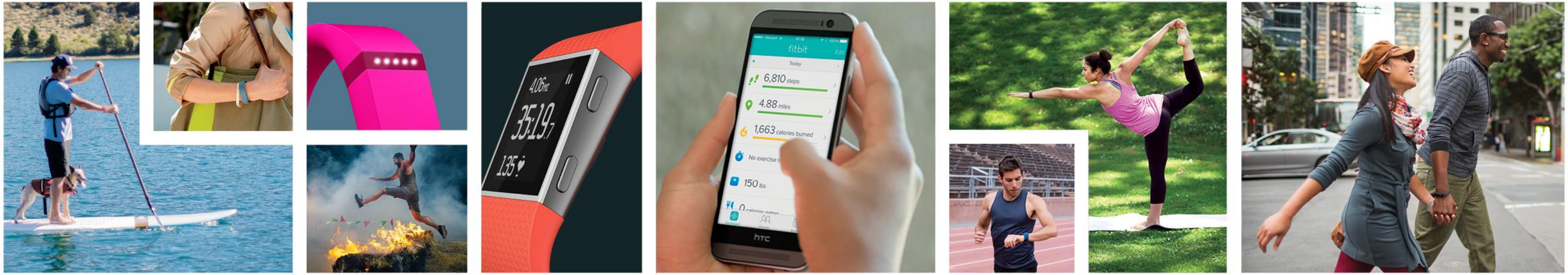
FY 2016 Earnings Deck

February 22, 2017



Safe Harbor Statement

This presentation contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties, including statements regarding our financial outlook for the first quarter 2017 and the full year of 2017, long term targets for operating expenses and gross margin, cash collections post holiday, anticipated tax liability, our investments in research and development, sales and marketing, and general and administrative and the impact of those investments, the potential for new and repeat customers to purchase our devices and the potential for future growth in the connected health and fitness market and adjacent markets. These forward-looking statements are only predictions and may differ materially from actual results due to a variety of factors including: the effects of the highly competitive market in which we operate, including competition from much larger technology companies; our ability to anticipate and satisfy consumer preferences in a timely manner, our ability to successfully develop and timely introduce new products and services or enhance existing products and services; any inability to accurately forecast consumer demand and adequately manage our inventory; our ability to ship products on the timelines we anticipate and unexpected delays; quarterly and seasonal fluctuations; our reliance on third-party suppliers, contract manufacturers, and logistics providers, and our limited control over such parties; delays in procuring components and product from these third parties; product liability issues, security breaches or other defects, which may adversely affect product performance, our reputation and brand awareness and overall market acceptance of our products and services; warranty claims; the fact that the market for connected health and fitness devices is relatively new and unproven; the ability of our channel partners to sell our products; litigation and related costs; privacy; other general market, political, economic and business conditions.

Additional risks and uncertainties that could affect our financial results are included under the caption "Risk Factors" in our Annual Report on Form 10-K for the full year ended December 31, 2015 and our most recently filed Quarterly Report on Form 10-Q, which are available on our Investor Relations website at investor.fitbit.com and on the SEC website at www.sec.gov. Additional information will also be set forth in our Annual Report on Form 10-K for the full year ended December 31, 2016. All forward-looking statements contained herein are based on information available to us as of the date hereof and we do not assume any obligation to update these statements as a result of new information or future events. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

This presentation also includes certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles, or GAAP. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. We have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in the appendix.

Fitbit helps people lead healthier, more active lives by empowering them with data, inspiration, and guidance to reach their goals.

Full Year 2016 Highlights

- 22.3 million units sold, leader in connected health and fitness devices.
- Engaged, growing user base:
  - 23.2 million active users, up 37% y/y.
  - 50.2 million registered device users, up 70% y/y.
- Launched 4 new products, including the #1 selling connected health and fitness device.*
- Revenue grew 17% y/y to $2.2 billion.
- Adjusted EBITDA of $30 million, non-GAAP EPS of ($0.12) per share.
- $706 million in cash, cash equivalents, & marketable securities on the balance sheet as of year end.

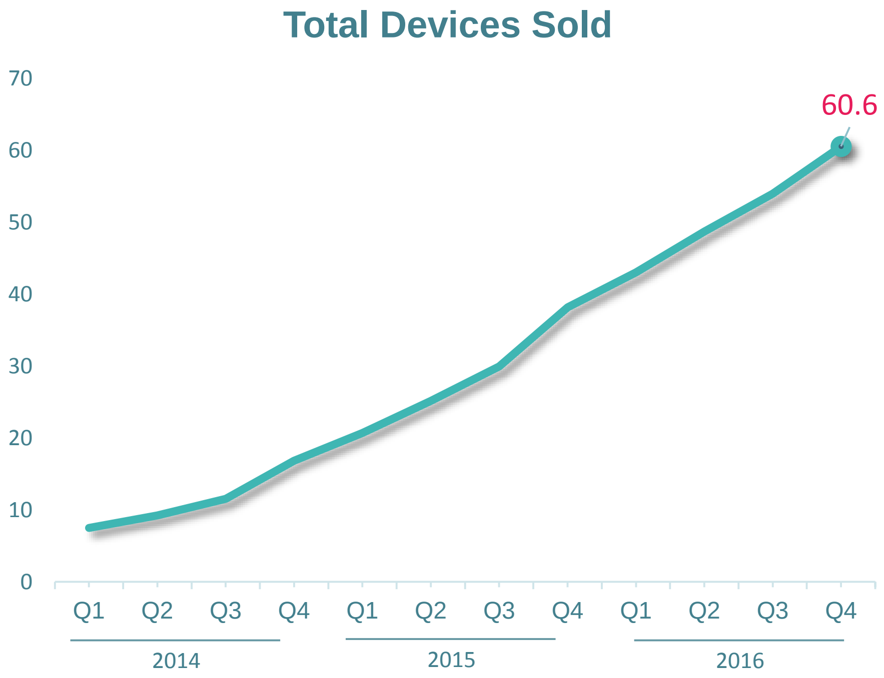
*Source: The NPD Group, Inc., Retail Tracking Service, Health & Fitness Trackers, Smart Watches, October – December 2016, Based on Units.

Q4 2016 Summary

- Revenue declined 19% y/y to $574 million.
  - Negatively impacted by $42 million in rebates and seller promotions.
  - Negatively impacted by $41 million increase in return reserve.
- 6.5 million units sold.
- Adjusted EBITDA of ($144) million, non-GAAP EPS of ($.56) per share.
  - Negatively impacted by $17 million increase in warranty reserves.
  - Negatively impacted by one-time charge of $78 million write down of tooling & component inventory.
- Direct channel < 10% of sales, but grew 45% in Q4; Total U.S. sell-through better than sell-in, down marginally in dollars* including direct channel.

*Source: Fitbit

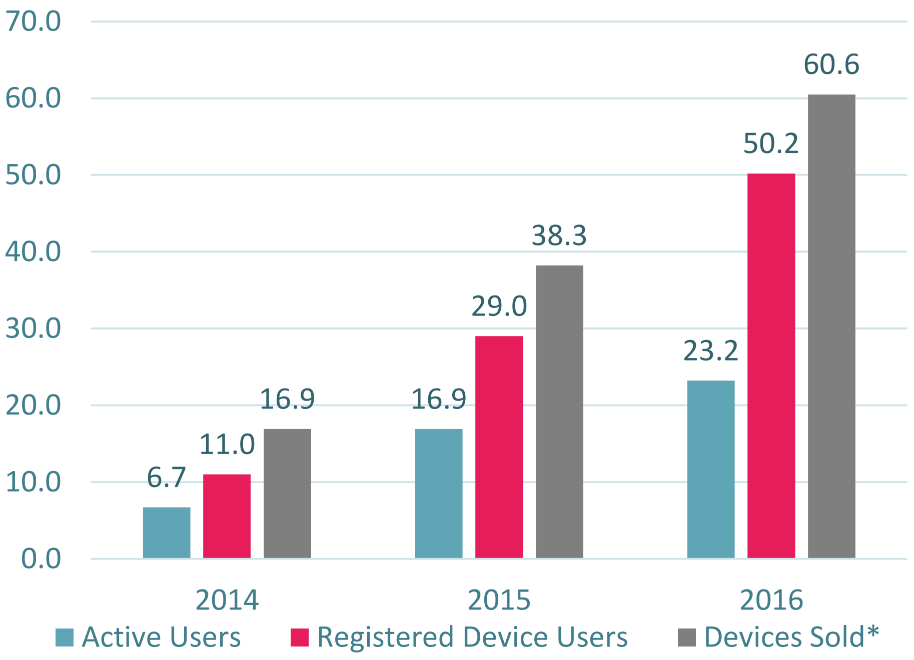
Growing Brand Relevancy



(Units in millions)

- Leader in connected health and fitness with 60.6 million devices sold since inception.
- New products Alta™, Fitbit Blaze™, Fitbit Charge 2™ and Fitbit Flex 2™ comprised 96% of revenue in Q4.
- Prophet Brand Relevance Index's largest gainer, up 230 spots to #29. Scored high trust, dependability, and purpose.
- Ranked #15 in the IPG D100 Index.

Growing User Community

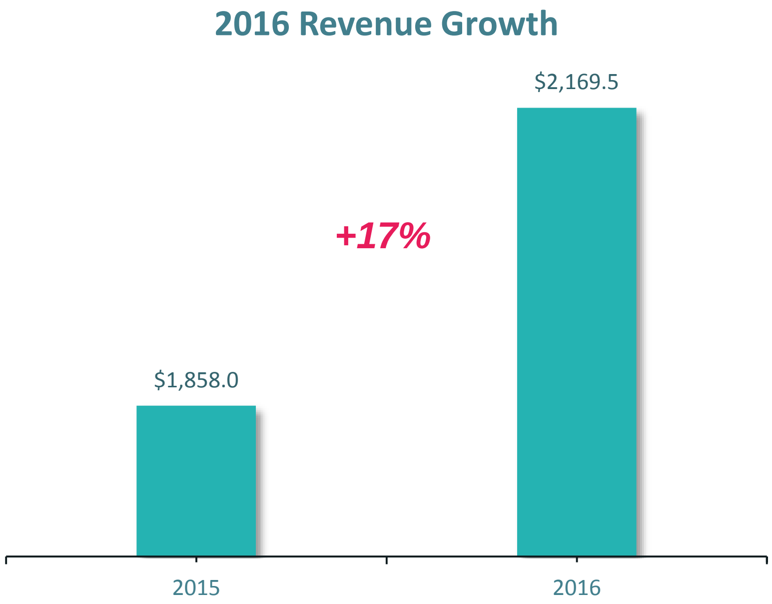


(in millions)

*Cumulative Since Inception

- 46% of all registered device users since inception were active in Q4.
- 26% of activations in 2016 came from repeat customers, of which 20% came from customers that reactivated.
- Added 1.2m new Fitstar™ downloads since January, a positive indicator that deeper insights and coaching have strong appeal.

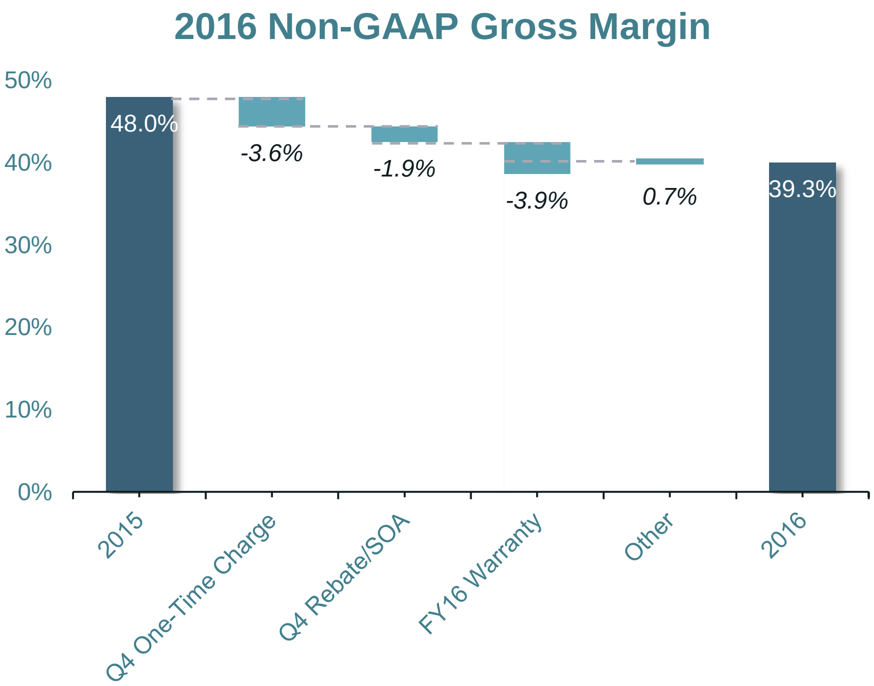
Revenue



($ in millions)

- 2016 devices sold up 4% y/y.
- Average selling price increased 10% in 2016 to $94.
- Accessory sales added an additional $3.36 in revenue per unit to $75 million, up 118% y/y.
- New product introductions represented 70% of full year revenue.
- Q4 average revenue per device including accessories was $88, up 2% y/y, but down from $95 in Q3. Revenue per device negatively impacted by increased rebate and channel promotions. On a normalized basis, average revenue per device was ~flat sequentially.

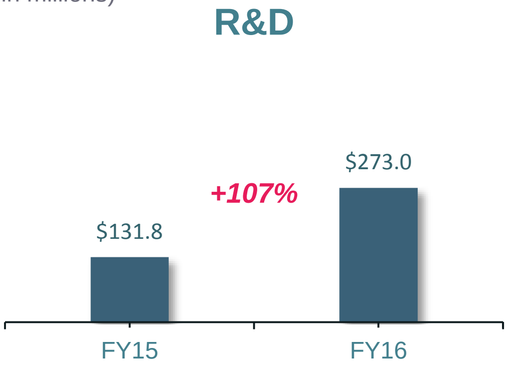
Non-GAAP Gross Margin



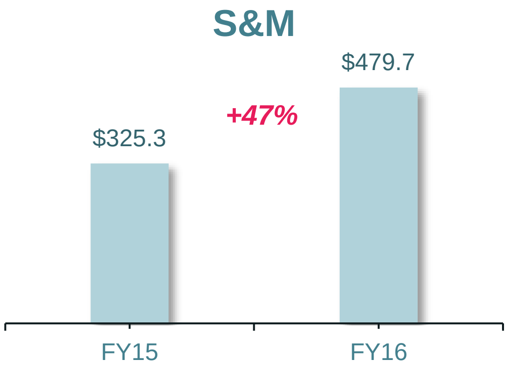
- Full-year gross margin down 9pts to 39.3%.
  - Q4 one-time charge to write down tooling and excessive inventory (3.6pts).
  - Q4 rebate/channel pricing promotions (1.9pts) to clear excessive inventory, partially offset by favorable negotiations with contract manufacturer.
  - Full year increase in warranty costs due to quality issues primarily associated with legacy products (3.9pts).
- Long term gross margin target reduced to ~45%
  - Q4 highlighted significant elasticity in demand.
  - Focus on maintaining leadership position in wearables and expanding community of users.

2016 Non-GAAP Operating Expense

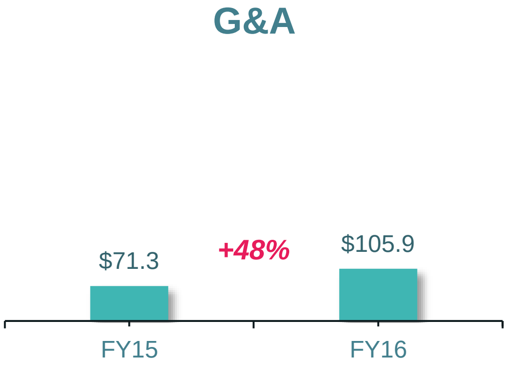
($ in millions)



- 2016 R&D expense 13% of revenue, up 6pts y/y.
- R&D 61% of headcount, 2/3 software oriented.
- Acquired engineering talent and center of excellence in low cost region.
- Long term target ~10%.



- 2016 S&M expense 22% of revenue, up 4pts y/y.
- S&M 32% of revenue in Q4, committed much of spend in Q3 prior to reduction in outlook.
- Long term target ~15%.



- 2016 G&A expense 5% of revenue, up 1pt y/y.
- Excludes $25m of Jawbone litigation expense.
- Long term target ~3-4%.

- Operating expenses totaled 49.6% of revenue in Q4, up 24%.
- Operating expenses totaled 39.6% of revenue in 2016, up 62%.

Right-Sizing Expense Base to Slower Growth Environment

- Goal: reduce Fitbit's expense basis while making necessary investments to drive growth and maintain leadership position.
  - Reorganization, including reduction in force, of 107 employees (~6% of global workforce).
    - ~$4 million cost to be recorded in 1Q'17.
  - Reduced 2016 exit operating expense run rate by ~$200m, to ~$850 million for 2017.
  - Includes realignment of sales and marketing spend.
  - Improved R&D optimization.
  - Restructured accessories business, choosing to partner and license rather than bearing the bulk of the cost of designing and producing accessories.

Balance Sheet & Cash Flow

	Q1 '16	Q2 '16	Q3 '16	Q4 '16
Inventory	$212.1	$190.6	$215.0	$230.4
Inventory Turns	5.6	6.8	5.2	8.0
Account Receivables	$339.7	$377.5	$461.4	$477.8
Days Sales Outstanding	56	67	86	85
Capital Expenditures	$16.7	$20.1	$31.8	$11.8
Cap Expenditures as % of Revenue	3.3%	3.4%	6.3%	2.1%
Cash + Marketable Securities	$791.7	$759.7	$672.1	$706.0

($ in millions)

- Acquired assets from Pebble for $23 million and Vector Watch for $15 million in Q4.
- Cap expenditures focused on acquiring tooling equipment to support new product roll-out, lease-hold improvements, and the purchase of lab and testing equipment.

FY'17 Guidance

	Low	High
Revenue (billions)	$1.5	$1.7
y/y decline	*(31%)*	*(22%)*
Non-GAAP gross margin	42.5%	44%
Non- GAAP free cash flow (millions)	($100)	($50)
Non-GAAP EPS	($0.44)	($0.22)
Non-GAAP tax rate	~50%	
Stock-based compensation (M)	$100	$110
Non-GAAP diluted share count (millions)	~233	

Guidance Context

- Operating margins forecasted to trough in 1H and improve in 2H with additional product offerings.
- Cash typically peaks in 1Q, post holiday collections, especially true in 2017.
- Change in working capital expected to become a headwind through the year.
- Continued investment in lab and testing equipment, utilized by R&D teams.
- Despite the expected non-GAAP basic earnings loss per share, we anticipate a tax liability due to geographic mix of income worldwide. Offshore losses in certain foreign jurisdictions cannot be utilized to lower taxes in other tax jurisdictions.

1Q’17 Guidance

	Low	High
Revenue (millions)	$270	$290
y/y decline	*(47%)*	*(43%)*
Non-GAAP EPS	($0.20)	($0.18)
Non-GAAP tax rate	~50%	
Stock-based compensation	$23	$25
Non-GAAP diluted share count (millions)	~226	

Guidance Context

- Y/Y compare:
  - 2 new products introduced in 1Q’16.
  - Entering 2017 with higher opex run rate driven by ~550 heads.
- Q1’17 revenue expected to represent the low for 2017.
- Given high account receivables entering 1Q’17, free cash expected to increase as:
  - receivables turn into cash receipts;
  - less overhead is required to support the growth in inventory.
- Effective tax rate will vary depending on the mix of domestic and international revenue.

GAAP to Non-GAAP Reconciliation

(In thousands, except percentages and per share amounts)	Three Months Ended		Year Ended	
	December 31, 2015	**December 31, 2016**	**December 31, 2015**	**December 31, 2016**
Non-GAAP gross profit:				
GAAP gross profit	$ 348,299	$ 126,502	$ 901,063	$ 845,884
Stock-based compensation expense	2,117	1,390	4,739	4,797
Impact of Fitbit Force recall	(3,715)	—	(5,755)	—
Intangible assets amortization	451	453	1,351	1,806
Non-GAAP gross profit	$ 347,152	$ 128,345	$ 901,398	$ 852,487
Non-GAAP gross margin:				
GAAP gross margin	48.9%	22.1%	48.5%	39.0%
Stock-based compensation expense	0.3	0.2	0.3	0.2
Impact of Fitbit Force recall	(0.5)	—	(0.3)	—
Intangible assets amortization	0.1	0.1	—	0.1
Non-GAAP gross margin	48.8%	22.4%	48.5%	39.3%

GAAP to Non-GAAP Reconciliation

(In thousands, except percentages and per share amounts)	Three Months Ended		Year Ended	
	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016
Non-GAAP research and development:				
GAAP research and development	$ 54,227	$ 85,062	$ 150,035	$ 320,191
Stock-based compensation expense	(7,341)	(12,775)	(18,251)	(47,207)
Non-GAAP research and development	$ 46,886	$ 72,287	$ 131,784	$ 272,984
Non-GAAP sales and marketing:				
GAAP sales and marketing	$ 154,069	$ 186,194	$ 332,741	$ 491,255
Stock-based compensation expense	(2,339)	(3,083)	(7,419)	(11,575)
Non-GAAP sales and marketing	$ 151,730	$ 183,111	$ 325,322	$ 479,680
Non-GAAP general and administrative:				
GAAP general and administrative	$ 29,466	$ 40,606	$ 77,793	$ 146,903
Stock-based compensation expense	(3,543)	(4,009)	(10,615)	(15,853)
Litigation expense — Jawbone	—	(7,225)	—	(24,845)
Impact of Fitbit Force recall	4,363	(26)	4,416	(26)
Intangible assets amortization	(82)	(56)	(245)	(281)
Non-GAAP general and administrative	$ 30,204	$ 29,290	$ 71,349	$ 105,898

*Litigation expense $9.1m, $11.6m, $6.1m, and $7.2m in each of the quarters of 2016. Excluded from non-gaap financials Q2, Q3, and Q4.

GAAP to Non-GAAP Reconciliation

(In thousands, except percentages and per share amounts)	Three Months Ended		Year Ended	
	December 31, 2015	**December 31, 2016**	**December 31, 2015**	**December 31, 2016**
Non-GAAP net income (loss) and net income (loss) per share:				
Net income (loss)	$ 64,165	$ (146,273)	$ 175,677	$ (102,777)
Stock-based compensation expense	15,340	21,257	41,024	79,432
Litigation expense — Jawbone	—	7,225	—	24,845
Impact of Fitbit Force recall	(8,078)	26	(10,171)	26
Revaluation of redeemable convertible preferred stock warrant liability	—	—	56,655	—
Intangible assets amortization	533	509	1,596	2,087
Change in contingent consideration	—	—	(7,704)	—
Income tax effect of non-GAAP adjustments	15,423	(8,445)	(2,966)	(29,526)
Non-GAAP net income (loss)	$ 87,383	$ (125,701)	$ 254,111	$ (25,913)
GAAP diluted shares	245,009	224,412	164,213	220,405
Diluted effect of redeemable convertible preferred stock conversion			65,903	
Initial public offering shares	1,565	—	5,424	—
Other dilutive equity awards	—	—	901	—
Non-GAAP diluted shares	246,574	224,412	236,441	220,405
Non-GAAP diluted net income (loss) per share	$ 0.35	$ (0.56)	$ 1.07	$ (0.12)

*Litigation expense $9.1m, $11.6m, $6.1m, and $7.2m in each of the quarters of 2016. Excluded from non-gaap financials Q2, Q3, and Q4.

GAAP to Non-GAAP Reconciliation

(In thousands, except percentages and per share amounts)

	Three Months Ended		Year Ended	
	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016
Adjusted EBITDA:				
Net income (loss)	$ 64,165	$ (146,273)	$ 175,677	$ (102,777)
Impact of Fitbit Force recall	(8,078)	26	(10,171)	26
Stock-based compensation expense	15,340	21,257	41,024	79,432
Litigation expense — Jawbone	—	7,225	—	24,845
Revaluation of redeemable convertible preferred stock warrant liability	—	—	56,655	—
Depreciation and intangible assets amortization	7,566	12,672	21,107	38,133
Change in contingent consideration	—	—	(7,704)	—
Interest (income) expense, net	(43)	(765)	1,019	(3,156)
Income tax expense (benefit)	46,314	(38,376)	112,272	(6,518)
Adjusted EBITDA	$ 125,264	$ (144,234)	$ 389,879	$ 29,985

*Litigation expense $9.1m, $11.6m, $6.1m, and $7.2m in each of the quarters of 2016. Excluded from non-gaap financials Q2, Q3, and Q4.

GAAP to Non-GAAP Reconciliation

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures in this press release: non-GAAP gross profit, non-GAAP gross margin; non-GAAP operating expenses, non-GAAP operating income (loss); non-GAAP net income (loss), non-GAAP diluted net income or loss per share, adjusted EBITDA, and non-GAAP free cash flow. The presentation of these financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP.

We use non-GAAP measures to internally evaluate and analyze financial results. We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and enable comparison of our financial results with other public companies, many of which present similar non-GAAP financial measures.

There are limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, many of the adjustments to our GAAP financial measures reflect the exclusion of items, specifically stock-based compensation expense, amortization of intangible assets, and the related income tax effects of the aforementioned exclusions, that are recurring and will be reflected in our financial results for the foreseeable future. In addition, these measures may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes. A reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included in this press release, and investors are encouraged to review the reconciliation.

Guidance for non-GAAP financial measures excludes Jawbone litigation costs, stock-based compensation, amortization of acquired intangible assets, and tax effects associated with these items. We have not reconciled guidance for non-GAAP financial measures to their most directly comparable GAAP measures because certain items that impact these measures are uncertain, out of our control and/or cannot be reasonably predicted. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP measures is not available without unreasonable effort.

GAAP to Non-GAAP Reconciliation

The following are explanations of the adjustments that are reflected in one or more of our non-GAAP financial measures:

- In March 2014, we recalled the Fitbit Force after some of our users experienced allergic reactions to adhesives in the wristband. This recall primarily impacted our results for the fourth quarter of 2013, the first quarter of 2014 and the fourth quarter of 2015.
- Stock-based compensation expense relates to equity awards granted primarily to our employees. We exclude stock-based compensation expense because we believe that the non-GAAP financial measures excluding this item provide meaningful supplemental information regarding operational performance. In particular, companies calculate stock-based compensation expense using a variety of valuation methodologies and subjective assumptions.
- Litigation expense relates to legal costs incurred due to litigation with Aliphcom, Inc. d/b/a Jawbone. We exclude these expenses because we do not believe these expenses have a direct correlation to the operations of our business and because of the singular nature of the claims underlying the Jawbone litigation matters. We began excluding Jawbone litigation costs in the second quarter as these costs significantly increased during the second quarter of 2016, and may continue to be material for the remainder of 2016. Although not excluded in reporting for the first quarter of 2016, these litigation expenses were $9.1 million.
- Revaluation of redeemable convertible preferred stock warrant liability is a non-cash charge that will not recur in the periods following our initial public offering.

GAAP to Non-GAAP Reconciliation

The following are explanations of the adjustments that are reflected in one or more of our non-GAAP financial measures:

- Amortization of intangible assets relates to our acquisition of FitStar. We exclude these amortization expenses because we do not believe these expenses have a direct correlation to the operation of our business.
- The change in contingent consideration relates to our acquisition of FitStar. This is a non-recurring benefit that has no direct correlation to the operation of our business.
- Income tax effect of non-GAAP adjustments relates to the tax effect of the adjustments that we incorporate into non-GAAP financial measures in order to provide a more meaningful measure of non-GAAP net income.
- Adjustment to shares includes the conversion of the redeemable convertible preferred stock into shares of common stock as though the conversion had occurred at the beginning of all periods presented, and the shares issued in our initial public offering in June 2015, as if they had been outstanding since the beginning of the second quarter of 2015, and the shares issued in our follow-on offering in November 2015, as if they had been outstanding since the beginning of the fourth quarter of 2015.
- Purchase of property and equipment is deducted from net cash provided by (used in) operating activities to arrive at non-GAAP free cash flow, which reflects the amount of cash generated that is available to be used for investments in the business.

THANK YOU