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Lucas Haldeman, *Chairman and Chief Executive Officer*

Hiroshi Okamoto, *Chief Financial Officer*

CONFERENCE CALL PARTICIPANTS

Max Gamperl, *Goldman Sachs*

Tom White, *DA Davidson*

Ryan Tomasello, *KBW*

Sidney Ho, *Deutsche Bank*

Patrick, *Morgan Stanley*

Ben Sherlund, *Cantor Fitzgerald*

PRESENTATION

Operator

Good evening and welcome to the SmartRent, Inc. First Quarter 2022 Earnings Call.

A question-and-answer session will follow Management's presentation. As a reminder, this conference call is being recorded.

I would now like to turn the call over to your host, Evelyn Infurna, Senior Vice President of Investor Relations. Thank you, Evelyn, you may begin.

Evelyn Infurna

Thank you. Hello everyone and thank you for joining us today.

Lucas Haldeman, Chairman and CEO, and Hiroshi Okamoto, our recently appointed Chief Financial Officer, are with me and will be taking you through our results for first quarter of 2022 as well as guidance for the second quarter.

After today's market close, we issued an Earnings Release and filed our 10-Q for March 31, 2022, both of which are available on the Investor Relations section of our website, smartrent.com.

Before I turn the call over to Lucas, I'd like to remind everyone that the discussion today may contain statements related to our business that may be considered forward-looking, including statements concerning our plans to execute on our growth strategy, our ability to maintain existing and acquire new customers, the benefits of strategic acquisitions including our acquisition of SightPlan, expected financial results, product portfolio enhancements, expansion plans and opportunities, expectations regarding key operational metrics, and other statements regarding our plans and prospects.

Forward-looking statements are often identified with words such as we expect, we anticipate, we believe or similar expressions. These statements reflect our view only as of today, May 11, 2022, and should not be considered our views as of any subsequent date. We do not undertake any obligation to update or revise any forward-looking statements. Forward-looking statements are not promises or guarantees of future performance and are subject to a variety of risks and uncertainties that could cause the actual results to differ materially from our expectations.

For a discussion of material risks and other important factors that could affect our actual results, please refer to those contained in our most recent Annual Report on Form 10-K filed with the SEC on March 24, 2022, along with our Quarterly Report on Form 10-Q, and Earnings Release and Current Report on Form 8-K filed with the SEC today, all of which are publicly available on the Investor Relations section of our website at smartrent.com and on the SEC's website at sec.gov.

Finally, during today's call, we will refer to certain non-GAAP financial measures. A discussion of these non-GAAP financial measures, along with a reconciliation to the most directly comparable GAAP measure, is included in today's Earnings Release.

With that, let me turn the call over to Lucas to review our results. Lucas?

Lucas Haldeman

Thank you, Evelyn.

Thank you to the investors and analysts on the call for your continued support and interest in SmartRent. We are excited to share our first quarter results and our outlook for the second quarter.

SmartRent started 2022 with strong tailwinds from the groundwork laid in 2021. We had an extremely productive quarter focused on execution and expansion of our market share. This focus translated to record revenue of $37.4 million, above our guidance, and record Units Booked, indicating continued momentum into the second quarter. We also deployed over 51,000 units, ahead of the top end of our Units Deployed guidance and expanded our customer base by 80% year-over-year to 290 customers.

In addition, we made the strategic step of acquiring SightPlan, a leader in multifamily workflow management software. Our powerful combination sets SmartRent even further apart from other real estate enterprise platforms, and we anticipate that the level of demand we are experiencing, which exceeds our expectations already, will only continue to build. We believe our progress in the first quarter has positioned SmartRent for another strong year.

We now have over 390,000 total Units Deployed on our platform, up 108% from the first quarter of 2021. Our 290 customers own or control 5.1 million units, a 76% increase from a year ago, and our 760,000 Committed Units are up 26% year-over-year.

Using our key performance metrics as a guide, Units Booked and Bookings provide an assessment of the health and trajectory of our business on a unit and dollar-value basis. For the first quarter, our sales team delivered 101% growth in Units Booked, setting a Company record of over 91,000 units, compared to

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46,000 units a year ago. Our Units Booked typically convert to live Units Deployed in the subsequent quarter.

The dollar value of Units Booked is represented by Bookings, which provides a near-term estimate of the potential revenue generated by Units Booked. Bookings reflect the aggregate dollar value, net of any discounts, associated with a signed Master Services Agreement, or binding purchase orders executed during the period for all hardware, including SmartHubs and professional services, as well as the dollar value of the first year of software services included in the purchase order.

For the quarter, Bookings totaled $72 million as compared to $32.4 million in the first quarter of 2021. The dollar value of the first year of SaaS revenue for these Bookings totaled $4.6 million as compared to $2.2 million in the first quarter of last year. On a per-unit basis, the SaaS Bookings ARPU was $4.17 across all Units Booked and $7.44 for new customers. This compares favorably to the same metrics in the fourth quarter: $3.69 and $6.72 for the overall average and new customers, respectively.

At the time of our acquisition in late March, SightPlan's forecast for 2022 ARR was approximately $13 million; this translates to an increase in SmartRent's SaaS ARR of approximately $10 million for the remainder of 2022. SightPlan generated a 60% compound annual growth rate on its revenue since its formation through the end of 2021. We believe that there is potential to improve upon initial expectations as SightPlan is fully integrated with us and our combined sales team begins to market the SightPlan product suites along our IoT enterprise platform.

Our longer-term indicator of organic growth is Committed Units, another of our key operating metrics. As of March 31, 2022, Committed Units totaled 760,000, up 26% from 604,000 Committed Units at the end of the first quarter of 2021. As a reminder, Committed Units represent the aggregate number of SmartHubs that are subject to binding purchase orders, together with units under a Master Services Agreement that are expected to be deployed within two years.

Our future prospects are even more compelling with the addition of SightPlan to our real estate enterprise platform. The acquisition of SightPlan affords us the opportunity to significantly advance our product roadmap, specifically resident engagement through an online app, resident CRM, and a robust work order application while also offering property inspection and audit applications. Like SmartRent, SightPlan is constantly enhancing its product suite by implementing features and developing new products. There are a number of these initiatives in the works that we believe will add incremental value to our investment. We look forward to sharing more information about these new features and products in the coming quarters.

SightPlan is rolling out its real estate enterprise solutions across larger customer portfolios. They are currently deployed in approximately 1.3 million units with an additional 200,000-unit pipeline. These rollouts can occur relatively quickly and, since this is software, deployment is not subject to supply chain headwinds. We believe that the opportunity for the combined platform is vast and that our unified real estate enterprise platform will significantly improve the way properties are operated and managed. We also believe that the resident experience will be greatly enhanced. This translates to operating efficiencies, increased asset value for our customers, and satisfied residents who are more likely to renew their leases, all of which are increasingly important in the current economic backdrop.

We acquired SightPlan for $135 million in an all-cash transaction. As of March 31, 2022, we had approximately $286 million of cash on our balance sheet and full access to our $75 million revolving line of credit. We have been and will continue to be disciplined with the use of our capital. We are focused on integrating and maximizing returns on our recent acquisitions and remain confident that our liquidity position supports our internal growth initiatives.

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I am pleased with the gains we are making on top line growth, as well as across our key performance metrics. The continuing roll-out of our solutions throughout the portfolios of our large, legacy customers, as well as our ability to increasingly attract property owners and managers in the long tail, is testimony to the value that our real estate enterprise platform delivers. The majority of our new Units Deployed in 2022 will come from our current 290 customers that collectively own or control over 5.1 million units. In what has been an arguably volatile macro environment, our ability to advance our footprint by harvesting organic growth gives us confidence in our ability to deliver on our expectations.

We accomplished a great deal in the first quarter and over the last several years. During this time, our team has evolved and grown. After quarter-end, we welcomed the newest members of the SmartRent executive team: Hiroshi Okamoto, our Chief Financial Officer, and Robyn Young, our Chief Marketing Officer. Hiroshi and Robyn bring depth of experience and fresh perspective that will further strengthen our executive team, and we look forward to their contributions.

As we welcome Hiroshi and Robyn, we are also saying farewell and thank you to Jon Wolter, our outgoing CFO. Jon was instrumental in structuring our financial processes and procedures, and he played a critical role as we navigated the listing process. We appreciate Jon's service over the last two years and wish him great success in his future endeavors. While he will not be participating on today's call, Jon will continue to work with us through the end of this month to ensure a smooth transition.

With that, I am going to turn the call over to Hiroshi to discuss our financial results. Following Hiroshi's remarks, I will share an update on the supply chain and our operational outlook before opening the call for questions. Hiroshi?

Hiroshi Okamoto

Thank you, Lucas. And thank you all for joining today. I am excited to be on the SmartRent team and look forward to meeting our investors and analysts over the coming weeks and months.

Now, let's turn to our financials.

SmartRent's strong execution in the first quarter resulted in a number of financial and operational records. Total revenue for the first quarter increased 95% to $37.4 million as compared to $19.2 million in the first quarter of 2021.

This growth in revenue reflects the increased volume of our deployments of our Smart Home hardware devices and the growth in the number recurring software subscriptions, which included a full quarter of contribution from iQuue and a contribution from SightPlan for nine days in March. Notably, we experienced a 205% increase year-over-year in the SaaS revenue to $4.1 million, of which $3.5 million was attributable to SmartRent, with contributions of $500,000 from iQuue and $200,000 from SightPlan.

We expect SaaS revenue to grow significantly in Q2, both from organic growth driven primarily by the deployment of new units, and from a full quarter of contribution from SightPlan's operations. As Lucas noted earlier, we believe that SightPlan will contribute approximately $10 million of SaaS revenue to our operations in 2022.

Hosted Services ARPU in the first quarter increased 27% to $7.79 per unit per month as compared to $6.15 in the first quarter of 2021. The improvement in Hosted Service ARPU was driven primarily by an expanding customer base opting for more of our products, the upselling of legacy customers, the contributions from iQuue and SightPlan, and improved pricing for our SaaS subscriptions.

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SaaS ARR, which we define as the annualized value of our recurring SaaS revenue for the current quarter, was $16.3 million, as compared to $5.3 million in the first quarter of 2021.

Moving now to expenses. Cost of revenue for the first quarter was $42.1 million, up from $19.6 million in the first quarter of 2021. The year-over-year change reflects the increased number of deployments, the impact of scaling our Professional Services team, and increased costs related to third-party contract labor. While the growth of the Professional Services team continues to pressure our gross margin, we anticipate incremental improvement in our Professional Services margin over time as our deployment volume increases, as we realize the efficiencies from a fully trained and seasoned team, and, as we incorporate in-house productivity tools into our standard operating procedures.

We believe that our gross margin should respond positively to price increases across all three of our revenue streams. As we shared on our Q4 call, we anticipate seeing incremental margin improvement in the second half of the year as Bookings from the first and second quarter reflecting new pricing are converted to Deployed Units.

Operating expenses for the quarter were approximately $23.6 million, compared to $8.8 million for the first quarter of 2021 and $22.8 million for the fourth quarter. The year-over-year increase reflects our investment in the growth of our team and corporate infrastructure in response to demand for our real estate enterprise platform as well as costs associated with being a public company as compared to the prior year. The sequential increase is primarily attributable to transaction costs related to our acquisitions included in G&A.

Net loss for the first quarter was $23.4 million as compared to the net loss of $9.3 million for the first quarter of 2021. Adjusted EBITDA loss for the first quarter was approximately $23.1 million as compared to the loss of $8.4 million in the first quarter of 2021.

Now, let's move on to the balance sheet. As of March 31, 2022, SmartRent's total deferred revenue, which provides us with near- and medium-term revenue visibility, increased to $116.8 million as of March 31, 2022, from $64 million at the end of the first quarter of 2021. We expect to recognize approximately 50% of our total deferred revenue within the next 12 months.

With respect to our available capital and liquidity, as of March 31, 2022, SmartRent had approximately $286 million of cash and no outstanding debt. We believe that our liquidity position provides us with sufficient capital to advance our organic growth plans. As Lucas mentioned earlier, we are focused on the integration of SightPlan and maximizing the benefits of our investment while continuing to exercise discipline with respect to our capital and liquidity.

I will turn the call back to Lucas for additional perspective on our business and our outlook for the second quarter and the balance of 2022. Lucas?

Lucas Haldeman

Thank you, Hiroshi.

SmartRent continues to make steady gains in expanding its footprint. Our first quarter new customer deployments went smoothly, and we expect to see a seasonal acceleration in our deployments for the next two quarters, supply chain headwinds notwithstanding.

We are continuing to increase on-hand inventory of our core Smart Home devices, reflected in the increase on our balance sheet, and took possession of our expanded 65,000 square foot warehouse in April. We are seeing improved access to component parts for Alloy Access. That should improve the

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availability of Alloy Access devices later in the year, which allows us to work through on-hold deployments that include this highly sought-after smart access control. We continue to work closely with our suppliers to facilitate access to components and devices necessary to keep our deployments on schedule. With that said, the situation remains fluid and we are carefully navigating and proactively responding to rapidly changing conditions.

Despite supply chain headwinds, we are pleased with our competitive positioning and excited about our ability to continue to scale our operations and increase our market share. As I shared earlier, the demand we are seeing for our real estate enterprise platform continues to build and exceed our expectations. However, limits on access to the full set of hardware products remain a governor on the pace of our deployments.

Before moving onto our outlook for the second quarter, I'd like to spend a few minutes discussing our margins for the first quarter. Our hardware margin was adversely impacted by the customer mix, as well as by the swapping of Alloy and Fusion hubs that we discussed on our year-end call. In addition to the hub swap, Units Deployed in the first quarter were heavily weighted toward legacy customers with preferential pricing.

We anticipate a similar amount of drag on our hardware margin for the second quarter as we work through additional legacy customer bookings. We believe our hardware margins will be improved in the second half of the year, reflecting updated pricing implemented in the first quarter. With respect to professional services, we anticipate an improvement in margin in the second and third quarters, primarily driven by a higher volume of deployments.

Our hosted services margin for the first quarter was 39%, expanding year-over-year and on a sequential quarter basis, driven primarily by the increased contribution of SaaS revenue from our iQuue and SightPlan acquisitions. We expect further improvement in our SaaS margin for the remainder of 2022 as total Units Deployed grow and as new pricing takes hold for bookings and deployments for the remainder of 2022. We believe the hosted services and SaaS margins will also benefit from the increased revenue contribution from SightPlan.

From an organizational perspective, we are pleased to have completed the buildout of our executive team with the recent hiring of Hiroshi and Robyn; and, as we welcome our 78 SightPlan team members, we anticipate carefully integrating our combined team to take advantage of potential synergies. We believe we are well-positioned from both a product and people perspective to meet our business objectives.

Before turning to guidance, there are three key takeaways from the quarter that bear repeating. Demand for our platform is strong, as evidenced by record revenue and record bookings. The acquisition of SightPlan has accelerated our product roadmap and advanced the breadth of our product offering, and is expected to add $10 million to our SaaS revenue this year. With a fully built out Executive Team and the addition of our SightPlan team members, we have the ability to advance our business plan and ensure our place as the market leader in the real estate enterprise technology arena.

The successes and headwinds we experienced in the first quarter and this quarter to date influence our outlook for the remainder of 2022, and we are leaving our Full Year 2022 guidance unchanged.

For the second quarter, we are providing total revenue guidance of $47 million to $55 million, and Units Deployed guidance between 64,000 and 75,000 which reflects our seasonal deployment increase and our current assessment of potential supply chain headwinds. Our guidance includes our expectations for the SaaS contribution from SightPlan for the second quarter and does not consider additional acquisitions or capital markets activities.

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We began 2022 on strong footing, and we anticipate a solid year ahead as we continue executing against our business plan.

Operator, please open the call for questions.

Operator

Thank you. Our first question is from Rod Hall of Goldman Sachs. Please go ahead.

Max Gamperl

Yes. Hi, this is Max Gamperl (phon) on for Rod. Thank you for taking our questions.

First question would be on deployed units. I'm just wondering if you could elaborate on what helped you exceed the high end of the guidance for Q1. Is it more of a factor of the timing of deployments for your new customers or did you see better-than-expected demand in the quarter? Then how should we think about the speed in regards to your reiterated deployed units guidance in Fiscal Year 2022? Then I've a follow-up. Thank you.

Lucas Haldeman

Hey, Max. This is Lucas. Thanks for the question.

We were able to get a little additional supply in Q1 than we originally anticipated. That's how we came in at the top end. Again, like last quarter, just reiterating that the demand is and remains incredibly strong. What we're fighting is supply headwinds. The plus and minus isn't really around customers or demand. That's there. It's, can we get it in? We were able to get more hardware in than we originally anticipated.

Max Gamperl

Got it. That better-than-expected supply in Q1, that is incorporated, I guess in your 2022 guidance, or do you think this guidance would be more on the conservative end given those recent supply trends you're seeing?

Lucas Haldeman

No, Max, I think we gave a broad range on guidance because of that. You know that we have a delta there of low and high beat because of the supply chain. We feel good about reiterating our guidance. It's still a fluid situation. I know I've seen some of your other reports and other analysts, everyone is dealing with choppy waters still on supply chain. I think we're all feeling cautiously optimistic, but still every day is a dogfight.

Max Gamperl

Got it. Yes. Thanks for confirming, Lucas.

Then one more question. I believe your Adjusted EBITDA guidance for the year implies about minus 20 million for the remainder of the year at the midpoint of your guidance. You talked about this on the call, but wondering if you could walk us through just one more time. How you plan to get there throughout the year, especially you get those negative gross margins in professional services and higher operating expenses. I guess what factors should we consider for you to end up at the high end of the range versus the low end of the range for your Adjusted EBITDA? Thank you.

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Lucas Haldeman

Yes. I think a lot of it really comes down to you're going to see we're moving into our high season of Q2 and Q3 for higher deployments, and that's really where we're going to see that. Also, we talked about this last quarter. We put some new pricing in effect and you'll start to see that come in in the second half of '22, and so that's why we feel confident with that guidance.

Max Gamperl

Got it. Thank you so much.

Lucas Haldeman

Thanks, Max.

Operator

Our next question is from Tom White of DA Davidson. Please go ahead.

Tom White

Great. Thanks, guys. Good evening. Two, if I could.

One, just in the prepared remarks, Lucas, your comments about SaaS ARPU for bookings and the difference there overall versus new customers, is that still mostly the impact of and mostly the results of newer customers being a longer tail where you guys have some pricing pressure, or is there something different there? Then I was hoping to get an update on your ambitions in the commercial space, and how you guys might look to leverage channel partners to go after that market. Any color that would be helpful. Thanks.

Lucas Haldeman

On the first side, you're right, Tom. On the expanded ARPU, it really is that long tail customer that is not subject to large bulk pricing and large legacy commitments. That's why we're sharing that metric is to try to give some of that clarity on it. This new sales team that we've invested heavily in is becoming productive not only in new deals but in higher ARPU deals.

In terms of commercial expansion, it’s something we're always looking at. I think you're right to say it would likely be more through a channel partner, but today we're really focused on the 5.1 million multi-family units that just our current customers own and operate. We feel like the organic growth is there for us to go harvest, and that's really the primary focus.

Tom White

Great. Thanks for the color and nice execution this quarter guys.

Lucas Haldeman

Thanks, Tom.

Operator

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Our next question is from the Ryan Tomasello of KBW. Please go ahead.

Ryan Tomasello

Hi, everyone. Thanks for taking the questions.

Really nice to see that ARPU about $7 for the new customers and appreciate that disclosure. I guess just following up on the other questions you already received, is it possible to quantify how large those typical discounts are for legacy customers and larger clients? You alluded to the new pricing that you put in place; maybe you can quantify the level of uplift that you're expecting there and if that's both on the software and hardware pieces of the business. Then finally, any color on your sense of these larger legacy clients' appetite to attach additional services and really drive stronger APRU beyond just the pricing discounts over time. Thanks.

Lucas Haldeman

Yes. Thanks, Ryan. I'll start with the last part and work my way backwards through your questions.

In terms of the larger legacy customers adding products, we have incredible demand amongst the larger legacy customers. We're still fighting supply chain around alloy access, and so a lot of that is actually on hold. If there's a perfect supply ratio, you would actually already see that expansion happening. But certainly, every large legacy customer we have is taking at least one additional product that we've brought to market, if not more. I think we're seeing a really positive trend there. It won't flow into the financials until we can actually go deploy. That's why you're seeing some of that delta there.

Then in terms of the overall ARPU, 744 versus 417, I think by disclosing those two numbers without going into detail of specific contracts, you can see the variance. The price increase that we put into place is both on the software, hardware, and professional services, so across the board. And really, the price increase on professional services wasn't just an increase, but really reworking from a one-size-fits-all to really lots of options for our customers. So, seven different tiers of installation, all at better margin characteristics for us.

In some cases, you will see our customers won't have an increase in the cost of deployment—it'll stay flat or maybe even go down—but we won't be incurring as much cost either. So, I think we're really excited about that, but again, it'll take time for that to flow, and really into the second half of '22 before we see that really flowing through.

Ryan Tomasello

Got it.

I guess on the profitability front, is there a framework that you could provide for bridging the path to cash flow breakeven, maybe at what level of ARR, or maybe live unit count that would drive that? Is there any visibility you have today that you would be willing to discuss that timeline being sometime maybe next year in terms of a breakeven point for Adjusted EBITDA?

Lucas Haldeman

We definitely are reiterating we feel that we're on track to cross into Adjusted EBITDA positive in '23. We're not providing detailed guidance on that, but we feel that we're on track. It's certainly a combination

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of expanding SaaS revenue along with just an increase in the unit counts and the hardware and professional services revenue that comes along with that.

Ryan Tomasello

Just to clarify, when you say across the EBITDA breakeven in 2023, do mean on a full-year basis or intra-year at a certain quarter?

Lucas Haldeman

It's a good question. I want to make sure we're really clear and communicate. It's intra-year. We're not anticipating a full year Adjusted EBITDA positive year for '23, but that we will move into an intra-year Adjusted EBITDA positive in '23.

Ryan Tomasello

Great. Thanks for clarifying.

Lucas Haldeman

Thanks, Ryan.

Operator

Our next question is from Sidney Ho, Deutsche Bank. Please go ahead.

Sidney Ho

Great. Thanks for taking my question. A couple of them.

On the first one, you guys reaffirmed the revenue guidance of 220 to 250 for the year, but there are a lot of changes at the macro level. I know we talked about supply constraints, but there's inflation, there's consumer spending, a lot of different things happening. I understand there's a lot of moving parts in the revenue guidance but curious from your perspective, anything has changed since your original guide in March in terms of number of units you're thinking you can deploy, the product mix, the maybe demand trajectory, or even APRU expectations compared to just a month and a half ago?

Lucas Haldeman

No, I mean—Sidney, thanks for the question. We did just report rather late on our Q4 and our full year, so no, nothing's really changed since that point. When we laid out the revised unit count for the full year of '22, we took into account the supply chain headwinds that we're experiencing. We feel like we've factored that in. In terms of demand, the only thing happening with demand is it's continuing to increase.

I think, especially as we see inflation kicking in and we see a tighter labor market, those are catalysts for our business. Those are positive indicators for our business in terms of helping our customers reduce costs and reduce complexity. If anything, we're seeing demand growing, and again, we're fighting the supply chain headwinds. That's where we feel good about the guidance that we've issued and we feel like we're on track.

Sidney Ho

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Okay. That's helpful.

Maybe a follow-up to that is, despite all the supply chain issues in the past or still going on, the one area that you guys seems to be consistently delivering is the bookings unit, the number (inaudible). How do you think about bookings this year compared to what you think in the past? I know this may be an old document, but in the S1, you guys talk about growing booking units 150% year-over-year in 2022. Is that still the right way to think about it? Are there seasonality for unit books we should be thinking about as we go through the rest of the year?

Lucas Haldeman

Yes, it's a good question.

We don't we don't see a lot of seasonality. We see a little bit of seasonality in terms of we set budgets in late Q3, early Q4, typically in multi-family. Sometimes we'll see a bump there, but really what we're seeing is the demand is so great it's muting any seasonality that we'd be seeing. We still feel like this is the highest demand we've ever seen for this product in the existence of this Company and all of the macro indicators remain incredibly positive.

But yes, I think you're right, Sidney, bookings is a good number to key on and that goes to demand. We're seeing incredibly strong bookings, and we're seeing incredibly strong new customers coming into the platform. Those to me are the really positive long-term indicators. As we work our way through the near-term supply chain constraints, that's what we're going to be harvesting in the future.

Sidney Ho

Okay. Great. Thank you.

Operator

Our next question is from Erik Woodring of Morgan Stanley. Please go ahead.

Patrick

Hi, this is Patrick on for Erik.

Going off the last comment you made in regards to new customers, you did add 41 new customers in the first quarter, which was strong, similar to 4Q, but by our math, new committed units fell to 69,000 from 107,000 in 4Q. The question here is, are you are you seeing any hesitation from property owners to commit to new units with rates rising and the macro getting more challenging?

Lucas Haldeman

No, we're not seeing any of that. Remember, the committed units, you also have to factor in when we install that unit, it comes out of committed and becomes revenue producing. If you think about that, you've got to factor that in as well. So, no, we're really happy with where we've been and where we continue to see strong demand. We've had no one, not a single customer backing off on slowing down or hitting pause. Haven't seen that at all.

Patrick

That's good to know.

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Then on another subject here, from your comments you obviously have some new members of the executive team, adding a CFO and CMO. Could you just maybe talk about what drove you to choose each leader and some of the top priorities for them over the next 12 months or so?

Lucas Haldeman

I think it's great to have the full Executive Team built out and be through that. We definitely spent a good amount of time finding what we bought was the perfect CFO. I couldn't be happier to have Hiroshi joining the team for a variety of reasons, and I think we'll see a continued focus on the pricing and the pricing strategy going forward over the next 12 months.

And Robyn on the Chief Marketing Officer side, this is the first time as a Company we've had a Chief Marketing Officer and so I think you'll see us be much more active in the marketplace and more promotional.

Patrick

Great. Thank you and congrats on the quarter.

Lucas Haldeman

Thanks, Patrick.

Operator

Our next question is from Ben Sherlund of Cantor Fitzgerald. Please go ahead.

Ben Sherlund

Hi, guys. Thanks for taking my questions.

How should we think about the pace of fulfilling the backlog once inventory comes back? Are there any bottlenecks to deployment other than getting hardware and stock? Is there any sense you can offer on the mix of bookings that are ready to go once inventory is here versus targeting a deployment down the road?

Lucas Haldeman

Yes. Hi, Ben. Thanks for the question. I want to make sure we're clear on this too, which is we have a good supply of a lot of our hardware that we're able to fulfill a lot of new customer contracts. It's on the margin where we're having trouble with specific SKUs or specific products, and especially, as we've talked about before, around access control and around some of the semi-custom locksets. And so a lot of the new bookings that are coming in aren't actually subject to supply chain headwinds. We're able to go ahead and fulfill them and feel really good about that.

Typically, our bookings number that we share lags about a quarter to deployment. That's still true. Sometimes earlier in the year, you may see that that's a little bit longer than a quarter, but certainly the first quarter we're looking at those deployments in Q2 and maybe some into Q3.

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I think the other great thing is while no one's excited to be delayed because of supply chain issues, it is just a delay. We've had no one's say they're not going to move forward or they're going to go with a different supplier, and so to me, that's overall really positive.

Ben Sherlund

Okay. Sorry. I guess I was meaning the 761,000 committed units rather than the bookings. Is there a large percentage of them that you think, if you had the specific SKUs in stock, you could just go in there and fulfill them relatively quickly, or is that going to be a more evenly spread out, longer process to fulfill those?

Lucas Haldeman

Thanks for the clarification.

Yes, it's more evenly spread out. The committed units is a rolling forecast in the next two years. Just so because of that definition, it's always going to be a rolling look at it. In terms of the other part of your question, just to answer, let's say we waved our magic wand and we had no supply constraints, and we had a warehouse full, we wouldn't be able to just double or triple our monthly installs.

We have a high-touch white-glove installation experience. That's part of why you see the pressure on Professional Services margins. We're growing that as quickly as we can and growing it ahead of the demand that we're seeing come in, but that is another constraint on the business. So, we're able to grow. Every month, we can grow nicely, but we couldn't do three or four times the number of units we did in one month the next month if we had all the hardware that we needed.

Ben Sherlund

Okay, great. Yes, that's really helpful.

Then maybe one more. Is there any color you can provide on some of the plans to roll out some of these resident experiences, just payments or marketplaces or moving services that I know you previously mentioned in 2021? Maybe what would it take to see meaningful incremental revenue from some of these initiatives?

Lucas Haldeman

Those are underway. It's something we're ready to report on our talk about, but I think if you look also at the acquisition of site plan, it was a clear move in that direction out of just the IoT world and into more of the complete resident experience and moving down that chain. I think those are all in the works and continue to be long-term growth drivers. Again, I love thinking about that and I love the opportunity that it brings over time. Our marketplace is live. You mentioned the marketplace. We do have the lives marketplace already that will continue to expand and continue to contribute.

But really our focus is just continuing to go after these 5.1 million units that our current customers own and deploy. It is land-and-expand. We feel like if we can land on the current products we have, we will be able to upsell those overtime as we bring new products to market.

Ben Sherlund

Okay. Great. Thanks for the color, guys.

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Lucas Haldeman

Thanks, Ben.

Operator

Ladies and gentlemen, we have reached the end of the question-and-answer session. I would like to hand the call back to Lucas Haldeman. Please go ahead, sir.

Lucas Haldeman

Thanks, Irene, and thank you all for joining us today. Really appreciate your time and your continued support. Look forward to speaking soon. Have a great night.

Operator

That concludes today's conference. Thank you for joining us. You may now disconnect your lines.

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