be a defense to any such action (other than a claim brought for Expenses incurred in connection with any Proceeding in advance of its final disposition) that Indemnatee has not met the standards of conduct which make it permissible under applicable law for the Company to indemnify Indemnatee for the amount claimed, but the burden of proving such defense shall be on the Company, and Indemnatee shall be entitled to receive interim payments of Expenses pursuant to Section 3(a) unless and until such defense may be finally adjudicated by court order or judgment from which no further right of appeal exists or an arbitration panel as described in Section 14. It is the parties' intention that if the Company contests Indemnatee's right to indemnification, the question of Indemnatee's right to indemnification shall be for the court or arbitration panel to decide, and neither the failure of the Company (including its Board of Directors, any committee or subgroup of the Board of Directors, independent legal counsel, or its stockholders) to have made a determination that indemnification of Indemnatee is proper in the circumstances because Indemnatee has met the applicable standard of conduct required by applicable law, nor an actual determination by the Company (including its Board of Directors, any committee or subgroup of the Board of Directors, independent legal counsel, or its stockholders) that Indemnatee has not met such applicable standard of conduct, shall create a presumption that Indemnatee has or has not met the applicable standard of conduct.

(d) Notice to Insurers. If, at the time of the receipt of a notice of a claim pursuant to Section 3(b) hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all commercially-reasonable action to cause such insurers to pay, on behalf of the Indemnatee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(e) Selection of Counsel. In the event the Company shall be obligated to advance Expenses or make any indemnity in connection with any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, with counsel approved by Indemnatee, which approval shall not be unreasonably withheld, conditioned or delayed, upon the delivery to Indemnatee of written notice of its election so to do. After delivery of such notice, approval of such counsel by Indemnatee and the retention of such counsel by the Company, the Company will not be liable to Indemnatee under this Agreement for any fees or expenses of counsel subsequently incurred by Indemnatee with respect to the same Proceeding. Notwithstanding the Company's assumption of the defense of any such Proceeding, the Company shall be obligated to pay the fees and expenses of Indemnatee's separate counsel to the extent (i) the employment of separate counsel by Indemnatee has been previously authorized by the Company, (ii) counsel for the Company or Indemnatee shall have reasonably

concluded that there is sufficient conflict of interest between the Company and Indemnatee in the conduct of any such defense that Indemnatee needs to be separately represented, (iii) the Company shall not, in fact, have employed, or shall not continue to employ, counsel to defend such Proceeding or (iv) the Company is not financially or legally able to perform its indemnification obligations with respect to such Proceeding. The Company shall have the right to conduct such defense as it sees fit in its sole discretion. Regardless of any provision in this Agreement, Indemnatee shall have the right to employ counsel in any Proceeding at Indemnatee's personal expense. The Company shall not be entitled, without the consent of Indemnatee, to assume the defense of any claim brought by or in the right of the Company.

(f) Settlement. Notwithstanding anything to the contrary in this Agreement, (i) the Company shall not be liable to indemnify Indemnatee for any settlement of any Proceeding (or any part thereof) without the Company's prior written consent, which shall not be unreasonably withheld, conditioned or delayed and (ii) the Company shall have the right to settle any Proceeding (or any part thereof) without the consent of Indemnatee, provided that the Company shall not settle any Proceeding (or any part thereof) in a manner that imposes any penalty or liability on Indemnatee without Indemnatee's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

(g) Presumption. The termination of any action, suit or Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that (i) Indemnatee did not act in good faith, (ii) Indemnatee did not act in a manner which Indemnatee reasonably believed to be in or not opposed to the best interests of the Company, or (iii) with respect to any criminal action or proceeding, Indemnatee had no reasonable cause to believe that Indemnatee's conduct was unlawful. Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Enterprise shall be imputed to Indemnatee for purposes of determining the right to indemnification under this Agreement.

4. Additional Indemnification Rights; Nonexclusivity.

(a) Scope. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify the Indemnatee to the fullest extent permitted by law if Indemnatee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnatee or on his or her behalf in connection with the Proceeding or any claim, issue or matter therein, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Company's Certificate of Incorporation, the Company's Bylaws or by statute. In the event of any change, after the date of this Agreement, in any applicable law, statute or rule which expands the right of a Delaware corporation to indemnify a member of its Board of Directors or an officer, such changes shall be, ipso facto, within the purview of Indemnatee's rights and Company's obligations under this Agreement. In the event of any change in any applicable law, statute or rule which narrows the right of a Delaware corporation to indemnify a member of its Board of Directors or an officer, such changes, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement shall have no effect on this Agreement or the parties' rights and obligations hereunder.

(b) Nonexclusivity. The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which Indemnatee may be entitled under the Company's Certificate of Incorporation, its Bylaws, any agreement, any vote of stockholders or disinterested directors, the DGCL, or otherwise, both as to action in Indemnatee's official capacity and as to action in another capacity while holding such office. Subject to Section 20, the indemnification provided under this Agreement shall continue as to Indemnatee for any action taken or not taken while serving in an indemnified capacity even though Indemnatee may have ceased to serve in such capacity at the time of any action or other covered Proceeding.

5. Partial Indemnification. If Indemnatee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties or amounts paid in settlement actually or reasonably incurred by Indemnatee in the Proceeding, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnatee for the portion of such Expenses, judgments, fines or penalties to which Indemnatee is entitled.

6. Mutual Acknowledgement. Both the Company and Indemnatee acknowledge that in certain instances, Federal law or applicable public policy may prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. Indemnatee understands and acknowledges that the Company has undertaken or may be required in the future to undertake with the Securities and Exchange Commission to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnatee.

7. Directors' and Officers' Liability Insurance. The Company shall, from time to time, make a good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of insurance with reputable insurance companies providing the officers and directors of the Company with coverage for losses from wrongful acts, or to ensure the Company's performance of its indemnification obligations under this Agreement. Among other considerations, the Company will weigh the costs of obtaining such insurance coverage against the protection afforded by such coverage. In all policies of directors' and officers' liability insurance, Indemnatee shall be named as an insured in such a manner as to provide Indemnatee the same rights and benefits as are accorded to the most favorably insured of the Company's directors, if Indemnatee is a director; or of the Company's officers, if Indemnatee is not a director of the Company but is an officer; or of the Company's key employees, if Indemnatee is not an officer or director but is a key employee. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain such insurance if the Company determines in good faith that such insurance is not reasonably available, if the premium costs for such insurance are disproportionate to the amount of coverage provided, if the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or if Indemnatee is covered by similar insurance maintained by a subsidiary or parent of the Company.

8. Severability. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order, to perform its obligations under this Agreement shall not constitute

a breach of this Agreement. The provisions of this Agreement shall be severable as provided in this Section 8. If this Agreement or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify Indemnitee to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated, and the balance of this Agreement not so invalidated shall be enforceable in accordance with its terms.

9. Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement to make any indemnity (or advance expenses) in connection with any Proceeding (or any part of any Proceeding):

(a) if prohibited by applicable law; or

(b) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Company's Board of Directors has approved the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise authorized in Section 15 or (iv) otherwise required by law; or

(c) instituted by Indemnitee to enforce or interpret this Agreement, if a court of competent jurisdiction or the arbitration panel determines that each of the material assertions made by the Indemnitee in such Proceeding was not made in good faith or was frivolous; or

(d) for which payment has actually been made to or on behalf of Indemnitee under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid; or

(e) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar provisions of federal, state or local statutory law or common law, if Indemnitee is held liable therefor (including pursuant to any settlement arrangements); or

(f) for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, in either case as required under any clawback or compensation recovery policy adopted by the Company, applicable securities exchange and association listing requirements, including, without limitation, those adopted in accordance with Rule 10D-1 under the Securities Exchange Act of 1934, as amended, and/or the Securities Exchange Act of 1934, as amended (including, without limitation, any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements).

10. Effectiveness of Agreement. To the extent that the indemnification permitted under the terms of certain provisions of this Agreement exceeds the scope of the indemnification provided for in the DGCL, such provisions shall not be effective unless and until the Company's Certificate of Incorporation authorizes such additional rights of indemnification. In all other respects, the balance of this Agreement shall be effective as of the date set forth on the first page and may apply to acts or omissions of Indemnitee which occurred prior to such date if Indemnitee was an officer, director, employee or other agent of the Company, or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, at the time such act or omission occurred.

11. Construction of Certain Phrases.

(a) For purposes of this Agreement, references to the “**Company**” shall include, in addition to the resulting entity, any constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that if Indemnitee is or was a director, officer, employee or agent of such constituent entity, or is or was serving at the request of such constituent entity as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving entity as Indemnitee would have with respect to such constituent entity if its separate existence had continued.

(b) For purposes of this Agreement, references to “**other enterprises**” shall include employee benefit plans; references to “**finances**” shall include any excise taxes assessed on Indemnitee with respect to an employee benefit plan; and references to “**serving at the request of the Company**” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants, or beneficiaries.

(c) For purposes of this Agreement a “**Change in Control**” shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than the Company, a trustee or other fiduciary holding securities under an employee benefit plan of the Company acting in such capacity or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, becomes the “beneficial owner” (as defined in Rule 13d-3 under said Act, provided that “beneficial owner” shall exclude any person otherwise becoming a beneficial owner by reason of (i) the stockholders of the Company approving a merger of the Company with another entity or (ii) the Company's board of directors approving a sale of securities by the Company to such person), directly or indirectly, of securities of the Company representing more than 50% of the total voting power represented by the Company's then outstanding Voting Securities (as defined below), (ii) during any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director (other than a director designated by a person who has entered into an agreement with

the Company to effect a transaction described in clauses (i), (iii) or (iv) of this Section 11(c)) whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Company's Board of Directors, or (iii) the effective date of a merger or consolidation of the Company with any other entity other than a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity, (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of (in one transaction or a series of transactions) all or substantially all of the Company's assets, or (v) any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement.

(d) For purposes of this Agreement, "**Enterprise**" shall mean the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary.

(e) For purposes of this Agreement, "**Expenses**" include all reasonable and actually incurred attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond or other appeal bond or their equivalent, and (ii) for purposes of Section 15, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(f) For purposes of this Agreement, "**Independent Legal Counsel**" shall mean an attorney or firm of attorneys that is experienced in matters of corporate law, selected in accordance with the provisions of Section 1(c) hereof, who neither presently is, nor in within the past three years has been retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than as Independent Legal Counsel with respect to matters concerning the rights of Indemnitee under this Agreement, or of other indemnitees under similar indemnity agreements) or (ii)

any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “**Independent Legal Counsel**” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnatee in an action to determine Indemnatee’s rights under this Agreement.

(g) For the purposes of this Agreement, “**Proceeding**” means any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, including any appeal therefrom and including without limitation any such Proceeding pending as of the date of this Agreement, in which Indemnatee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnatee is or was a director or officer of the Company, (ii) any action taken by Indemnatee or any action or inaction on Indemnatee’s part while acting as a director or officer of the Company, or (iii) the fact that he or she is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement.

(h) For purposes of this Agreement, “**Voting Securities**” shall mean any securities of the Company or other entity, as context may require, that vote generally in the election of directors or members of such other entity’s governing body.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original.

13. Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns, and shall inure to the benefit of Indemnatee and Indemnatee’s estate, heirs, legal representatives and assigns.

14. Arbitration. It is understood and agreed that the Company and Indemnatee shall carry out this Agreement in the spirit of mutual cooperation and good faith and that any differences, disputes or controversies shall be resolved and settled amicably among the parties hereto. In the event that the dispute, controversy or difference is not so settled in the above manner, or that advancement of Expenses or indemnification is not otherwise made, within forty-five (45) days, then the matter shall be exclusively submitted to arbitration in Santa Clara County, California before three independent technically qualified arbitrators in accordance with the Commercial Arbitration Rules of the American Arbitration Association and under the laws of Delaware, without reference to conflict of laws principles. Except as otherwise required by law, and subject to Sections 1(b) and 6, arbitration shall be the exclusive forum and the decision and award by the arbitrator(s) shall be final and binding upon the parties concerned and may be entered in any state court of California having jurisdiction.

15. Attorneys’ Fees. To the fullest extent permitted by applicable law, in the event that any action is instituted or claim is submitted to arbitration by Indemnatee under this Agreement to

enforce or interpret any of the terms hereof, Indemnatee shall be entitled to be paid all court costs and Expenses, including reasonable attorneys' fees, incurred by Indemnatee with respect to such action or arbitration, unless as a part of such action, a court of competent jurisdiction or the arbitrator(s) determines that each of the material assertions made by Indemnatee as a basis for such claim were not made in good faith or were frivolous. To the fullest extent permitted by applicable law, in the event of an action instituted or a claim submitted to arbitration by or in the name of the Company under this Agreement or to enforce or interpret any of the terms of this Agreement, Indemnatee shall be entitled to be paid all court costs and Expenses, including attorneys' fees, incurred by Indemnatee in defense of such action or claim (including with respect to Indemnatee's counterclaims and cross-claims made in such action or arbitration), unless as a part of such action the court or the arbitrator(s) determines that each of Indemnatee's material defenses to such action or claim were made in bad faith or were frivolous.

16.Notice. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given (i) if delivered by hand and receipted for by the party addressee, on the date of such receipt, (ii) if mailed by domestic certified or registered mail with postage prepaid, on the third business day after the date postmarked or (iii) if sent via electronic mail, when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day. Notice to the Company shall be directed to the Company's Chief Executive Officer with a copy to the Company's Chief Legal Officer. Addresses for notice to either party are as shown on the signature page of this Agreement, or as subsequently modified by written notice.

17.Consent to Jurisdiction. The Company and Indemnatee each hereby irrevocably consent to the jurisdiction of the courts of the State of Delaware for all purposes in connection with any proceeding which arises out of or relates to this Agreement and agree that (i) except as expressly provided elsewhere in this agreement, any action instituted under this Agreement shall be brought only in the state courts of the State of Delaware and (ii) any arbitration proceeding which arises out of or relates to this Agreement shall be held in Santa Clara County, California.

18.Choice of Law. This Agreement shall be governed by and its provisions construed in accordance with the laws of the State of Delaware as applied to contracts between Delaware residents entered into and performed entirely within Delaware.

19.Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnatee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the corporation effectively to bring suit to enforce such rights.

20.Continuation of Indemnification. This Agreement shall continue until and terminate upon the later of (a) ten years after the date that Indemnatee shall have ceased to serve as a director or officer of the Company or as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of any other Enterprise, as applicable; or (b) one year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnatee is granted rights

of indemnification or advancement of Expenses hereunder and of any proceeding instituted or claim submitted to arbitration by Indemnatee under this Agreement to enforce or interpret any of the terms hereof.

21. Amendment and Termination. No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

22. Integration and Entire Agreement. This Agreement (a) sets forth the entire understanding between the parties, (b) supersedes all previous written or oral negotiations, commitments, understandings and agreements and (c) merges all prior and contemporaneous discussions between the parties, in each case relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

NETGEAR, INC.

By: _____

Name: Kirsten Daru

Title: General Counsel

Address:

350 E. Plumeria Dr.

San Jose, CA 95134

kirsten.daru@netgear.com

AGREED TO AND ACCEPTED:

INDEMNITEE:

Name: [•]

Address:

[•]

[ADD EMAIL ADDRESS]

July 12, 2024

Pramod Badjate

Re: Confirmatory Employment Letter

Dear Pramod,

On behalf of NETGEAR, Inc., I am pleased to offer you employment with NETGEAR, Inc. ("NETGEAR," the "Company," or "we") on the terms and conditions described in this letter agreement (the "Agreement").

1. *Title; Position.* You will serve as the Company's President & GM, NFB, reporting to CJ Prober, Chief Executive Officer
 2. *Start Date.* Your employment with us will begin on July 22, 2024 (your actual commencement date, the "Start Date").
 3. *Place of Employment:* Your principal place of employment will be at the Company's headquarters in San Jose, CA. You may be required to travel from time to time for business reasons.
 4. *Base Salary.* Your annual base salary will be \$525,000, which will be payable, less any applicable withholdings, in accordance with the Company's normal payroll practices.
 5. *Annual Bonus.* For each Company fiscal year, you will have the opportunity to earn a target annual cash bonus equal to 75% of your annual base salary earned during the fiscal year, based on achieving performance objectives established by the Company's Board of Directors
 6. ("Board") or Compensation Committee ("Committee"), as applicable, in its sole discretion and payable upon achievement of those objectives as determined by the Committee pursuant to the same methodology applicable to other Company executives; provided, however, that for 2024, your target annual cash bonus will be pro-rated based on the number of days you are employed with the Company during such fiscal year, and the amount of your bonus for such fiscal year will be no less than such target amount. Unless determined otherwise by the Board or Committee, as applicable, any such bonus will be subject to your continued employment through and until the date of payment (which payment will be made at the same time as bonuses are paid to other Company executives). Your annual bonus opportunity and the applicable terms and conditions may be adjusted from time to time by our Board or the Committee, as applicable, in its sole discretion.
-
6. *Equity Awards.* Subject to the approval of the Board or the Committee, as a material inducement to you accepting employment with the Company, the Company will grant you the following restricted stock unit awards (each, an "Equity Award") under an equity incentive plan of the Company (a "Plan"):
 - an award of time-based restricted stock units ("RSUs") relating to 165,000 shares of the Company's common stock ("Shares") (the "RSU Award"); and
 - an award of performance-based RSUs with a target amount of 55,000 Shares (the "PSU Award").
-

Each Equity Award will be granted to you only if you remain an employee of the Company through the grant date. Each Equity Award will be subject to the terms and conditions of a Plan and an award agreement between you and the Company (an "Award Agreement"). Except as otherwise provided in the Severance Agreement (as defined below), the Equity Awards will vest as follows:

RSU Award

One third of the RSU Award will vest on the one-year anniversary of the date vesting commences, and one-twelfth (1/12th) of the RSUs will vest each quarter for a period of 8 quarters thereafter, on the quarterly anniversary of the date vesting commences (or if there is no corresponding day, on the last day of the quarter), subject to your continued service with the Company through the applicable vesting dates; and

PSU Award

The PSU Award will vest based upon the level of achievement of the performance-based vesting condition set forth in the Performance Matrix below (the "Performance Goal") during the performance period beginning on April 27, 2024 and ending on December 31, 2026 (the "Performance Period") or Adjusted Performance Period (as defined below).

100% of the Eligible PSUs (if any) will vest on the three-year anniversary of the Vesting Start Date (the "Vesting Date"), provided that Participant continues to be a Service Provider through the Vesting Date; provided, however, that the vesting of the Eligible PSUs may be accelerated pursuant to (i) Section 16(c) of the Plan and (ii) the Change in Control and Severance Agreement by and between the Company and Participant (the "Severance Agreement"). In no event shall any Eligible PSUs vest following termination of Participant's status as a Service Provider, except pursuant to the Severance Agreement.

If a Change in Control (as defined in the applicable plan governing the equity award) does not occur before the last day of the Performance Period then as soon as administratively practicable after the completion of the Performance Period (but in no event later than the Vesting Date), the Administrator (as defined in the Plan) will certify in writing the extent to which the Performance Goal is achieved during the Performance Period.

If a Change in Control occurs before the last day of the Performance Period, then on a date that is prior to the closing date of the Change in Control, with the date determined by the

Administrator in its sole discretion (the "CIC Certification Date"), and in any event prior to the closing of the Change in Control, the Administrator will certify in writing the extent to which the Performance Goal is achieved during the Adjusted Performance Period as set forth in more detail below.

Performance Matrix:

(A) Performance-Based Vesting Condition. Except as provided under the "Change in Control" section below, the number of PSUs that will become Eligible PSUs (if any) will be determined based on how the Total Shareholder Return ("TSR") of the Company during the Performance Period compares to the TSRs of the Indexed Companies (as defined below) during the Performance Period. The "Index" means the Nasdaq Telecommunications Index (which is represented by the symbol "IXTC") or any successor index thereto. "Indexed Companies" means the companies that are (i) in the Index as of the beginning of the Performance Period and (ii) have not been acquired prior to the end of the Performance Period.

Relative TSR. Except as provided under the "Change in Control" section below, the number of Eligible PSUs (if any) will be determined based on the TSR of the Company (the

"Company TSR") during the Performance Period relative to the TSRs of the Indexed Companies (each, an "Indexed Company TSR") during that Performance Period, determined as follows:

Step 1: Calculate the beginning price with respect to the Company and each Indexed Company by determining the average of the closing market prices of that company's common stock on the principal exchange on which the stock is traded for the 20 consecutive trading days ending with the last trading day before the beginning of the Performance Period (each, a "Beginning Price"). For the purpose of determining the Beginning Price, the value of dividends and other distributions (the ex-dividend date for which occurs during the 20-trading day measurement period) will be determined by treating them as reinvested in additional shares of stock at the closing market price on the ex-dividend date.

Step 2: Calculate the ending price with respect to the Company and each Indexed Company (other than a Bankrupt Indexed Company (as defined below)) by determining the average of the closing market prices of that company's common stock on the principal exchange on which the stock is traded for the 20 consecutive trading days ending on the last trading day of that Performance Period (each, an "Ending Price"). For the purpose of determining the Ending Price, the value of dividends and other distributions (the ex-dividend date for which occurs during the Performance Period) will be determined by treating them as reinvested in additional shares of stock at the closing market price on the ex-dividend date.

Step 3: Calculate the Company TSR and the Indexed Company TSR for each Indexed Company (other than a Bankrupt Indexed Company) by applying the following formula: $(\text{Ending Price} / \text{Beginning Price}) - 1$. The Company TSR and each Indexed Company TSR will each be expressed as a percent of increase (i.e., a positive percent)

or decrease (i.e., a negative percent) rounded to two decimal places (applying standard rounding principles). The Indexed Company TSR for any Indexed Company that files for bankruptcy during the Performance Period (a "Bankrupt Indexed Company") will be - 100.00%.

Step 4: Rank the Company TSR and the Indexed Company TS Rs from highest (highest positive percentage) to lowest (highest negative percentage).

Step 5: Based on the percentile ranking of the Company TSR relative to the Indexed Company TSRs under Step 4, calculate the number of Eligible PSUs (if any) by determining the product of (x) the Applicable Percentage (as determined below) multiplied by (y) the target number of PSUs, with the number of resulting Eligible PSUs rounded to the nearest whole Eligible RSU (applying standard rounding principles).

The "Applicable Percentage" for the Performance Period will be determined as follows:

Percentile Rank	Applicable Percentage*
Below 25 th percentile	0%
25 th percentile	50%
50 th percentile	100%
75 th percentile or above	150%

* If the Company TSR ranks among the Indexed Company TSRs at a percentile that falls between the 25th and 50th percentiles or between the 50th and 75th percentiles, the Applicable Percentage will be determined based on a linear interpolation between the corresponding Applicable Percentages for those thresholds.

The Administrator's determination as to the number of PSUs that become Eligible PSUs (if any) will be

deemed to be final and binding on Participant or any other holder of this Award and will be given the maximum deference permitted by Applicable Laws (as defined in the Plan).

Change in Control. Notwithstanding the foregoing section entitled "Relative TSR," if a Change in Control occurs before the last day of the Performance Period, the number of PSUs that will become Eligible PSUs (if any) will be calculated applying Steps 1 through 5 in the "Relative TSR" section with the following modifications:

Rather than being determined based on the Company TSR relative to the Indexed Company TSRs during that Performance Period, the number of Eligible PSUs (if any) will instead be determined based on the Company TSR during the Adjusted Performance Period relative to the Indexed Company TSRs during the Adjusted Performance Period, and any references to the "Performance Period" under the "Relative TSR" section will refer to the "Adjusted Performance Period." "Adjusted Performance Period" means the period beginning on the first day of that Performance Period and ending on the CIC Certification Date.

The Ending Price for purposes of calculating the Company TSR will equal the price payable for a Share (as defined in the Plan) in connection with the Change in Control, with the final determination of the amount so payable determined by the Administrator. For the purpose of determining the Ending Price, the value of dividends and other distributions (the ex-dividend date for which occurs during the Adjusted Performance Period) will be determined by treating them as reinvested in additional shares of stock at the closing market price on the ex-dividend date.

The Ending Price for each Indexed Company (other than a Bankrupt Indexed Company) will be the average of the closing market prices of that company's common stock on the principal exchange on which the stock is traded for the 20 consecutive trading days ending on the last trading day of the Adjusted Performance Period. For the purpose of determining the Ending Price, the value of dividends and other distributions (the ex-dividend date for which occurs during the Adjusted Performance Period) will be determined by treating them as reinvested in additional shares of stock at the closing market price on the ex-dividend date.

On the CIC Certification Date (and in any event prior to the closing of the Change in Control), the Administrator will certify in writing the Company TSR percentile rank relative to the Indexed Company TS Rs and the number of Eligible PSUs.

For the avoidance of doubt, the Change in Control will not change the Vesting Date.

All determinations regarding the Beginning Price, the Ending Price, the Company TSR, the Indexed Company TSRs, and the Applicable Percentage will be made by the Administrator in its sole discretion, and all such determinations will be final and binding on all parties.

While the above provides the general terms of each Equity Award, the complete terms and conditions of each Equity Award will be set forth in the applicable Award Agreement. If there is any conflict between the general terms described above and the provisions of such Award Agreement, the Award Agreement will govern.

7. *Employee Benefits.* You will be eligible to participate in the benefit plans and programs established by the Company for its similarly-situated executives from time to time, subject to their applicable terms and conditions, including without limitation any eligibility requirements. The Company reserves the right to modify, amend, suspend or terminate the benefit plans and programs it offers to its employees at any time.
 8. *Severance.* You will be eligible to enter into a Severance Agreement applicable to you based on your position within the Company. The Severance Agreement will specify the severance payments and benefits you may become entitled to receive in connection with certain qualifying terminations of your employment with the Company.
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9. *Confidentiality Agreement.* As a condition of your continued employment, you are also required to sign and comply with an At-Will Employment, Confidential Information, and Invention Assignment Agreement and a Mutual Arbitration Agreement in the Company's standard forms (together, the "Confidentiality Agreement") which requires, among other provisions, the assignment of patent rights to any invention made during your employment at the Company, and non-disclosure of Company proprietary information. In the event of any dispute or claim relating to or arising out of our employment relationship, you and the Company agree that (i) any and all disputes between you and the Company shall be fully and finally resolved by binding arbitration, (ii) you are waiving any and all rights to a jury trial but all court remedies will be available in arbitration, (iii) all disputes shall be resolved by a neutral arbitrator who shall issue a written opinion, (iv) the arbitration shall provide for adequate discovery, and (v) the Company shall pay all the arbitration fees, except an amount equal to the filing fees you would have paid had you filed a complaint in a court of law. Please note that we must receive your signed Confidentiality Agreement before the Start Date.
10. *Conditions to Employment.* This offer and your continued employment is conditional upon the following:
- The accuracy of information contained in your resume or job application, satisfactory completion of reference checking, background checking, and verification of degree if applicable.
 - For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within 3 business days of your date of hire, or our employment relationship with you may be terminated.
 - As a Company employee, you will be expected to abide by the Company's rules and standards. Specifically, you will be required to sign an acknowledgment that you have read and that you understand the Company's rules of conduct which are included in the Company Handbook.
11. *At-Will Employment.* This Agreement does not imply any right to your continued employment for any period with the Company or any of its affiliates. Your employment with the Company will be "at will." It will be for no specified term and may be terminated by you or the Company at any time, with or without cause or advance notice. We request that, in the event of resignation, you give the Company at least 2 weeks' notice.
12. *Protected Activity Not Prohibited.* You understand that nothing in this Agreement limits or prohibits you from filing and/or pursuing a charge or complaint with, or otherwise communicating or cooperating with or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board, including disclosing documents or other information as permitted by law. In addition, you understand that nothing in this Agreement or the Confidentiality Agreement, including its definition of "Company Confidential Information" prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful. Notwithstanding the preceding, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any Company trade secrets, proprietary information, or confidential information that does not involve unlawful acts in the workplace or the activity otherwise protected herein. You further understand that you are not permitted to disclose the Company's attorney-client privileged communications or attorney work product. In addition, you hereby acknowledge that the Company has provided you with notice in compliance with the Defend Trade Secrets Act of 2016 regarding immunity from liability for limited disclosures of trade secrets. The full text of the notice is attached in Exhibit A. Finally, you understand that nothing in this Agreement or the Confidentiality Agreement, including its definition of "Company Confidential Information," (i) limits employees' rights to discuss or disclose wages, benefits, or terms and conditions of employment as protected by applicable law, including any rights under Section 7 of the National Labor Relations Act, or (ii) otherwise impairs employees from assisting other Company employees and/or former employees in the exercise of their rights under Section 7 of the National Labor Relations Act.
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13. *Governing Law.* The law of the state of California governs the interpretation of this Agreement without regard to any choice of law or conflict of laws rules, provisions or principles (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of California.
14. *Miscellaneous.* This Agreement, the Confidentiality Agreement, the Indemnification Agreement between you and the Company, and the Severance Agreement constitute the entire agreement between you and the Company regarding the material terms and conditions of your employment, and they supersede and replace all prior negotiations, representations or agreements between you and the Company. This Agreement may be modified only by a written agreement signed by you and a duly authorized officer of the Company.

We look forward to you joining NETGEAR. To accept this offer of employment, please sign and date this Agreement in the space provided below.

Sincerely,
NETGEAR, Inc.
By: /s/ Fiona Spratt
Fiona Spratt

Agreed to and accepted:
/s/ Pramod Badjate
Pramod Badjate
Dated: 7/12/2024

Exhibit A

SECTION 7 OF THE DEFEND TRADE SECRETS ACT OF 2016

" ... An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made--(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (8) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. ... An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual-(A) files any document containing the trade secret under seal; and (8) does not disclose the trade secret, except pursuant to court order."

NETGEAR, INC.

CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This Change in Control and Severance Agreement (the “**Agreement**”) is made between NETGEAR, Inc. (the “**Company**”) and [NAME] (the “**Executive**”), effective as of [DATE] (the “**Effective Date**”).

The Agreement provides certain protections to the Executive in connection with the involuntary termination of the Executive’s employment under the circumstances described in the Agreement.

The Company and the Executive agree as follows:

1. **Term of Agreement.** The Agreement will continue indefinitely until terminated by written consent of the parties hereto, or if earlier, upon the date that all of the obligations of the parties hereto with respect to the Agreement have been satisfied.

2. **At-Will Employment.** The Company and the Executive acknowledge that the Executive’s employment is and will continue to be at-will, as defined under applicable law.

3. **Severance Benefits.**

(a) **Qualifying Non-CIC Termination.** On a Qualifying Non-CIC Termination (as defined below), the Executive will be eligible to receive the following payments and benefits from the Company:

(i) **Salary Severance.** A single, lump sum payment equal to [Tier 1: twelve (12) months; Tier 2: thirteen (13) weeks] of the Executive’s Salary (as defined below), less applicable withholdings.

(ii) **COBRA Coverage.** Subject to Section 3(d), the Company will pay the premiums for coverage under COBRA (as defined below) for the Executive and the Executive’s eligible dependents, if any, at the rates then in effect, subject to any subsequent changes in rates that are generally applicable to the Company’s active employees (the “**COBRA Coverage**”), until the earliest of (A) a period of [Tier 1: twelve (12) months; Tier 2: three (3) months] from the first day of the next month following the date of the Executive’s termination of employment, (B) the date upon which the Executive (and the Executive’s eligible dependents, as applicable) becomes covered under similar plans, or (C) the date upon which the Executive ceases to be eligible for coverage under COBRA.

(iii) **Equity Vesting.** The Executive’s then-outstanding equity awards each will immediately vest as to the number of shares subject to the equity awards that were otherwise scheduled to vest had the Executive remained employed with the Company for [Tier 1:

twelve (12) months; Tier 2: three (3) months] following the date of the Executive's Non-CIC Qualified Termination. Any restricted stock units, performance shares, performance units, and/or similar full value awards that vest under this paragraph will be settled within ten (10) business days of the Severance Start Date (as defined below), subject to Section 5(d) of the Agreement.

(b) Qualifying CIC Termination. On a Qualifying CIC Termination, the Executive will be eligible to receive the following payments and benefits from the Company:

(i) Salary Severance. A single, lump sum payment equal to [Tier 1: twelve (12) months; Tier 2: thirteen (13) weeks] of the Executive's Salary, less applicable withholdings.

(ii) Bonus Severance. A single, lump sum payment (less applicable withholdings) equal to 100% of the Executive's target annual bonus as in effect for the fiscal year in which the Qualifying CIC Termination occurs or as in effect immediately prior to the Change in Control, whichever is greater.

(iii) COBRA Coverage. Subject to Section 3(d), the Company will provide COBRA Coverage until the earliest of (A) a period of [Tier 1: twelve (12) months; Tier 2: three (3) months] from the first day of the next month following the date of the Executive's termination of employment, (B) the date upon which the Executive (and the Executive's eligible dependents, as applicable) becomes covered under similar plans, or (C) the date upon which the Executive ceases to be eligible for coverage under COBRA.

(iv) Equity Vesting. Accelerated vesting (and exercisability, as applicable) as to [Tier 1: 100%; Tier 2: the portion] of the then-unvested shares subject to each of the Executive's then-outstanding Company equity awards [Tier 2: that was otherwise scheduled to vest had Executive continued to be employee of the Company for the two-year period following such termination]. In the case of an equity award with performance-based vesting, unless otherwise specified in the applicable equity award agreement governing such award, all performance goals and other vesting criteria will be deemed achieved at 100% of target levels. For the avoidance of doubt, in the event of the Executive's Qualifying Pre-CIC Termination (as defined below), any unvested portion of the Executive's then-outstanding equity awards will remain outstanding until the earlier of (x) one (1) month following the Qualifying Termination or (y) the occurrence of a Change in Control, solely so that any benefits due on a Qualifying Pre-CIC Termination can be provided if a Change in Control occurs within one (1) month following the Qualifying Termination (provided that in no event will the Executive's stock options or similar equity awards remain outstanding beyond the equity award's maximum term to expiration). If no Change in Control occurs within one (1) month following a Qualifying Termination, any unvested portion of the Executive's equity awards automatically and permanently will be forfeited on the one (1) month anniversary following the date of the Qualifying Termination without having vested.

(c) Termination Other Than a Qualifying Termination. If the termination of the Executive's employment with the Company Group is not a Qualifying Termination, then the Executive will not be entitled to receive severance or other benefits.

(d) Conditions to Receipt of COBRA Coverage. The Executive's receipt of COBRA Coverage is subject to the Executive electing COBRA continuation coverage within the time period prescribed pursuant to COBRA for the Executive and the Executive's eligible dependents, if any. If the Company determines in its sole discretion that it cannot provide the COBRA Coverage without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of any COBRA Coverage, the Company will provide to the Executive a taxable monthly payment payable on the last day of a given month (except as provided by the immediately following sentence), in an amount equal to the monthly COBRA premium that the Executive would be required to pay to continue his or her group health coverage in effect on the date of his or her Qualifying Termination (which amount will be based on the premium rates applicable for the first month of COBRA Coverage for the Executive and any of eligible dependents of the Executive) (each, a "**COBRA Replacement Payment**"), which COBRA Replacement Payments will be made regardless of whether the Executive elects COBRA continuation coverage and will end on the earlier of (x) the date upon which the Executive obtains other employment or (y) the date the Company has paid an amount totaling the number of COBRA Replacement Payments equal to the number of months in the applicable COBRA Coverage period. For the avoidance of doubt, the COBRA Replacement Payments may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to any applicable withholdings. Notwithstanding anything to the contrary under the Agreement, if the Company determines in its sole discretion at any time that it cannot provide the COBRA Replacement Payments without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Executive will not receive the COBRA Replacement Payments or any further COBRA Coverage.

(e) Non-Duplication of Payment or Benefits. For purposes of clarity, in the event of a Qualifying Pre-CIC Termination, any severance payments and benefits to be provided to the Executive under Section 3(b) will be reduced by any amounts that already were provided to the Executive under Section 3(a).

(f) Death of the Executive. In the event of the Executive's death before all payments or benefits the Executive is entitled to receive under the Agreement have been provided, the unpaid amounts will be provided to the Executive's designated beneficiary, if living, or otherwise to the Executive's personal representative in a single lump sum as soon as possible following the Executive's death.

(g) Transfer Between Members of the Company Group. For purposes of the Agreement, if the Executive is involuntarily transferred from one member of the Company Group

to another, the transfer will not be a termination without Cause but may give the Executive the ability to resign for Good Reason.

(h) Exclusive Remedy. In the event of a termination of the Executive's employment with the Company Group, the provisions of the Agreement are intended to be and are exclusive and in lieu of any other rights or remedies to which the Executive may otherwise be entitled, whether at law, tort or contract, or in equity. The Executive will be entitled to no benefits, compensation or other payments or rights upon termination of employment other than those benefits expressly set forth in the Agreement.

4. Accrued Compensation. On any termination of the Executive's employment with the Company Group, the Executive will be entitled to receive all accrued but unpaid vacation, expense reimbursements, wages, and other benefits due to the Executive under any Company-provided plans, policies, and arrangements.

5. Conditions to Receipt of Severance.

(a) Separation Agreement and Release of Claims. The Executive's receipt of any severance payments or benefits upon the Executive's Qualifying Termination under Section 3 is subject to the Executive signing and not revoking the Company's then-standard separation agreement and release of claims (which may include an agreement not to disparage any member of the Company Group, non-solicit provisions, an agreement to assist in any litigation matters, and other standard terms and conditions) (the "**Release**" and that requirement, the "**Release Requirement**"), which must become effective and irrevocable no later than the 60th day following the Executive's Qualifying Termination (the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, the Executive will forfeit any right to severance payments or benefits under Section 3.

(b) Payment Timing. Any lump sum Salary or bonus payments under Sections 3(a)(i), 3(b)(i), and 3(b)(ii) will be provided on the first regularly scheduled payroll date of the Company following the date the Release becomes effective and irrevocable (the "**Severance Start Date**"), subject to any delay required by Section 5(d) below. Any taxable installments of any COBRA-related severance benefits that otherwise would have been made to the Executive on or before the Severance Start Date will be paid on the Severance Start Date, and any remaining installments thereafter will be provided as specified in the Agreement. Subject to any delay required by Section 5(d) below, any restricted stock units, performance shares, performance units, and/or similar full value awards that accelerate vesting under Sections 3(a)(iii) and 3(b)(iv) will be settled (x) on a date no later than ten (10) days following the date the Release becomes effective and irrevocable, or (y) if later, in the event of a Qualifying Pre-CIC Termination, on a date no later than the Change in Control.

(c) Return of Company Property. The Executive's receipt of any severance payments or benefits upon the Executive's Qualifying Termination under Section 3 is subject to

the Executive returning all documents and other property provided to the Executive by any member of the Company Group (with the exception of a copy of the Company employee handbook and personnel documents specifically relating to the Executive), developed or obtained by the Executive in connection with his employment with the Company Group, or otherwise belonging to the Company Group.

(d) Section 409A. The Company intends that all payments and benefits provided under the Agreement or otherwise are exempt from, or comply with, the requirements of Section 409A of the Code and any guidance promulgated under Section 409A of the Code (collectively, “**Section 409A**”) so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities in the Agreement will be interpreted in accordance with this intent. No payment or benefits to be paid to the Executive (including settlement of Company equity awards that constitute deferred compensation under Section 409A), if any, under the Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the “**Deferred Payments**”) will be paid or otherwise provided until the Executive has a “separation from service” within the meaning of Section 409A. If, at the time of the Executive’s termination of employment, the Executive is a “specified employee” within the meaning of Section 409A, then the payment of the Deferred Payments will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that the Executive will receive payment on the first payroll date that occurs on or after the date that is 6 months and 1 day following the Executive’s termination of employment. The Company reserves the right to amend the Agreement as it considers necessary or advisable, in its sole discretion and without the consent of the Executive or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under the Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will any member of the Company Group reimburse, indemnify, or hold harmless the Executive for any taxes, penalties and interest that may be imposed, or other costs that may be incurred, as a result of Section 409A.

(e) Resignation of Officer and Director Positions. The Executive’s receipt of any severance payments or benefits upon the Executive’s Qualifying Termination under Section 3 is subject to the Executive resigning from all officer and director positions with all members of the Company Group and the Executive executing any documents the Company may require in connection with the same.

6. Limitation on Payments.

(a) Reduction of Severance Benefits. If any payment or benefit that the Executive would receive from any Company Group member or any other party whether in connection with the provisions in the Agreement or otherwise (the “**Payment**”) would (i)

constitute a “parachute payment” within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the “**Excise Tax**”), then the Payment will be equal to the Best Results Amount. The “**Best Results Amount**” will be either (x) the full amount of the Payment or (y) a lesser amount that would result in no portion of the Payment being subject to the Excise Tax, whichever of those amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Executive’s receipt, on an after-tax basis, of the greater amount. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: (A) reduction of cash payments in reverse chronological order (that is, the cash payment owed on the latest date following the occurrence of the event triggering the excise tax will be the first cash payment to be reduced); (B) cancellation of equity awards that were granted “contingent on a change in ownership or control” within the meaning of Section 280G of the Code in the reverse order of date of grant of the awards (that is, the most recently granted equity awards will be cancelled first); (C) reduction of the accelerated vesting of equity awards in the reverse order of date of grant of the awards (that is, the vesting of the most recently granted equity awards will be cancelled first); and (D) reduction of employee benefits in reverse chronological order (that is, the benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first benefit to be reduced). In no event will the Executive have any discretion with respect to the ordering of Payment reductions. The Executive will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under the Agreement, and the Executive will not be reimbursed, indemnified, or held harmless by any member of the Company Group for any of those payments of personal tax liability.

(b) Determination of Excise Tax Liability. Unless the Company and the Executive otherwise agree in writing, the Company will select a professional services firm (the “**Firm**”) to make all determinations required under this Section 6, which determinations will be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required by this Section 6, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive will furnish to the Firm such information and documents as the Firm reasonably may request in order to make determinations under this Section 6. The Company will bear the costs and make all payments for the Firm’s services in connection with any calculations contemplated by this Section 6. The Company will have no liability to the Executive for the determinations of the Firm.

7. Definitions. The following terms referred to in the Agreement will have the following meanings:

- (a) “**Board**” means the Company’s Board of Directors.

(b) “Cause” means (i) the Executive’s willful commission of (A) embezzlement, (B) fraud, or (C) dishonesty in connection with the performance of the Executive’s duties and responsibilities, which in any such instance results in material loss, material damage, or material injury to the Company, (ii) the Executive’s conviction of, or plea of *nolo contendere* to, a felony (other than a driving offense), (iii) the Executive’s gross misconduct, or (iv) the Executive’s continued violation of his employment duties after the Executive has received a written demand for performance from the Company which specifically sets forth the factual basis for the Company’s belief that the Executive has not substantially performed his duties. Any termination for “Cause” will require Board approval, and the Executive will be given the opportunity to appear in person before the entire Board in order to explain the Executive’s position on the allegations or claims that constitute “Cause.” The Board (excluding the Executive if the Executive is at such time a member of the Board) will make all determinations relating to termination, including without limitation any determination regarding Cause.

(c) “Change in Control” means the occurrence of any of the following events:

(i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of either (A) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); excluding, however, the following: (1) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted itself was acquired directly from the Company, (2) any repurchase by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (4) any acquisition pursuant to a transaction that complies with clauses (A), (B) and (C) of subsection (iii) of this Section 7(c); or

(ii) A change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (such Board will be hereinafter referred to as the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that, for purposes of this definition, any individual who becomes a member of the Board subsequent to the Effective Date, whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) will be considered as though such individual were a member of the Incumbent Board; provided, further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf

of a Person other than the Board will not be so considered as a member of the Incumbent Board; or

(iii) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “**Business Combination**”); excluding, however, such a Business Combination pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the outstanding shares of common stock, and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) will beneficially own, directly or indirectly, thirty percent (30%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership derives from ownership of a thirty percent (30%) or more interest in the Outstanding Company Common Stock and/or Outstanding Company Voting Security that existed prior to the Business Combination, and (C) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Business Combination; or

(iv) The approval by stockholders of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control for purposes of determining the payment or settlement date of deferred compensation under Section 409A unless the transaction qualifies as a change in control event within the meaning of Section 409A of the Code, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

(d) “**Change in Control Period**” means the period beginning one (1) month prior to a Change in Control and ending twelve (12) months following a Change in Control.

(e) “**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(f) “**Code**” means the Internal Revenue Code of 1986, as amended.

(g) “**Company Group**” means the Company and its subsidiaries.

(h) “**Disability**” means a total and permanent disability as defined in Section 22(e)(3) of the Code.

(i) [Tier 1] “**Good Reason**” means that the Executive resigns from the Company if one of the following events occur without the Executive’s consent:

(i) a material decrease in the Executive’s target annual compensation;

(ii) the relocation of Executive’s principal place of performing his or her duties as an employee of the Company by more than fifty (50) miles; or

(iii) a material, adverse change in the Executive’s authority, responsibilities or duties, as measured against the Executive’s authority, responsibilities or duties immediately prior to such change.

For “Good Reason” to be established, the Executive must provide written notice to the Chief Executive Officer and the Company within thirty (30) days immediately following such alleged events, the Company must fail to materially remedy such event within thirty (30) days after receipt of such notice, and the Executive’s resignation must be effective not later than ninety (90) days from the occurrence of the alleged triggering event, and must not be effective until after the expiration of the notice and cure periods described above.

[Tier 2] “**Good Reason**” means any of the following conditions, which condition(s) remain(s) in effect 10 days after written notice to the Board from you of such condition(s):

(i) a material decrease in your target annual compensation; or

(ii) a material, adverse change in your authority, responsibilities or duties, as measured against your authority, responsibilities or duties immediately prior to such change.

(iii) notwithstanding the foregoing, for the purposes of this Agreement, in no event will you have Good Reason to resign due merely to a change of title or a change in your reporting caused by a change of control or discontinuance or modification of any duties and responsibilities solely related to the operation of a public company.

(j) “**Mutual Arbitration Agreement**” means the Mutual Arbitration Agreement between the Company and Executive.

(k) [Tier 1] “**Qualifying Termination**” means a termination of the Executive’s employment either (i) by a Company Group member without Cause (excluding by reason of the

Executive's death or Disability) or (ii) by the Executive for Good Reason, in either case, during the Change in Control Period (a **"Qualifying CIC Termination"**) or outside of the Change in Control Period (a **"Qualifying Non-CIC Termination"**).

[Tier 2] **"Qualifying Termination"** means a termination of the Executive's employment (i) by a Company Group member without Cause (excluding by reason of the Executive's death or Disability) outside of the Change in Control Period (a **"Qualifying Non-CIC Termination"**) or (ii) by a Company Group member without Cause (excluding by reason of the Executive's death or Disability) or by the Executive for Good Reason, in either case, during the Change in Control Period (a **"Qualifying CIC Termination"**).

(l) **"Qualifying Pre-CIC Termination"** means a Qualifying CIC Termination that occurs prior to the date of the Change in Control.

(m) **"Salary"** means the Executive's annual base salary as in effect immediately prior to the Executive's Qualifying Termination (or if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Executive's annual base salary in effect immediately prior to the reduction) or, if the Executive's Qualifying Termination is a Qualifying CIC Termination and the amount is greater, at the level in effect immediately prior to the Change in Control.

8. Successors. The Agreement will be binding upon and inure to the benefit of (a) the heirs, executors, and legal representatives of the Executive upon the Executive's death, and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of the Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of the Executive to receive any form of compensation payable pursuant to the Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance, or other disposition of the Executive's right to compensation or other benefits will be null and void.

9. Notice.

(a) General. All notices and other communications required or permitted under the Agreement will be in writing and will be effectively given (i) upon actual delivery to the party to be notified, (ii) upon transmission by email, (iii) 24 hours after confirmed facsimile transmission, (iv) 1 business day after deposit with a recognized overnight courier, or (v) 3 business days after deposit with the U.S. Postal Service by first class certified or registered mail, return receipt requested, postage prepaid, addressed (A) if to the Executive, at the address the Executive will have most recently furnished to the Company in writing, (B) if to the Company, at the following address:

NETGEAR, Inc.
350 E. Plumeria Dr.
San Jose, CA 95134
Attention: General Counsel

(b) Notice of Termination. Any termination by a Company Group member for Cause will be communicated by a notice of termination to the Executive, and any termination by the Executive for Good Reason will be communicated by a notice of termination to the Company, in each case given in accordance with Section 9(a) of the Agreement. The notice will indicate the specific termination provision in the Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the later of (i) the giving of the notice or (ii) the end of any applicable cure period).

10. Resignation. The termination of the Executive's employment for any reason will also constitute, without any further required action by the Executive, the Executive's voluntary resignation from all officer and/or director positions held at any member of the Company Group, and at the Board's request, the Executive will execute any documents reasonably necessary to reflect the resignations.

11. Miscellaneous Provisions.

(a) No Duty to Mitigate. The Executive will not be required to mitigate the amount of any payment contemplated by the Agreement, nor will any payment be reduced by any earnings that the Executive may receive from any other source.

(b) Waiver; Amendment. No provision of the Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by an authorized officer of the Company (other than the Executive) and by the Executive. No waiver by either party of any breach of, or of compliance with, any condition or provision of the Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in the Agreement are for convenient reference only and do not form a part of the Agreement.

(d) Entire Agreement. The Agreement constitutes the entire agreement of the parties and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter of the Agreement, including, for the avoidance of doubt, any other employment letter or agreement, severance policy or program, or equity award agreement.

(e) Choice of Law. The Agreement will be governed by the laws of the State of California without regard to California's conflicts of law rules that may result in the application of the laws of any jurisdiction other than California. To the extent that any lawsuit is permitted under the Agreement, Employee hereby expressly consents to the personal and exclusive jurisdiction and venue of the state and federal courts located in California for any lawsuit filed against the Executive by the Company.

(f) Arbitration. Any and all controversies, claims, or disputes with anyone under the Agreement (including the Company and any employee, officer, director, stockholder or benefit plan of the Company in their capacity as such or otherwise) arising out of, relating to, or resulting from the Executive's employment with the Company Group, will be subject to arbitration in accordance with the provisions of the Mutual Arbitration Agreement.

(g) Severability. The invalidity or unenforceability of any provision or provisions of the Agreement will not affect the validity or enforceability of any other provision of the Agreement, which will remain in full force and effect.

(h) Withholding. All payments and benefits under the Agreement will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all federal, state, local, and/or foreign taxes required to be withheld from the payments or benefits and make any other required payroll deductions. No member of the Company Group will pay the Executive's taxes arising from or relating to any payments or benefits under the Agreement.

(i) Counterparts. The Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature page follows.]

By its signature below, each of the parties signifies its acceptance of the terms of the Agreement, in the case of the Company by its duly authorized officer.

COMPANY NETGEAR, INC.

By:

Title:

Date:

EXECUTIVE

[NAME]

Date:

[Signature page to Change in Control and Severance Agreement]

NETGEAR, Inc.
INSIDER TRADING POLICY
(AS AMENDED AND RESTATED ON NOVEMBER 12, 2024)

INTRODUCTION

During the course of your relationship with NETGEAR, Inc. ("**NETGEAR**"), you may receive material information that is not yet publicly available ("**material nonpublic information**") about NETGEAR or other publicly traded companies that NETGEAR has business relationships with. Material nonpublic information may give you, or someone you pass that information on to, a leg up over others when deciding whether to buy, sell or otherwise transact in NETGEAR's securities or the securities of another publicly traded company. This policy sets forth guidelines with respect to transactions in NETGEAR securities and in the securities of other applicable publicly traded companies, in each case by our employees, directors and consultants and the other persons or entities subject to this policy as described below.

STATEMENT OF POLICY

It is the policy of NETGEAR that an employee, director or consultant of NETGEAR (or any other person or entity subject to this policy) who is aware of material nonpublic information relating to NETGEAR **may not**, directly or indirectly:

1. engage in any transactions in NETGEAR's securities, except as otherwise specified under the heading "Exceptions to this Policy" below;
2. recommend the purchase or sale of any NETGEAR's securities;
3. disclose material nonpublic information to persons within NETGEAR whose jobs do not require them to have that information, or outside of NETGEAR to other persons, such as family, friends, business associates and investors, unless the disclosure is made in accordance with NETGEAR's policies regarding the protection or authorized external disclosure of information regarding NETGEAR; or
4. assist anyone engaged in the above activities.

The prohibition against insider trading is absolute. It applies **even if** the decision to trade is not based on such material nonpublic information. It also applies to transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) and also to very small transactions. All that matters is whether you are aware of **any** material nonpublic information relating to NETGEAR at the time of the transaction.

The U.S. federal securities laws do not recognize any mitigating circumstances to insider trading. In addition, even the appearance of an improper transaction must be avoided to preserve NETGEAR's reputation for adhering to the highest standards of conduct. In some circumstances, you may need to forgo a planned transaction even if you planned it before becoming aware of the material nonpublic information. So, even if you believe you may suffer an economic loss or sacrifice an anticipated profit by waiting to trade, you must wait.

It is also important to note that the laws prohibiting insider trading are not limited to trading by the insider alone; advising others to trade on the basis of material nonpublic information is illegal and squarely prohibited by this policy. Liability in such cases can extend both to the "tippee"—the person to whom the insider disclosed material nonpublic information—and to the "tipper," the

insider himself or herself. In such cases, you can be held liable for your own transactions, as well as the transactions by a tippee and even the transactions of a tippee's tippee. For these and other reasons, it is the policy of NETGEAR that no employee, director or consultant of NETGEAR (or any other person or entity subject to this policy) may either (a) recommend to another person or entity that they buy, hold or sell NETGEAR's securities **at any time** or (b) disclose material nonpublic information to persons within NETGEAR whose jobs do not require them to have that information, or outside of NETGEAR to other persons (unless the disclosure is made in accordance with NETGEAR's policies regarding the protection or authorized external disclosure of information regarding NETGEAR).

In addition, it is the policy of NETGEAR that no person subject to this policy who, in the course of his or her relationship with NETGEAR, learns of any confidential information that is material to another publicly traded company with which NETGEAR does business, including a customer, supplier, partner or collaborator of NETGEAR, may trade in that other company's securities until the information becomes public or is no longer material to that other company.

There are no exceptions to this policy, except as specifically noted above or below.

TRANSACTIONS SUBJECT TO THIS POLICY

This policy applies to all transactions in securities issued by NETGEAR, as well as derivative securities that are not issued by NETGEAR, such as exchange-traded put or call options or swaps relating to NETGEAR's securities. Accordingly, for purposes of this policy, the terms "**trade**," "**trading**" and "**transactions**" include not only purchases and sales of NETGEAR's common stock in the public market but also any other purchases, sales, transfers, gifts or other acquisitions and dispositions of common or preferred equity, options, warrants and other securities (including debt securities) and other arrangements or transactions that affect economic exposure to changes in the prices of these securities.

PERSONS SUBJECT TO THIS POLICY

This policy applies to you and all other employees, directors and consultants of NETGEAR and its subsidiaries. This policy also applies to members of your family who reside with you, any other persons with whom you share a household, any family members who do not live in your household but whose transactions in NETGEAR's securities are directed by you or are subject to your influence or control and any other individuals or entities whose transactions in securities you influence, direct or control (including, e.g., a venture or other investment fund, if you influence, direct or control transactions by the fund). The foregoing persons who are deemed subject to this policy are referred to in this policy as "**Related Persons**." You are responsible for making sure that your Related Persons comply with this policy.

MATERIAL NONPUBLIC INFORMATION

Material information

It is not always easy to figure out whether you are aware of material nonpublic information. But there is one important factor to determine whether nonpublic information you know about a public company is material: whether the information could be expected to affect the market price of that company's securities or to be considered important by investors who are considering trading that company's securities. If the information makes you want to trade, it would probably

have the same effect on others. Keep in mind that both positive and negative information can be material.

There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by relevant enforcement authorities with the benefit of hindsight. Depending on the specific details, the following items may be considered material nonpublic information until publicly disclosed within the meaning of this policy. There may be other types of information that would qualify as material information as well; use this list merely as a non-exhaustive guide:

- financial results or forecasts;
- new products, features or processes;
- acquisitions or dispositions of assets, divisions or companies;
- public or private sales of debt or equity securities;
- stock splits, dividends or changes in dividend policy;
- the establishment of a repurchase program for NETGEAR's securities;
- contract awards or cancellations;
- management or control changes;
- employee layoffs;
- a disruption in NETGEAR's operations or breach or unauthorized access of its property or assets, including its facilities and information technology infrastructure;
- tender offers or proxy fights;
- accounting restatements;
- litigation or settlements;
- impending bankruptcy;
- gain or loss of a license agreement or other material contracts with customers or suppliers;
- product recalls; and
- pricing changes or discount policies.

When information is considered public

The prohibition on trading when you have material nonpublic information lifts once that information becomes publicly disseminated. But for information to be considered publicly disseminated, it must be widely disseminated through a press release, a filing with the Securities and Exchange Commission (the "**SEC**"), or other widely disseminated announcement. Once information is publicly disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information. Generally speaking, information will be considered publicly disseminated for purposes of this policy only after one full trading day has elapsed since the information was publicly disclosed. For example, if we announce material nonpublic information after trading ends on Wednesday, then you may execute a transaction in our securities on Friday. Depending on the particular circumstances, NETGEAR may determine that a longer waiting period should apply to the release of specific material nonpublic information.

QUARTERLY TRADING BLACKOUTS

Because our workplace culture tends to be open, odds are that the vast majority of our employees, directors and consultants will possess material nonpublic information at certain points during the year. To minimize even the appearance of insider trading among our employees, directors and consultants we have established "quarterly trading blackout periods" during which

NETGEAR employees, directors, consultants and their Related Persons—regardless of whether they are aware of material nonpublic information or not—may not conduct any trades in NETGEAR securities. That means that, except as described in this policy, all NETGEAR employees, directors, consultants and their Related Persons will be able to trade in NETGEAR securities only during limited open trading window periods that generally will begin after one full trading day has elapsed since the public dissemination of NETGEAR's annual or quarterly financial results and end at the beginning of the next quarterly trading blackout period. Of course, even during an open trading window period, you may not (unless an exception applies) conduct any trades in NETGEAR securities if you are otherwise in possession of material nonpublic information.

For purposes of this policy, each “**quarterly trading blackout period**” will generally begin at the end of the day that is the fifteenth (15th) day of the third month of each fiscal quarter and end after one full trading day has elapsed since the public dissemination of NETGEAR's financial results for that fiscal quarter. Please note that the quarterly trading blackout period may commence early or may be extended if, in the judgment of the Chief Executive Officer, Chief Financial Officer or Chief Legal Officer, there exists undisclosed information that would make trades by NETGEAR employees, directors and consultants inappropriate. It is important to note that the fact that the quarterly trading blackout period has commenced early or has been extended should be considered material nonpublic information that should not be communicated to any other person.

A NETGEAR employee, director or consultant who believes that special circumstances require him or her to trade during a quarterly trading blackout period should consult the NETGEAR Legal Department. Permission to trade during a quarterly trading blackout period will be granted only where the circumstances are extenuating, the Legal Department concludes that the person is not in fact aware of information that would make trades relating to NETGEAR or its securities, and there appears to be no significant risk that the trade may subsequently be questioned.

EVENT-SPECIFIC TRADING BLACKOUTS

From time to time, an event may occur that is material to NETGEAR and is known by only a few directors, officers and/or employees. So long as the event remains material and nonpublic, the persons designated by the Chief Executive Officer, Chief Financial Officer or Chief Legal Officer may not trade in NETGEAR's securities. In that situation, NETGEAR will notify the designated individuals that neither they nor their Related Persons may trade in the NETGEAR's securities. The existence of an event-specific trading blackout should also be considered material nonpublic information and should not be communicated to any other person. Even if you have not been designated as a person who should not trade due to an event-specific trading blackout, you should not trade while aware of material nonpublic information. Exceptions will not be granted during an event-specific trading blackout.

The quarterly and event-driven trading blackouts do not apply to those transactions to which this policy does not apply, as described under the heading “Exceptions to this Policy” below.

EXCEPTIONS TO THIS POLICY

This policy does not apply in the case of the following transactions, except as specifically noted:

1.Option Exercises. This policy does not apply to the exercise of options granted under NETGEAR's equity compensation plans for cash or, where permitted under the option, by a net exercise transaction with the Company. This policy does, however, apply to any sale of stock as part of a broker-assisted cashless exercise or any other market sale, whether or not for the purpose of generating the cash needed to pay the exercise price or pay taxes.

2.Tax Withholding Transactions. This policy does not apply to the surrender of shares directly to NETGEAR to satisfy tax withholding obligations as a result of the issuance of shares upon vesting or exercise of restricted stock units, options or other equity awards granted under NETGEAR's equity compensation plans. Of course, any market sale of the stock received upon exercise or vesting of any such equity awards remains subject to all provisions of this policy whether or not for the purpose of generating the cash needed to pay the exercise price or pay taxes.

3.ESPP. This policy does not apply to the purchase of stock by employees under NETGEAR's Employee Stock Purchase Plan ("**ESPP**") on periodic designated dates in accordance with the ESPP. This policy does, however, apply to any sale of stock acquired pursuant to the ESPP.

4.10b5-1 Automatic Trading Programs. Under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended ("**Exchange Act**"), employees, directors and consultants may establish a trading plan under which a broker is instructed to buy and sell NETGEAR securities based on pre-determined criteria (a "**Trading Plan**"). So long as a Trading Plan is properly established, purchases and sales of NETGEAR securities pursuant to that Trading Plan are not subject to this policy. To be properly established, an employee's, director's or consultant's Trading Plan must be established in compliance with the requirements of Rule 10b5-1 of the Exchange Act and any applicable 10b5-1 trading plan guidelines of NETGEAR at a time when NETGEAR was not in a trading blackout period and they were not otherwise aware of any material nonpublic information relating to NETGEAR. Moreover, all Trading Plans must be reviewed and approved by NETGEAR before being established to confirm that the Trading Plan complies with all pertinent company policies and applicable securities laws.

SPECIAL AND PROHIBITED TRANSACTIONS

1.Inherently Speculative Transactions. No NETGEAR employee, director or consultant may engage in short sales, transactions in put options, call options or other derivative securities on an exchange or in any other organized market, or in any other inherently speculative transactions with respect to NETGEAR's stock.

2.Hedging Transactions. Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit a NETGEAR employee, director or consultant to continue to own NETGEAR's securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the NETGEAR employee, director or consultant may no longer have the same objectives as NETGEAR's other stockholders. Therefore, NETGEAR employees, directors and consultants are prohibited from engaging in any such transactions.

3.Margin Accounts and Pledged Securities. Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the

customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in NETGEAR's securities, NETGEAR employee, director and consultants are prohibited from holding NETGEAR's securities in a margin account or otherwise pledging NETGEAR's securities as collateral for a loan.

4. Standing and Limit Orders. Standing and limit orders (except standing and limit orders under approved Trading Plans, as discussed above) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when a NETGEAR employee, director or consultant is in possession of material nonpublic information. NETGEAR therefore discourages placing standing or limit orders on NETGEAR's securities. If a person subject to this policy determines that they must use a standing order or limit order (other than under an approved Trading Plan as discussed above), the order should be limited to short duration and the person using such standing order or limit order is required to cancel such instructions immediately in the event restrictions are imposed on their ability to trade pursuant to the "Quarterly Trading Blackouts" and "Event-Specific Trading Blackouts" provisions above.

SHORT-SWING TRADING, CONTROL STOCK AND SECTION 16 REPORTS

Officers and directors subject to the reporting obligations under Section 16 of the Exchange Act should take care to avoid short-swing transactions (within the meaning of Section 16(b) of the Exchange Act) and the restrictions on sales by control persons (Rule 144 under the Securities Act of 1933, as amended), and should file all appropriate Section 16(a) reports (Forms 3, 4 and 5), which are described in NETGEAR's Section 16 Compliance Program, and any notices of sale required by Rule 144.

POLICY'S DURATION

This policy continues to apply to your transactions in NETGEAR's securities and the securities of other applicable public companies as more specifically set forth in this policy, even after your relationship with NETGEAR has ended. If you are aware of material nonpublic information when your relationship with NETGEAR ends, you may not trade NETGEAR's securities or the securities of other applicable publicly traded companies until the material nonpublic information has been publicly disseminated or is no longer material. Further, if you leave NETGEAR during a trading blackout period, then you may not trade NETGEAR's securities or the securities of other applicable companies until the trading blackout period has ended.

INDIVIDUAL RESPONSIBILITY

Persons subject to this policy have ethical and legal obligations to maintain the confidentiality of information about NETGEAR and to not engage in transactions in NETGEAR's securities or the securities of other applicable public companies while aware of material nonpublic information, as more specifically set forth in this policy. Each individual is responsible for making sure that he or she complies with this policy, and that any family member, household member or other person or entity whose transactions are subject to this policy, as discussed under the heading "Persons Subject to this Policy" above, also comply with this policy. In all cases, the responsibility for determining whether an individual is aware of material nonpublic information rests with that individual, and any action on the part of NETGEAR or any employee or director of NETGEAR

pursuant to this policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by NETGEAR for any conduct prohibited by this policy or applicable securities laws. See “Penalties” below.

PENALTIES

Anyone who engages in insider trading or otherwise violates this policy may be subject to both civil liability and criminal penalties. Violators also risk disciplinary action by NETGEAR, including termination of employment. Anyone who has questions about this policy should contact their own attorney or NETGEAR's Legal department, at legal@netgear.com. Please also see Frequently Asked Questions, which are attached as **EXHIBIT A**.

AMENDMENTS

NETGEAR is committed to continuously reviewing and updating its policies and procedures. NETGEAR therefore reserves the right to amend, alter or terminate this policy at any time and for any reason. A current copy of the NETGEAR's policies regarding insider trading may be obtained by contacting the NETGEAR Legal department at legal@netgear.com.

EXHIBIT A
INSIDER TRADING POLICY
FREQUENTLY ASKED QUESTIONS

1. *What is insider trading?*

A: Generally speaking, insider trading is the buying or selling of stocks, bonds, futures or other securities by someone who possesses or is otherwise aware of material nonpublic information about the securities or the issuer of the securities. Insider trading also includes trading in derivatives (such as put or call options) where the price is linked to the underlying price of a company's stock. It does not matter whether the decision to buy or sell was influenced by the material nonpublic information, how many shares you buy or sell, or whether it has an effect on the stock price. Bottom line: If, during the course of your relationship with NETGEAR, you become aware of material nonpublic information about NETGEAR and you trade in NETGEAR's securities, you have broken the law and violated our insider trading policy. In addition, our insider trading policy provides that if in the course of your relationship with NETGEAR, you learn of any confidential information that is material to another publicly traded company with which NETGEAR does business, including a customer, supplier, partner or collaborator of NETGEAR, you may not trade in that other company's securities until the information becomes public or is no longer material to that other company.

2. *Why is insider trading illegal?*

A: If company insiders are able to use their confidential knowledge to their financial advantage, other investors would not have confidence in the fairness and integrity of the market. This ensures that there is an even playing field by requiring those who are aware of material nonpublic information to refrain from trading.

3. *What is material nonpublic information?*

A: Information is material if it would influence a reasonable investor to buy or sell a stock, bond future or other security. This could mean many things: financial results, potential acquisitions or major contracts to name just a few. Information is nonpublic if it has not yet been publicly disseminated within the meaning of our insider trading policy.

4. *Who can be guilty of insider trading?*

A: Anyone who buys or sells a security while aware of material nonpublic information, or provides material nonpublic information that someone else uses to buy or sell a security, may be guilty of insider trading. This applies to all individuals, including officers, directors and others who don't even work at NETGEAR. Regardless of who you are, if you know something material about the value of a security that not everyone knows and you trade (or convince someone else to trade) in that security, you may be found guilty of insider trading.

5. *Does NETGEAR have an insider trading policy?*

A: Yes, the insider trading policy is available to read on our website at <https://investor.netgear.com/governance/governance-documents/default.aspx>.

6. *What if I work in a foreign office?*

A: The same rules apply to U.S. and foreign employees and consultants. The Securities and Exchange Commission (the U.S. government agency in charge of investor protection) and the Financial Industry Regulatory Authority (a private regulator that oversees U.S. securities exchanges) routinely investigate trading in a company's securities conducted by individuals and firms based abroad. In addition, as a NETGEAR director, employee or consultant, our policies apply to you no matter where you work.

7. What if I don't buy or sell anything, but I tell someone else material nonpublic information and they buy or sell?

A: That is called "tipping." You are the "tipper" and the other person is called the "tippee." If the tippee buys or sells based on that material nonpublic information, both you and the "tippee" could be found guilty of insider trading. In fact, if you tell family members who tell others and those people then trade on the information, those family members and the "tippee" might be found guilty of insider trading too. To prevent this, you may not discuss material nonpublic information about the company with anyone outside NETGEAR, including spouses, family members, friends or business associates (unless the disclosure is made in accordance with NETGEAR's policies regarding the protection or authorized external disclosure of information regarding NETGEAR). This includes anonymous discussions on the internet about NETGEAR or companies with which NETGEAR does business.

8. What if I don't tell them the information itself; I just tell them whether they should buy or sell?

A: That is still tipping, and you can still be responsible for insider trading. You may never recommend to another person that they buy, hold or sell NETGEAR's <common stock> or any derivative security related to NETGEAR's <common stock>, since that could be a form of tipping.

9. What are the sanctions if I trade on material nonpublic information or tip off someone else?

A: In addition to disciplinary action by NETGEAR—which may include termination of employment—you may be liable for civil sanctions for trading on material nonpublic information. The sanctions may include return of any profit made or loss avoided as well as penalties of up to three times any profit made or any loss avoided. Persons found liable for tipping material nonpublic information, even if they did not trade themselves, may be liable for the amount of any profit gained or loss avoided by everyone in the chain of tippees as well as a penalty of up to three times that amount. In addition, anyone convicted of criminal insider trading could face prison and additional fines.

10. What is "loss avoided"?

A: If you sell <common stock> or a related derivative security before negative news is publicly announced, and as a result of the announcement the stock price declines, you have avoided the loss caused by the negative news.

11. Am I restricted from trading securities of any companies other than NETGEAR, for example a customer, partner or competitor of NETGEAR?

A: Yes, you may be restricted from doing so due to your awareness of material nonpublic information. U.S. insider trading laws generally restrict everyone aware of material nonpublic

information about a company from trading in that company's securities, regardless of whether the person is directly connected with that company, except in limited circumstances. You should be particularly conscious of this restriction if, through your position at NETGEAR, you sometimes obtain sensitive, material information about other companies and their business dealings with NETGEAR. Please also refer to Question 1 above and our insider trading policy with respect to restrictions on trading in the securities of other public companies.

12. So if I do not trade NETGEAR securities when I have material nonpublic information, and I don't "tip" other people, I am in the clear, right?

A: Not necessarily. Even if you do not violate U.S. law, you may still violate our policies. For example, employees and consultants may violate our policies by breaching their confidentiality obligations or by recommending NETGEAR stock as an investment, even if these actions do not violate securities laws. Our policies are stricter than the law requires so that we and our employees and consultants can avoid even the appearance of wrongdoing. Therefore, please review the entire policy carefully.

13. So when can I buy or sell my NETGEAR securities?

A: If you are aware of material nonpublic information, you may not buy or sell our common stock until one full trading day has elapsed since the information was publicly disclosed. At that point, the information is considered publicly disseminated for purposes of our insider trading policy. For example, if we announce material nonpublic information after trading ends on Wednesday, then you may execute a transaction in our securities on Friday. **Even if you are not aware of any material nonpublic information, you may not trade our common stock during any trading "blackout" period.** Our insider trading policy describes the quarterly trading blackout period, and additional event-driven trading blackout periods may be announced by email.

14. If I have an open order to buy or sell NETGEAR securities on the date a blackout period commences, can I leave it to my broker to cancel the open order and avoid executing the trade?

A: No, unless it is in connection with a 10b5-1 trading plan (see Question 27 below). If you have any open orders when a blackout period commences other than in connection with a 10b5-1 trading plan, it is your responsibility to cancel these orders with your broker. If you have an open order and it executes after a blackout period commences not in connection with a 10b5-1 trading plan, you will have violated our insider trading policy and may also have violated insider trading laws.

15. Am I allowed to trade derivative securities of NETGEAR's <common stock>?

A: No. Under our policies, you may not trade in derivative securities related to our common stock, which include publicly traded call and put options. In addition, under our policies, you may not engage in short selling of our common stock at any time.

"Derivative securities" are securities other than common stock that are speculative in nature because they permit a person to leverage their investment using a relatively small amount of money. Examples of derivative securities include "put options" and "call options." These are different from employee options and other equity awards granted under our equity compensation plans, which are not derivative securities for purposes of our policy.

“Short selling” is profiting when you expect the price of the stock to decline, and includes transactions in which you borrow stock from a broker, sell it, and eventually buy it back on the market to return the borrowed shares to the broker. Profit is realized if the stock price decreases during the period of borrowing.

16. Why does NETGEAR prohibit trading in derivative securities and short selling?

A: Many companies with volatile stock prices have adopted similar policies because of the temptation it represents to try to benefit from a relatively low-cost method of trading on short-term swings in stock prices, without actually holding the underlying common stock, and encourages speculative trading. We are dedicated to building stockholder value, short selling our common stock conflicts with our values and would not be well-received by our stockholders.

17. Can I purchase NETGEAR securities on margin or hold them in a margin account?

A: Under our policies, you may not purchase our common stock on margin or hold it in a margin account at any time.

“Purchasing on margin” is the use of borrowed money from a brokerage firm to purchase our securities. Holding our securities in a margin account includes holding the securities in an account in which the shares can be sold to pay a loan to the brokerage firm.

18. Why does NETGEAR prohibit me from purchasing NETGEAR securities on margin or holding them in a margin account?

A: Margin loans are subject to a margin call whether or not you possess material nonpublic information at the time of the call. If a margin call were to be made at a time when you were aware of material nonpublic information and you could not or did not supply other collateral, you may be liable under insider trading laws because of the sale of the securities (through the margin call). The sale would be attributed to you even though the lender made the ultimate determination to sell. The U.S. Securities and Exchange Commission takes the view that you made the determination to not supply the additional collateral and you are therefore responsible for the sale.

19. Can I pledge my NETGEAR shares as collateral for a personal loan?

A: No. Pledging your shares as collateral for a personal loan could cause the pledgee to transfer your shares during a trading blackout period or when you are otherwise aware of material nonpublic information. As a result, you may not pledge your shares as collateral for a loan.

20. Can I hedge my ownership position in NETGEAR?

A: Hedging or monetization transactions, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds are prohibited by our insider trading policy. Since such hedging transactions allow you to continue to own NETGEAR’s securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership, you may no longer have the same objectives as NETGEAR’s other shareholders. Therefore, our insider trading policy prohibits you from engaging in any such transactions.

21. Can I exercise options granted to me under NETGEAR's equity compensation plans during a trading blackout period or when I possess material nonpublic information?

A: Yes. You may exercise the options for cash (or via net exercise transaction with the company) and receive shares, but you may not sell the shares (even to pay the exercise price or any taxes due) during a trading blackout period or any time that you are aware of material nonpublic information. To be clear, you may not effect a broker-assisted cashless exercise (these cashless exercise transactions include a market sale) during a trading blackout period or any time that you are aware of material nonpublic information

22. Am I subject to trading blackout periods if I am no longer an employee or consultant of NETGEAR?

A: It depends. If your employment with NETGEAR ends during a trading blackout period, you will be subject to the remainder of that trading blackout period. If your employment with NETGEAR ends on a day that the trading window is open, you will not be subject to the next trading blackout period. However, even if you are not subject to our trading blackout period after you leave NETGEAR, you should not trade in NETGEAR securities if you are aware of material nonpublic information. That restriction stays with you as long as the information you possess is material and not publicly disseminated within the meaning of our insider trading policy.

23. What if I purchased publicly traded options or other derivative securities before I became a NETGEAR employee or consultant?

A: The same rules apply as for employee stock options. You may exercise the publicly traded options at any time, but you may not sell the securities during a trading blackout period or at any time that you are aware of material nonpublic information.

24. May I own shares of a mutual fund that invests in NETGEAR?

A: Yes.

25. Are mutual fund shares holding NETGEAR common stock subject to the trading blackout periods?

A: No. You may trade in mutual funds holding NETGEAR common stock at any time.

26. May I use a "routine trading program" or "10b5-1 plan"?

A: Yes, subject to the requirements discussed in our insider trading policy and any 10b5-1 trading plan guidelines. A routine trading program, also known as a 10b5-1 plan, allows you to set up a highly structured program with your stock broker where you specify ahead of time the date, price, and amount of securities to be traded. If you wish to create a 10b5-1 plan, please contact our legal team at legal@netgear.com.

27. What happens if I violate our insider trading policy?

A: Violating our policies may result in disciplinary action, which may include termination of your employment or other relationship with NETGEAR. In addition, you may be subject to criminal and civil sanctions.

28. *Who should I contact if I have questions about our insider trading policy or specific trades?*

A: You should contact our Legal department at legal@netgear.com.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-107718, 333-136892, 333-136895, 333-151638, 333-160869, 333-168349, 333-181892, 333-196579, 333-211795, 333-225327, 333-229784, 333-240238, 333-266581, 333-273721, and 333-277156) of NETGEAR, Inc. of our report dated February 14, 2025 relating to the financial statements, financial statement schedule, and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Jose, California
February 14, 2025

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Charles (CJ) Prober, certify that:

1. I have reviewed this Annual Report on Form 10-K of NETGEAR, Inc. (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: February 14, 2025

/s/ CHARLES (CJ) PROBER

Charles (CJ) Prober
Chief Executive Officer and Director
NETGEAR, Inc.

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Bryan D. Murray, certify that:

1. I have reviewed this Annual Report on Form 10-K of NETGEAR, Inc. (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: February 14, 2025

/s/ BRYAN D. MURRAY

Bryan D. Murray
Chief Financial Officer
NETGEAR, Inc.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of NETGEAR, Inc. (the “Company”) on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Charles (CJ) Prober, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 14, 2025

By: /s/ CHARLES (CJ) PROBER
Charles (CJ) Prober
Chief Executive Officer and Director
NETGEAR, Inc.

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this Form 10-K), irrespective of any general incorporation language contained in such filing.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of NETGEAR, Inc. (the “Company”) on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Bryan D. Murray, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 14, 2025

By: /s/ BRYAN D. MURRAY
Bryan D. Murray
Chief Financial Officer
NETGEAR, Inc.

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this Form 10-K), irrespective of any general incorporation language contained in such filing.
