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Second round of layoffs hits iRobot as Amazon deal is still pending

By [Anissa Gardizy](#) Globe Staff, Updated February 13, 2023, 5:17 p.m.

Bedford-based iRobot [plans to cut](#) 7 percent of its workforce, or about 85 people, in its second round of layoffs in three months.

The Roomba vacuum maker — which is being [acquired](#) by Amazon in a [deal that regulators are scrutinizing](#) — disclosed the layoffs Monday as it released weak earnings results for the fourth quarter and full year. IRobot said it will also scale back its paid advertising, investments in non-robotic products, and 2023 hiring plans in an effort to conserve cash.

“While reducing the size of our workforce is painful, we believe these actions are necessary for the company to better navigate the challenging economic environment and position us to return to profitable growth in the years ahead,” said Colin Angle, chief executive of iRobot, in a statement to the Globe.

iRobot, which employed about 1,250 people at the end of last year, also said it plans to temporarily reduce its robot production during the first quarter.

In November, iRobot [laid off](#) about 100 employees and said it planned to reduce its real estate footprint. Those cuts, expected to save the company \$30 million in 2023, were planned in August, when [Amazon announced its intention to buy iRobot](#).



Roomba robot vacuums made by iRobot are displayed on a shelf at a Bed Bath and Beyond store on Aug. 5, 2022 in Larkspur, California. JUSTIN SULLIVAN/GETTY

The latest layoffs, which are expected to save the company an additional \$14 million this year, signal that iRobot continues to struggle while the acquisition is pending. The company's full-year revenue fell 24 percent to about \$1.2 billion, and it posted an operating loss of \$240 million, compared to an operating loss of about \$1 million in 2021.

Regulators are taking a close look at the planned \$1.7 billion [acquisition](#) by Amazon, which was first announced last August. The companies did not offer a timeline for when the deal would close.

Ben Rose, president of investment research firm Battle Road Research in Lexington, said iRobot “has to proceed on the assumption that the deal may not happen.”

“I think they are mindful of keeping their cost structure in line and lean,” he said.

At the end of the last quarter, iRobot said it had \$118 million in cash and that it had paid off its debt.

In an e-mail to the Globe, an iRobot spokesperson declined to comment on the status of the Amazon deal. An Amazon spokesperson said that “we’re working cooperatively with the relevant regulators in their review of the merger.”