SmartRent®

Smart Community and Smart Operations Solutions for the Rental Housing Industry

QUARTERLY EARNINGS UPDATE

Q4 and Full Year 2024

March 5, 2025

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "goal," "target," "future," "estimate," "expect," "anticipate," "intend," "plan," "seek," "project," "may," "should," "will," or the negative form of these expressions or similar expressions. Forward-looking statements expressed or implied in this presentation include, but are not limited to, statements regarding our SaaS expansion; expected market opportunity; our leadership transition; areas of focus, including strategic pillars and our sales organization; expected future business and financial performance; expected growth in revenue and Adjusted EBITDA; expected growth in ARR; expected capital allocation; expected customer benefits and our stock repurchase program. These statements are based on management's current beliefs, expectations assumptions about future events, conditions, and results and on information currently available to us. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. Some of the factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, among other things, our ability to: (1) accelerate adoption of our products and services; (2) anticipate the uncertainties inherent in the development of new business lines and business strategies; (3) manage risks associated with our third-party suppliers and manufacturers and partners for our products; (4) manage risks associated with adverse macroeconomic conditions, including inflation, slower growth or recession, barriers to trade, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment, and currency fluctuations; (5) attract, train, and retain effective officers, key employees and directors and manage risks associated with the leadership transition, (6) develop, design, manufacture, and sell products and services that are differentiated from those of competitors; (7) realize the benefits expected from our acquisitions; (8) acquire or make investments in other businesses, patents, technologies, products or services to grow the business; (9) successfully pursue, defend, resolve or anticipate the outcome of pending or future litigation matters; (10) comply with laws and regulations applicable to our business, including privacy regulations; (11) realize the benefits expected from our stock repurchase program; and (12) maintain key strategic relationships with partners and distributors. The forward-looking statements herein represent the judgment of the Company as of the date of this presentation, and we disclaim any intent or obligation to update forward-looking statements, unless required by applicable law. This presentation should be reviewed in conjunction with the information included in our press releases, reports and other filings with the SEC. Understanding the information contained in these filings is important to fully understanding our reported results and business outlook for future periods. This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size, growth and other data about our industry and our business. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates.

USE OF NON-GAAP FINANCIAL MEASURES

In addition to disclosing financial results that are determined in accordance with GAAP, SmartRent also discloses certain non-GAAP financial measures in this presentation, including EBITDA and Adjusted EBITDA. These financial measures are not recognized measures under GAAP and should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We define Adjusted EBITDA as EBITDA before the following items: non-recurring legal matters, stock-based compensation expense, non-recurring warranty provisions, impairment of investment in a non-affiliate, compensation expenses in connection with acquisitions, non-recurring expenses in connection with acquisitions, other acquisition expenses, and other expenses caused by non-recurring, or unusual, events that are not indicative of our ongoing business. We define EBITDA as net income or loss computed in accordance with GAAP before interest income/expense, income tax expense and depreciation and amortization. EBITDA and Adjusted EBITDA may be determined or calculated differently by other companies. Reconciliations of these non-GAAP measures to the most directly comparable GAAP financial measures have been provided in the financial statement tables included in this presentation, and investors are encouraged to review the reconciliations. EBITDA and Adjusted EBITDA are not used as measures of SmartRent's liquidity and should not be considered alternatives to net income or loss or any other measure of financial performance presented in accordance with GAAP. SmartRent's management uses EBITDA and Adjusted EBITDA in a number of ways to assess the Company's financial and operating performance and believes that these measures provide useful information to investors regarding financial and business trends related to SmartRent's results of operations. EBITDA and Adjusted EBITDA are also used to identify certain expenses and make decisions designed to help SmartRent meet its current financial goals and optimize its financial performance, while neutralizing the impact of expenses included in its operating results which could otherwise mask underlying trends in its business. SmartRent's management believes that investors are provided with a more meaningful understanding of SmartRent's ongoing operating performance when non-GAAP financial information is viewed with GAAP financial information.

Strategic Vision Under New Leadership
Shane Paladin, President and CEO

Creating a Scalable Foundation for Operational Excellence

Our product and market opportunity remain compelling - now we're aligning our operational infrastructure to match our growth ambitions

Compelling Value Proposition

SmartRent delivers ROI for customers by increasing revenue through premium pricing, reducing operational costs, and mitigating risks through improved property management

SaaS Transformation / Acceleration

Investing in internal systems, processes, and operational infrastructure to enable efficient scaling and support predictable, sustainable growth

Large TAM

With relationships with 15 of the top 20 multifamily operators and over 650 customers managing or operating ~7.3M units, we have significant runway within a ~50 million unit Total Addressable Market(1)

Resourced for Transformation

Cash reserves and debt-free balance sheet provide the runway to execute our strategic transition while making targeted investments in the capabilities that will drive recurring revenue growth

(1) SmartRent Market Analysis, February 2025,

Strategic Framework: Four Pillars and Near-Term Priorities

Building a Foundation for Sustainable Growth and Operational Excellence



Sustainable ARR Growth	Prioritizing scalable, recurring revenue.	**Demand Generation** - Creating a consistent pipeline of new opportunities and improving sales conversion metrics
Platform Superiority	Enhancing our integrated IoT solutions for operational excellence.	**Product Roadmap** - Refining development priorities based on market feedback and customer needs, simplifying our approach through all-in-one packaging.
Operational Excellence	Committing to world-class customer service and internal efficiencies.	**Customer Success** - Transforming customer support with intelligent triage systems that reduced wait times inline with industry benchmarks. SmartOps upgrades in Dec 2024 with additional capabilities planned, targeting operational inefficiencies.
Collaborative Innovation	Leveraging AI and partnerships to drive innovation and market competitiveness.	

Q4 2024 Initiative Update

Q4 & FY 2024 Key Financial Highlights

Q4 Revenue Diversification

$35.4M



Total Revenue
Declines primarily driven by overall lower volumes in Units Shipped and New Units Deployed

Full Year SaaS Revenue Growth

$51.6M



2024 annual improvements driven by SaaS ARPU increases and Units Deployed expansion versus prior year

Full Year Adjusted EBITDA

$(9.9)M



Adjusted EBITDA

Improved on a full year basis in 2024 from $(19.2) million in the prior year, reflecting the impact of operational efficiencies

Q4 Improved Per Unit Pricing

$5.68



SaaS ARPU
Improved from $5.50 in the same quarter of the prior year, delivers incremental pricing improvement once units are deployed

Growth in Units Deployed(1)

~809K



Units Deployed
Improved by 12% when compared with the same quarter in the prior year

Full Year Net Loss

$(32.9)M

Improvement of 4.9%, or $1.7M, over the prior year

Cash as of 12/31/24

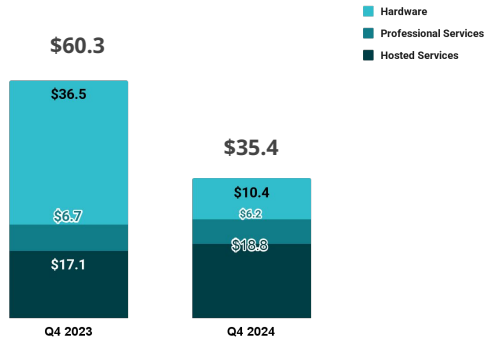
$143M

No Debt

(1) See Appendix for definition

Q4 and Full Year 2024 Revenue Performance

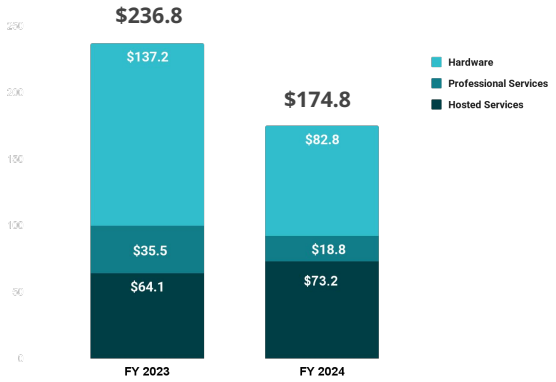
Q4 2024 Revenue ($ Millions)



▼ 41% **Total Revenue Down 41% y/y**
Due to overall lower New Units Deployed

▲ 10% **Hosted Services Revenue Up 10% y/y**

Full Year 2024 Revenue ($ Millions)

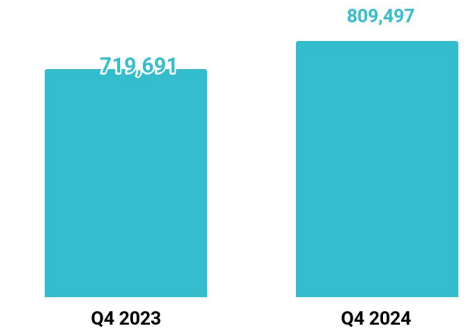


▼ 26% **Total Revenue Down 26% y/y**
Due to overall lower New Units Deployed

▲ 14% **Hosted Services Up 14% y/y**

Units Deployed Performance

Units Deployed



▲ 12% Units Deployed Up 12% y/y

Units Deployed at end of 2024

~809K

12% growth in Units Deployed highlights continued market adoption

Customer Net Revenue Retention(1)

111%

As of December 31, 2024

Customer Churn(1)

0.07%

As of December 31, 2024

Strong Customer Loyalty Indicators

(1) See Appendix for definition. Information as of December 31, 2024. Source: SmartRent SEC filings.

Q4 & FY 2024 Key Takeaways

Highlights from the Quarter

We are committed to Operational **Excellence** and Shareholder **Value Creation**



New CEO Introduction

Welcomed Shane Paladin as CEO to lead the Company's next phase of growth. Mr. Paladin has extensive experience in leading software transformations and ideal expertise to accelerate our SaaS transformation.



Sales Organization Transformation

Restructured our sales organization under new CRO leadership and made many key leadership hires, aligning account management and customer success functions to enhance cross-selling and customer lifetime value.



SaaS Growth Momentum

Achieved 17% year-over-year SaaS Revenue growth in Q4, reaching $51.6 million, now representing roughly one third of total revenue.



Cost Management

Rigorous cost control measures being implemented, ensuring operational agility and readiness to capitalize on market opportunities once fully in place.



Disciplined Capital Allocation

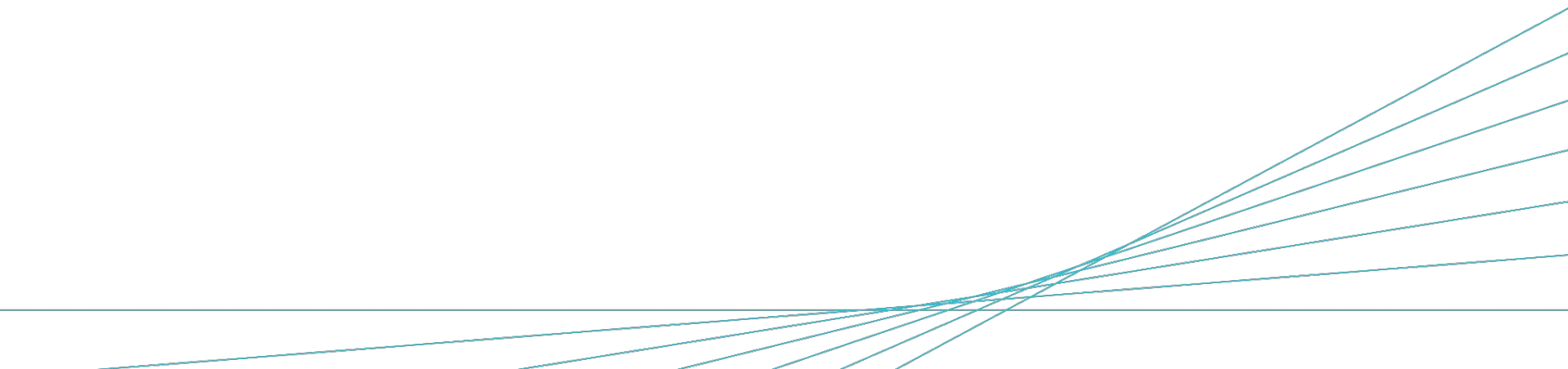
Repurchased ~3.0 million shares at $5.1 million in Q4, with $21.6 million remaining in our authorized program, while maintaining $143 million cash position.



Return of Capital to Shareholders

Executed strategic share repurchases, underscoring our commitment to shareholder value and confidence in company valuation.

APPENDIX



TTM Consolidated Balance Sheet

(Unaudited, $ in thousands, except per share amounts)

	12/31/24	9/30/24	6/30/24	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Cash and cash equivalents	$ 142,482	$ 163,403	$ 187,435	$ 204,701	$ 215,214	$ 211,000	$ 196,970	$ 203,933
Accounts receivable, net	59,299	63,013	65,220	58,093	61,903	63,546	60,032	59,069
Inventory	35,261	35,948	34,420	30,899	41,575	47,521	60,506	66,853
Total current assets	257,650	284,986	313,836	319,477	340,340	344,116	346,205	357,494
Goodwill and intangible assets, net	140,643	141,611	142,580	143,548	144,517	145,485	146,453	147,422
Total assets	420,176	448,593	475,347	485,453	509,756	515,597	521,481	536,340
	-	-						
Deferred revenue, current portion	35,071	49,861	67,187	78,077	77,257	93,445	92,866	88,459
Total current liabilities	71,032	85,970	100,332	106,990	117,309	123,611	120,573	123,375
Deferred revenue, long-term portion	52,588	50,111	44,671	41,491	45,903	44,134	49,970	54,510
Total liabilities	130,741	143,452	145,964	152,366	167,308	172,345	174,276	181,723
Total stockholders' equity (including convertible preferred stock)	289,435	305,141	329,383	333,087	342,448	343,252	347,205	354,617
Total liabilities, convertible preferred stock and stockholders' equity	420,176	448,593	475,347	485,453	509,756	515,597	521,481	536,340

Note: Information as of December 31, 2024. Source: SmartRent SEC filings.

TTM Condensed Consolidated Statement of Operations

(Unaudited, $ in thousands, except per share amounts)

	Three months ended							
	12/31/24	9/30/24	6/30/24	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Revenue	0	0						
Hardware	$ 10,384	$ 18,707	$ 24,676	$ 29,077	$ 36,457	$ 35,631	$ 27,788	$ 37,325
Professional services	6,221	3,308	5,816	3,458	6,692	5,962	10,050	12,769
Hosted services	18,763	18,495	18,026	17,954	17,104	16,511	15,564	14,985
Total revenue	35,368	40,510	48,518	50,489	60,253	58,104	53,402	65,079
	-	-						
Cost of revenue	-	-						
Hardware	9,988	13,843	16,318	18,684	26,662	27,556	21,990	32,572
Professional services	9,003	6,840	8,869	6,448	10,922	11,130	15,809	17,634
Hosted services	6,224	6,370	6,026	5,934	5,669	5,887	5,720	5,758
Total cost of revenue	25,215	27,053	31,213	31,066	43,253	44,573	43,519	55,964
	-	-						
Total operating expense	23,111	25,194	24,223	29,582	22,831	23,478	21,970	24,409
	-	-						
Loss from operations	(12,958)	(11,737)	(6,918)	(10,159)	(5,831)	(9,947)	(12,087)	(15,294)
	-	-						
Net loss	(11,423)	(9,923)	(4,605)	(7,692)	(3,300)	(7,723)	(10,349)	(13,215)
	-	-						
Other comprehensive loss	-	-						
Foreign currency translation adjustment	(147)	270	(11)	6	53	(188)	(9)	104
Comprehensive loss	(11,570)	(9,653)	(4,616)	(7,686)	(3,247)	(7,911)	(10,358)	(13,111)
Net loss per common share	-	-						
Basic and diluted	$ (0.06)	$ (0.05)	$ (0.02)	$ (0.04)	$ (0.02)	$ (0.04)	$ (0.05)	$ (0.07)
Weighted-average number of shares used in computing net loss per share	-	-						
Basic and diluted	198,731	198,731	203,327	203,485	203,200	201,584	199,619	198,334

Note: Information as of December 31, 2024. Source: SmartRent SEC filings.

Quarterly - Reconciliation of net loss to EBITDA and Adjusted EBITDA

(Unaudited, $ in thousands)

	Three months ended							
	12/31/24	9/30/24	6/30/24	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Net loss	$ (11,423)	$ (9,923)	$ (4,605)	$ (7,692)	$ (3,300)	$ (7,723)	$ (10,349)	$ (13,215)
Interest income, net	(1,524)	(2,019)	(2,290)	(2,409)	(2,516)	(2,233)	(1,815)	(2,016)
Income tax expense (benefit)	136	18	68	45	(86)	(33)	18	(7)
Depreciation and amortization	1,765	1,644	1,585	1,501	1,542	1,395	1,342	1,254
EBITDA	(11,046)	(10,280)	(5,242)	(8,555)	(4,360)	(8,594)	(10,804)	(13,984)
Legal matter	700	2,325	-	5,300	-	-	-	-
Stock-based compensation	2,548	1,653	3,284	3,281	3,042	3,273	3,276	3,680
Impairment on equity investment	-	-	2,250					
Compensation expense in connection with acquisitions	-	-		-	-	15	370	1,625
Severance charges	-	-	-	231	265	317	488	-
Other acquisition expenses	(978)	(4)	117	140	243	(23)	226	205
Non-recurring warranty provision	350	(522)	463	-	1,746	-	-	-
Other adjustments	1,068	3,006	30	-	(193)	-	-	-
Adjusted EBITDA	$ (7,358)	$ (3,822)	$ 902	$ 397	$ 743	$ (5,012)	$ (6,444)	$ (8,474)

Note: Information as of December 31, 2024. Source: SmartRent SEC filings.

Full Year - Reconciliation of net loss to EBITDA and Adjusted EBITDA

(Unaudited, $ in thousands)

	For the years ended December 31,		
	2024	2023	2022
	(dollars in thousands)		
Net loss	$ (33,643)	$ (34,587)	$ (96,322)
Interest income, net	(8,242)	(8,580)	(1,946)
Income tax expense (benefit)	267	(108)	(5,388)
Depreciation and amortization	6,495	5,533	4,262
EBITDA	(35,123)	(37,742)	(99,394)
Legal matter[1]	8,325	-	
Stock-based compensation	10,766	13,271	13,716
Impairment of investment in non-affiliate	2,250	-	-
Non-employee warrant expense	-	(193)	289
Non-recurring warranty provision	291	1,746	-
Asset impairment	-	-	4,441
Compensation expense in connection with acquisitions	-	2,010	5,042
Other acquisition expenses	(725)	651	1,197
Other non-operating expenses[2]	4,334	1,070	-
Adjusted EBITDA	$ (9,882)	$ (19,187)	$ (74,709)

(1) Refer to Note 12 "Commitments and Contingencies".

(2) During the year ended December 31, 2024, other non-operating expenses includes $3,183 of severance expense and $1,065 of CEO transition expenses. During the year ended December 31, 2023, other non-operating expenses includes $1,070 of severance expense. There were no such expenses during the year ended December 31, 2022.

Note: Information as of December 31, 2024. Source: SmartRent SEC filings.

Definition of Key Operating Metrics

We review the following operating metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. Our metrics are not based on any standardized industry methodology and are not necessarily calculated in the same manner or comparable to similarly titled measures presented by other companies. Similarly, our metrics may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. The numbers that we use to calculate the below metrics are based on internal data. While these numbers are based on what we believe to be reasonable judgments and estimates for the applicable period of measurement, there are inherent challenges in measuring usage. We regularly review and may adjust our processes for calculating our internal metrics to improve their accuracy. If investors or analysts do not perceive our metrics to be accurate representations of our business or If investors or analysts do not perceive our metrics to be accurate representations of our business, or if we discover material inaccuracies in our metrics, our business could be harmed.

New Units Deployed

The aggregate number of Hub Devices that were installed (incl customer self installations) and resulted in a new active subscription during a stated measurement period.

Annual Recurring Revenue ("ARR")

Annualized value of our SaaS Revenue earned in the current quarter, which we calculate by taking the total amount of SaaS Revenue in the current quarter and multiplying that amount by four.

Units Booked SaaS ARPU

The first year ARR for binding orders executed during the stated measurement period divided by the total Units Booked in the same period, divided by the number of months in the period.

Hardware ARPU

Total hardware revenue during a given period divided by the total Units Shipped during the same period.

Professional Services ARPU

Total professional services revenue during a given period divided by the total New Units Deployed, excluding customer self installations, during the same period.

Customer Net Revenue Retention

SaaS Revenue at the end of the current period related to customers which had SaaS Revenue at the end of the same period in the prior year, divided by SaaS Revenue at the end of the same period in the prior year for those same properties.

Property Net Revenue Retention

SaaS Revenue at the end of the current period related to properties which had SaaS Revenue at the end of the same period in the prior year, divided by SaaS Revenue at the end of the same period in the prior year for those same properties.

Units Deployed

The aggregate number of Hub Devices installed (incl customer self installs) and have an active subscription as of a stated measurement date.

Units Booked

The aggregate number of Hub Device units subject to binding orders executed during a stated measurement period that will result in a New Unit Deployed.

Bookings

The contract value of hardware, professional services, and the first year of ARR for binding orders executed during a stated measurement period.

Units Shipped

The aggregate number of Hub Devices that have been shipped to customers during a stated measurement period.

SaaS ARPU

Total SaaS Revenue during a given period divided by the average aggregate Units Deployed in the same period.

Customer Churn

Cancelled deployed units during the measurement period divided by Units Deployed as of the beginning of the measurement period.

SaaS Revenue

SaaS Revenue as monthly subscription revenue from fees paid by customers for access to one or more of SmartRent's software applications, including access controls, asset monitoring and related services, and our Community WiFi solution

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THANK YOU

For more information, please contact
investors@smartrent.com

