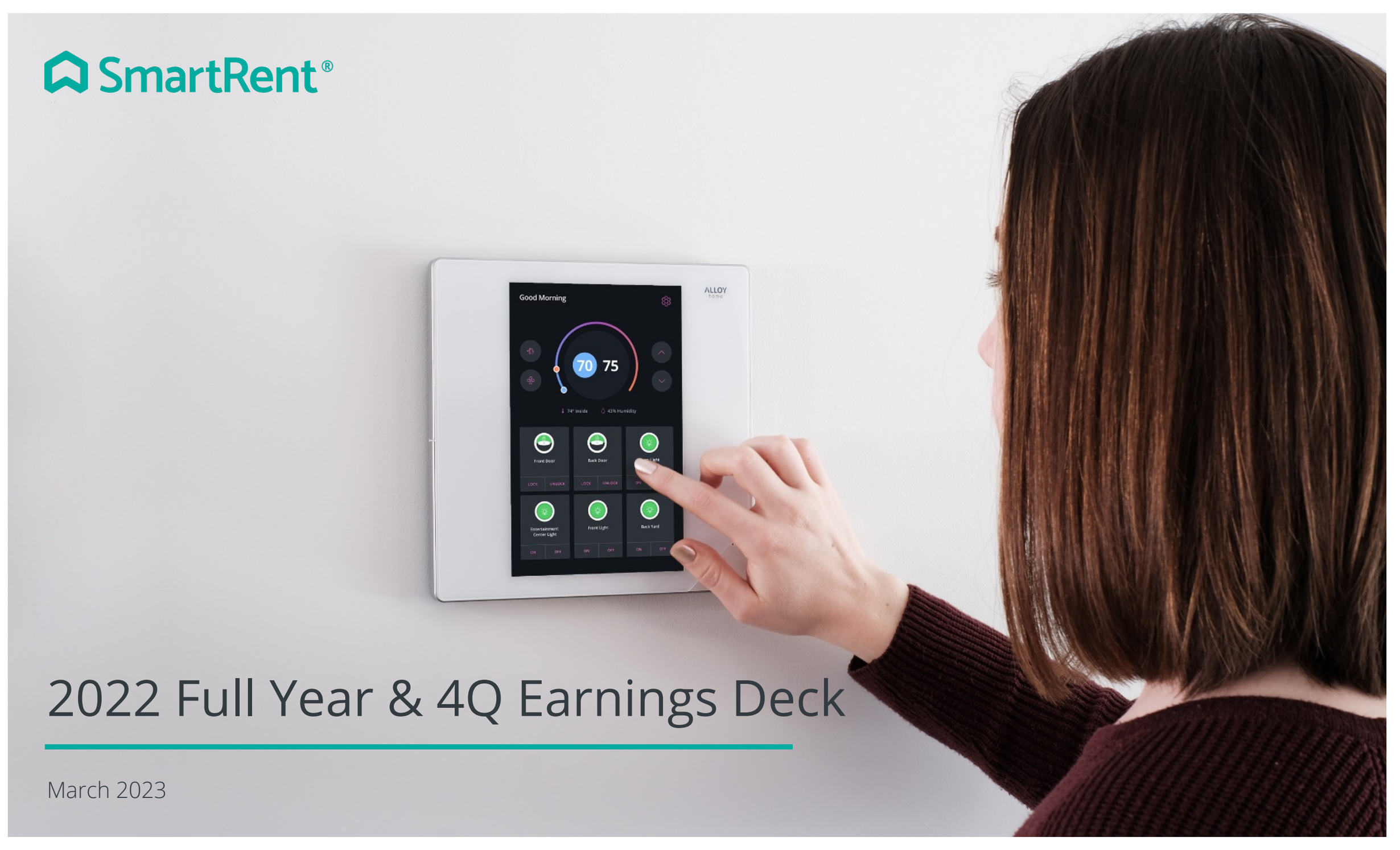
SmartRent®



2022 Full Year & 4Q Earnings Deck

March 2023

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the safe harbor from civil liability provided for such statements by Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended). Forward-looking statements address our expected future business and financial performance, and may contain words such as "goal," "target," "future," "estimate," "expect," "anticipate," "intend," "plan," "seek," "project," "may," "should," "will," the negative form of these expressions or similar expressions. 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 reasonable, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur.

Examples of forward-looking statements include, among others, statements regarding the benefits of the Company's strategic acquisitions, changes in the market for our products and services, expected financial results, product portfolio enhancements, expansion plans and opportunities and earnings guidance related to financial and operational metrics. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those currently anticipated. 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) produce or obtain quality products and services on a timely basis or in sufficient quantity; (5) develop, design, manufacture, and sell products and services that are differentiated from those of competitors; (6) realize the benefits expected from our acquisitions; (7) acquire or make investments in other businesses, patents, technologies, products or services to grow the business; (8) successfully pursue, defend, resolve or anticipate the outcome of pending or future litigation matters; (9) attract, train, and retain effective officers, key employees and directors; (10) comply with laws and regulations applicable to our business, including privacy regulations; (11) anticipate the significance and timing of contractual obligations; and (12) maintain key strategic relationships with partners and distributors. The foregoing list of factors is not exhaustive and new factors may emerge from time to time that could also affect actual performance and results.

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.

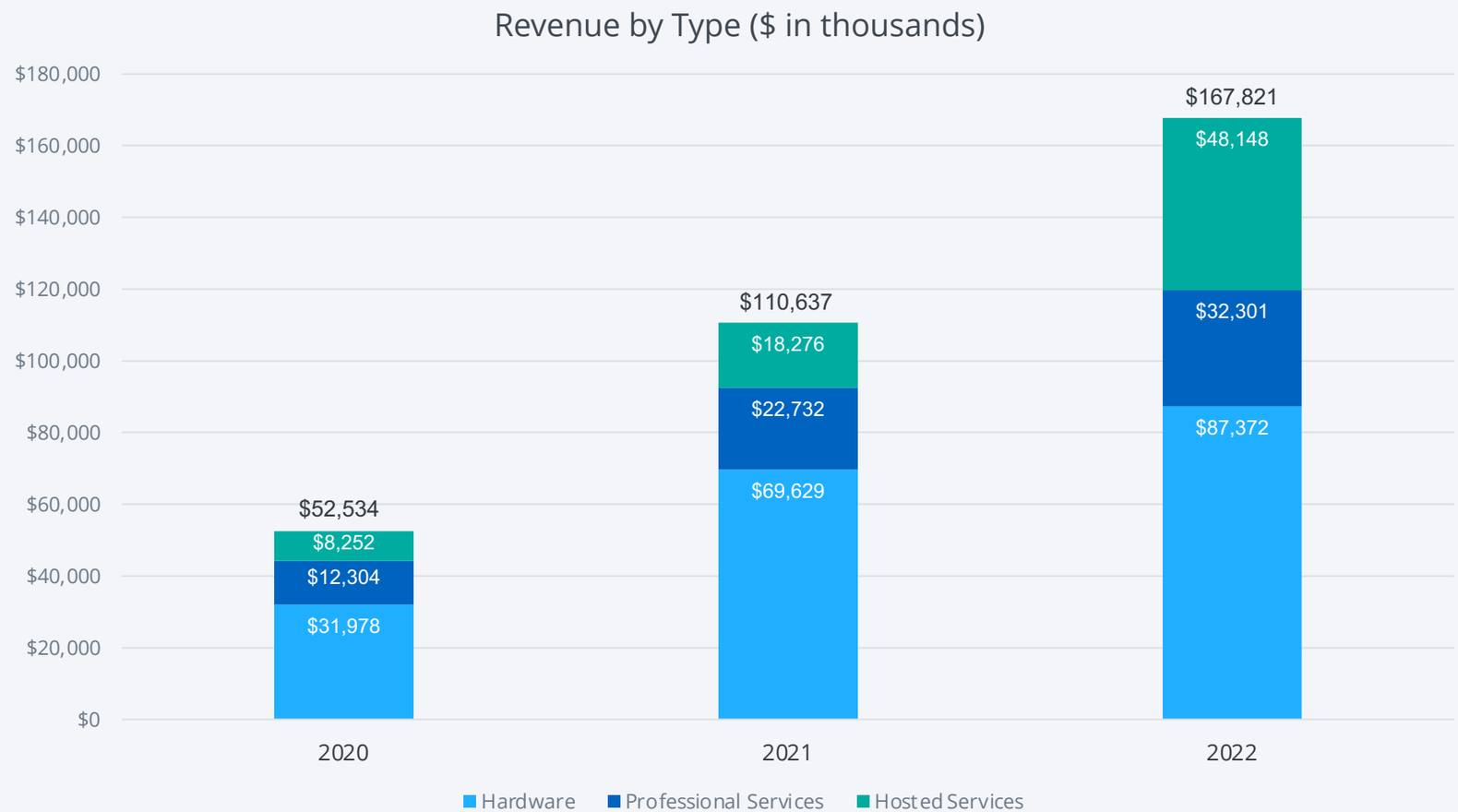
Use of Non-GAAP Financial Measures

In addition to disclosing financial results that are determined in accordance with GAAP, SmartRent also discloses certain non-GAAP financial measures in this investor presentation. 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. Adjusted EBITDA is a non-GAAP financial measure as defined by SEC rules. This non-GAAP financial measure, as defined below by SmartRent, may be determined or calculated differently by other companies. A reconciliation of this non-GAAP measurement to the most directly comparable GAAP financial measurement has been provided in this investor presentation, and investors are encouraged to review the reconciliation. As detailed in the reconciliation, the GAAP measure most directly comparable to Adjusted EBITDA is net income or loss. Adjusted EBITDA is not used as a measure of SmartRent's liquidity and should not be considered as an alternative to net income or loss or any other measure of financial performance presented in accordance with GAAP.

SmartRent's management uses Adjusted EBITDA in a number of ways to assess the Company's financial and operating performance and believes that this measures provides useful information to investors regarding financial and business trends related to SmartRent's results of operations. Adjusted EBITDA is 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.

Strong YoY Revenue Growth

Record revenue driven by robust demand and increased ARPU



52%

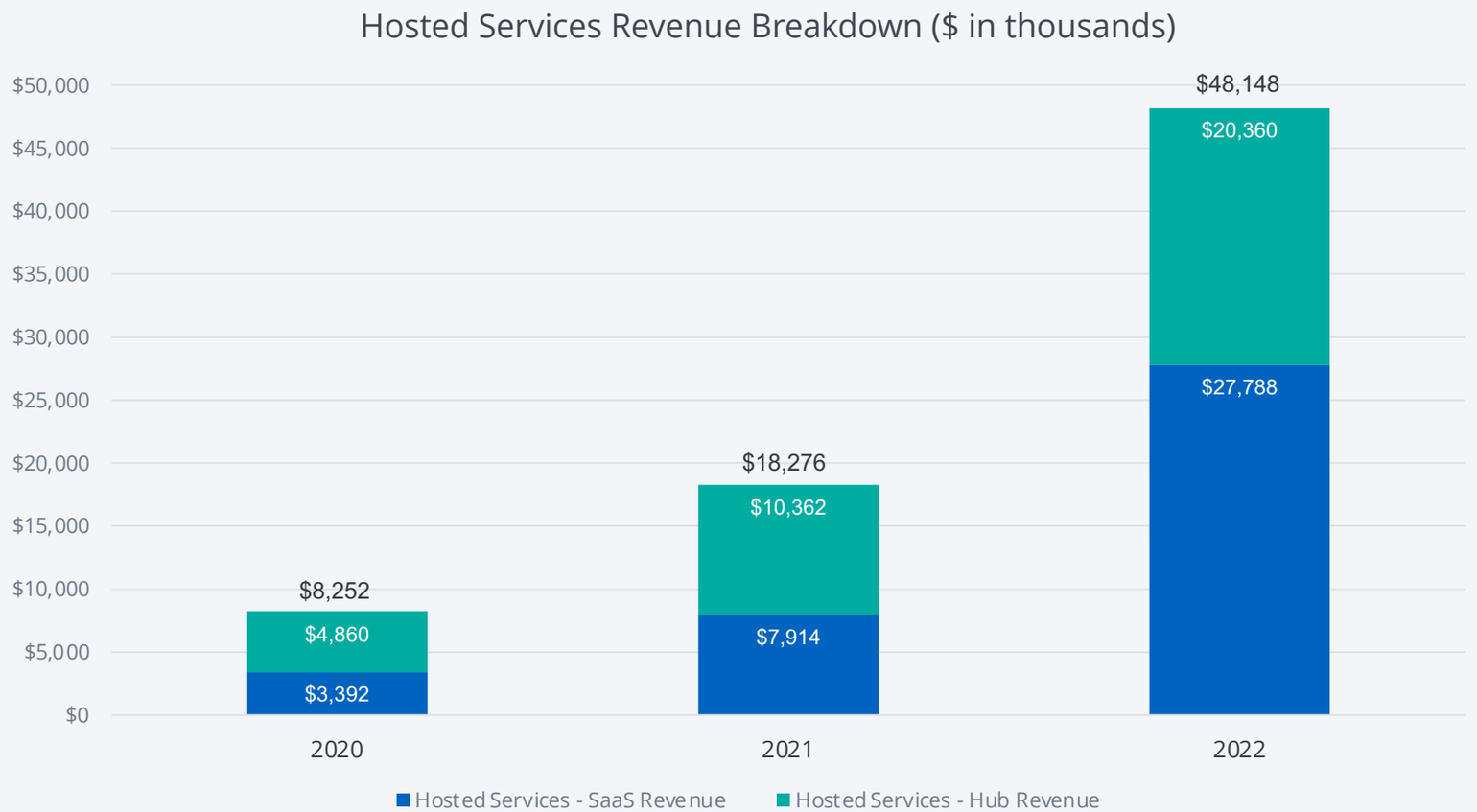
YoY Total Revenue Growth

$57 million

YoY Total Revenue Growth

Significant YoY SaaS Revenue Expansion

Propelled by broadened product suite and unit growth



251%

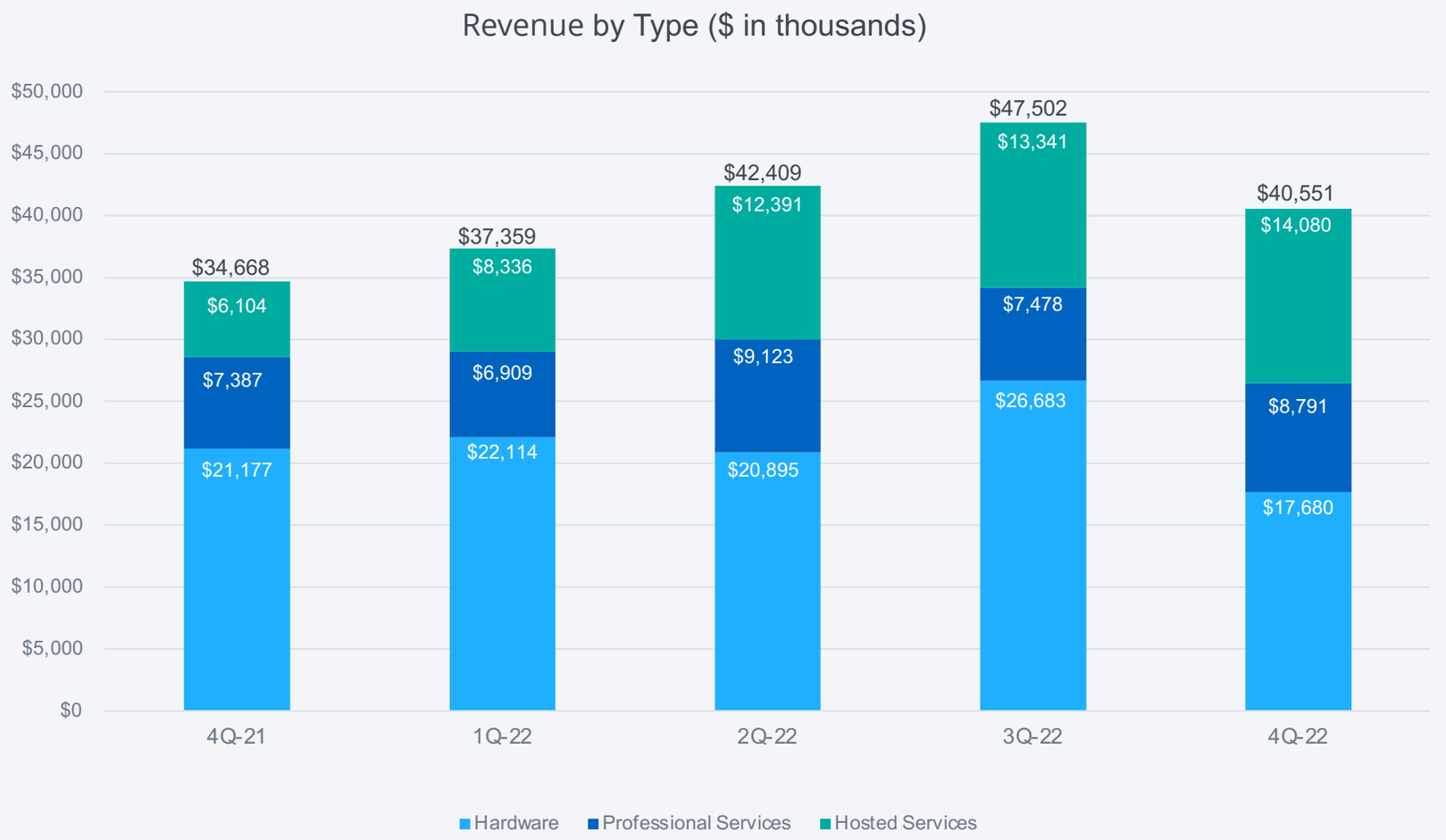
YoY SaaS Revenue Growth

$20 million

YoY SaaS Revenue Growth

Quarterly Revenue Growth

Double digit YoY quarterly growth with expected Q4 seasonality



17%

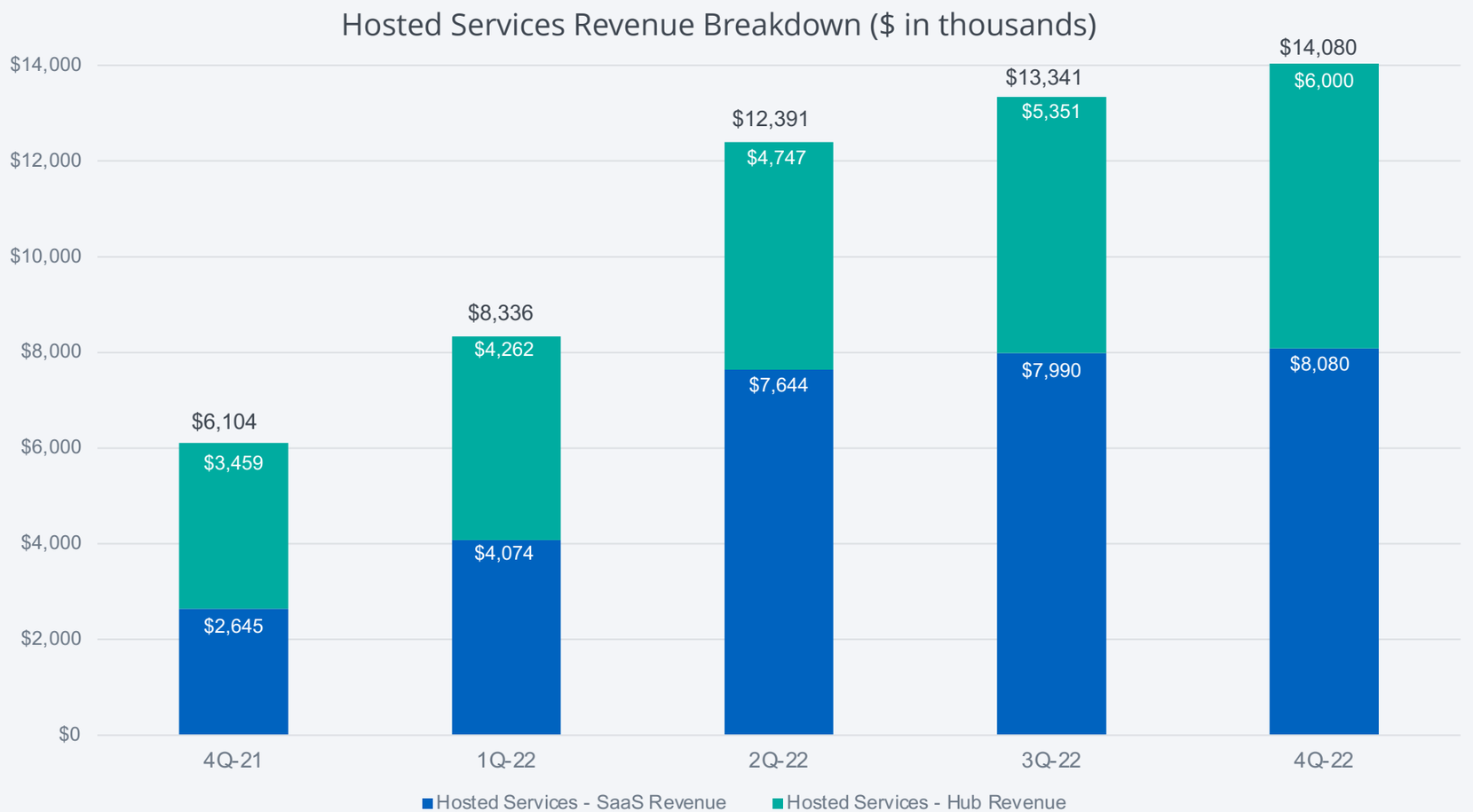
YoY Quarterly Revenue Growth (vs. 4Q 2021)

Q4 Seasonality

Driving Lower 4Q Numbers

Quarterly SaaS Revenue Expansion

YoY quarterly SaaS revenue growth surpassing 200%



205%

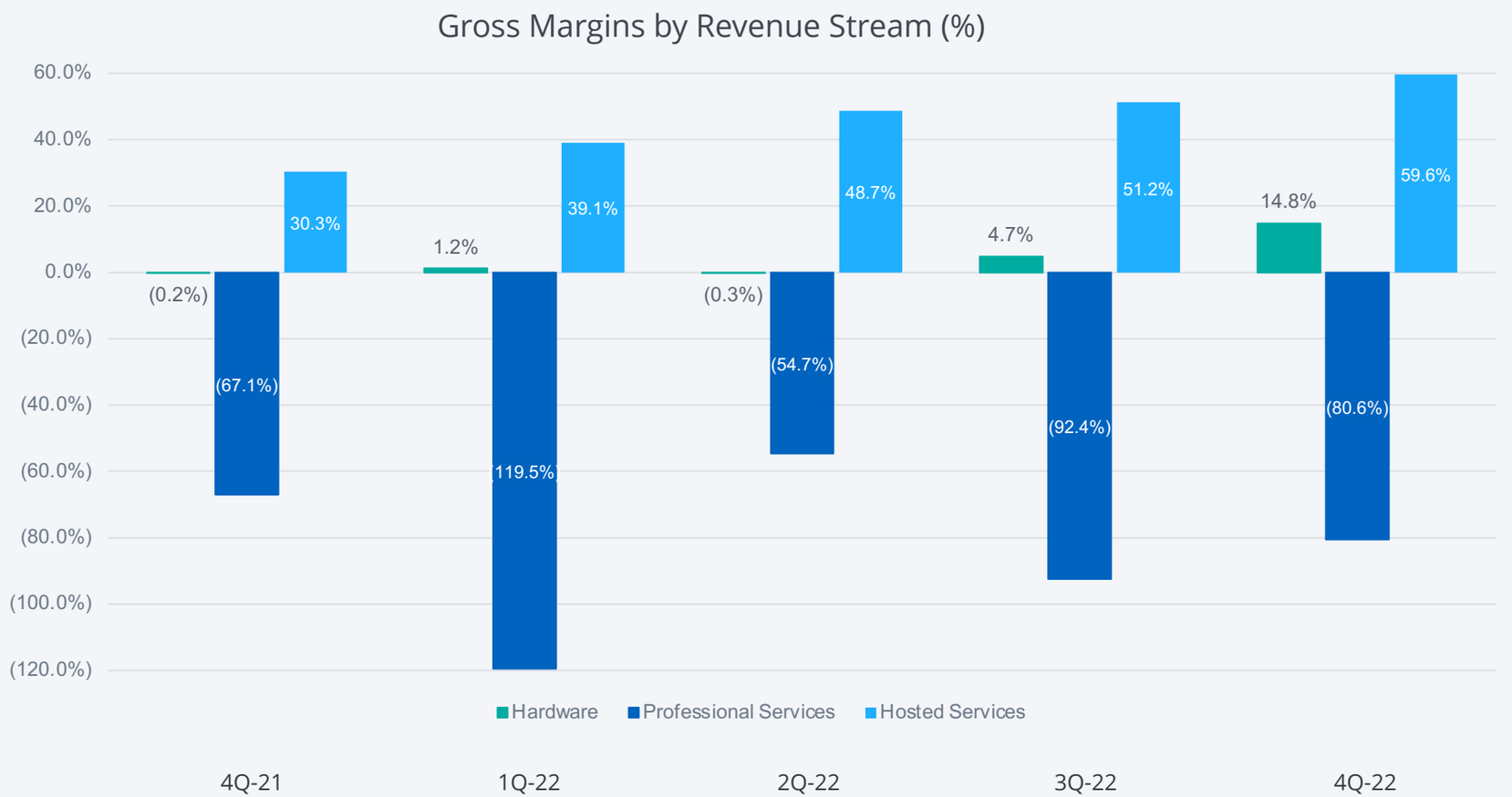
YoY Quarterly SaaS Revenue Growth (vs. 4Q21)

$32.3 million

SaaS ARR (as of 4Q22)

Significant QoQ Gross Margin Improvements

Operating efficiencies driving improvements in all three revenue streams



10%

QoQ Hardware Margin Percentage Point Improvement

11%

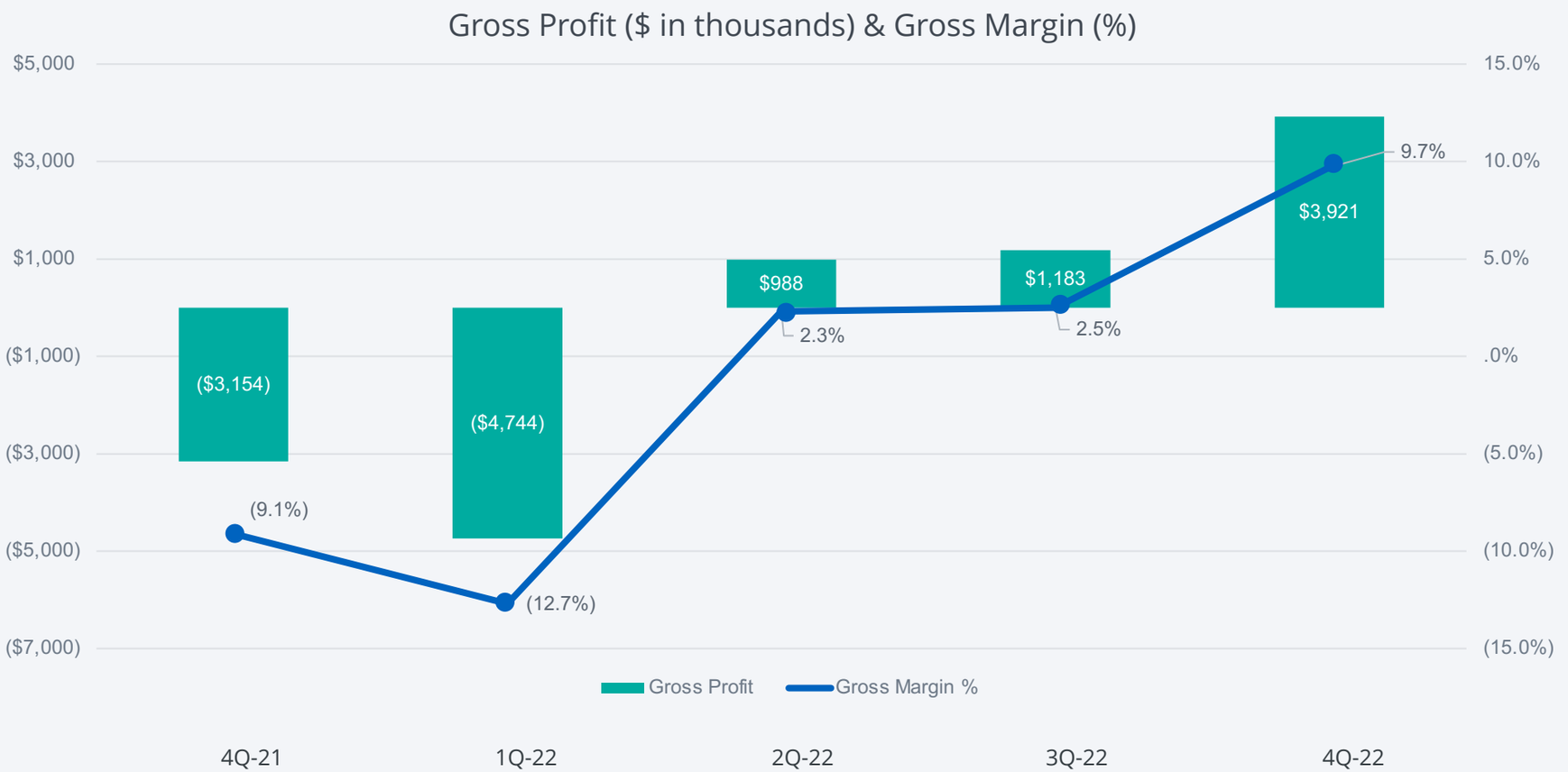
QoQ Professional Services Margin Percentage Point Improvement

8%

QoQ Hosted Services Margin Percentage Point Improvement

Expanding QoQ Gross Profit

Third consecutive quarterly improvement; 4Q more than 3x higher than 3Q



7%

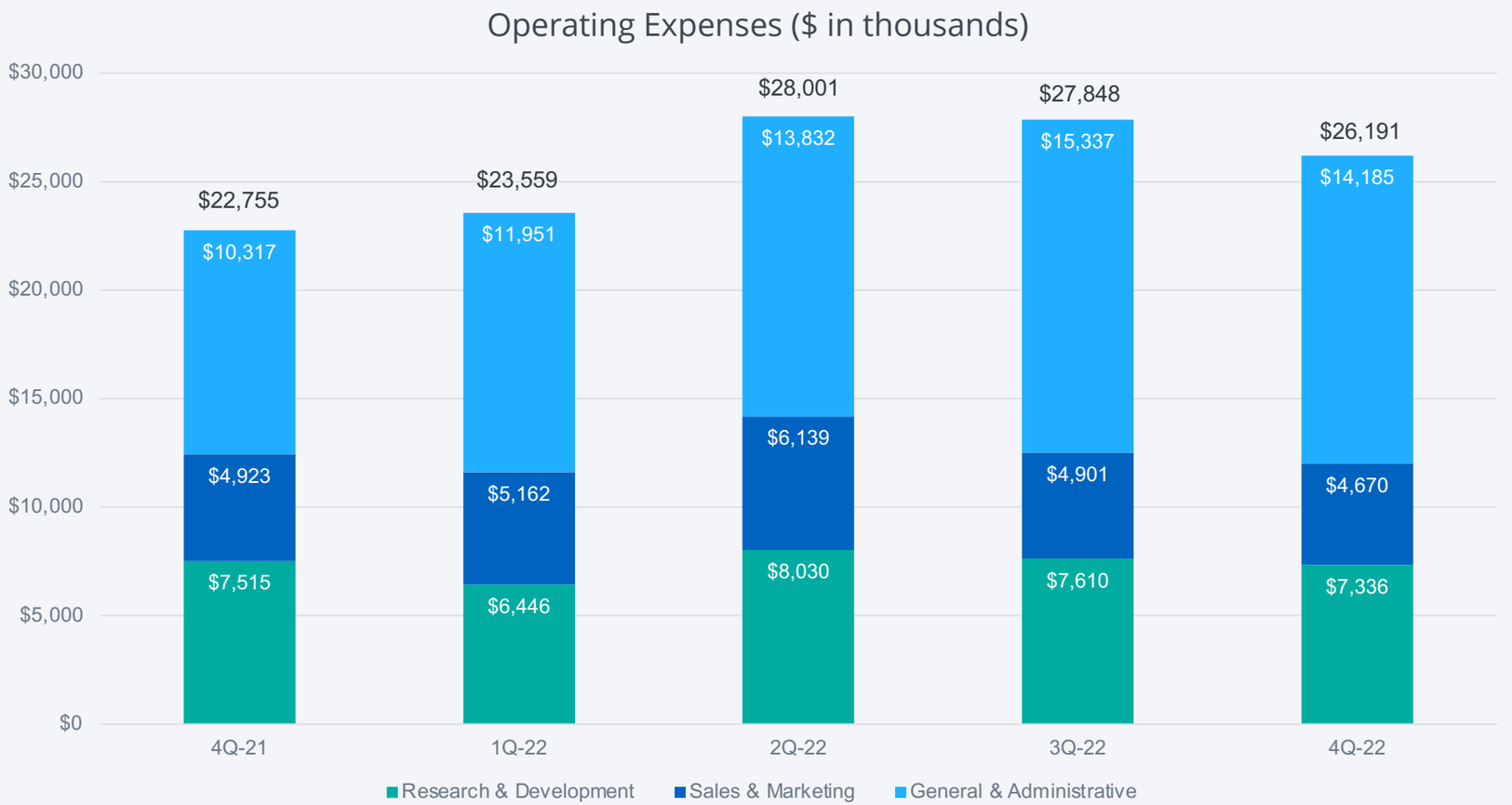
QoQ Gross Margin Percentage Point Improvement

$2.7 million

QoQ Gross Profit Improvement

Quarterly Operating Expense Reductions

Third consecutive quarter of operating expense improvements



6%

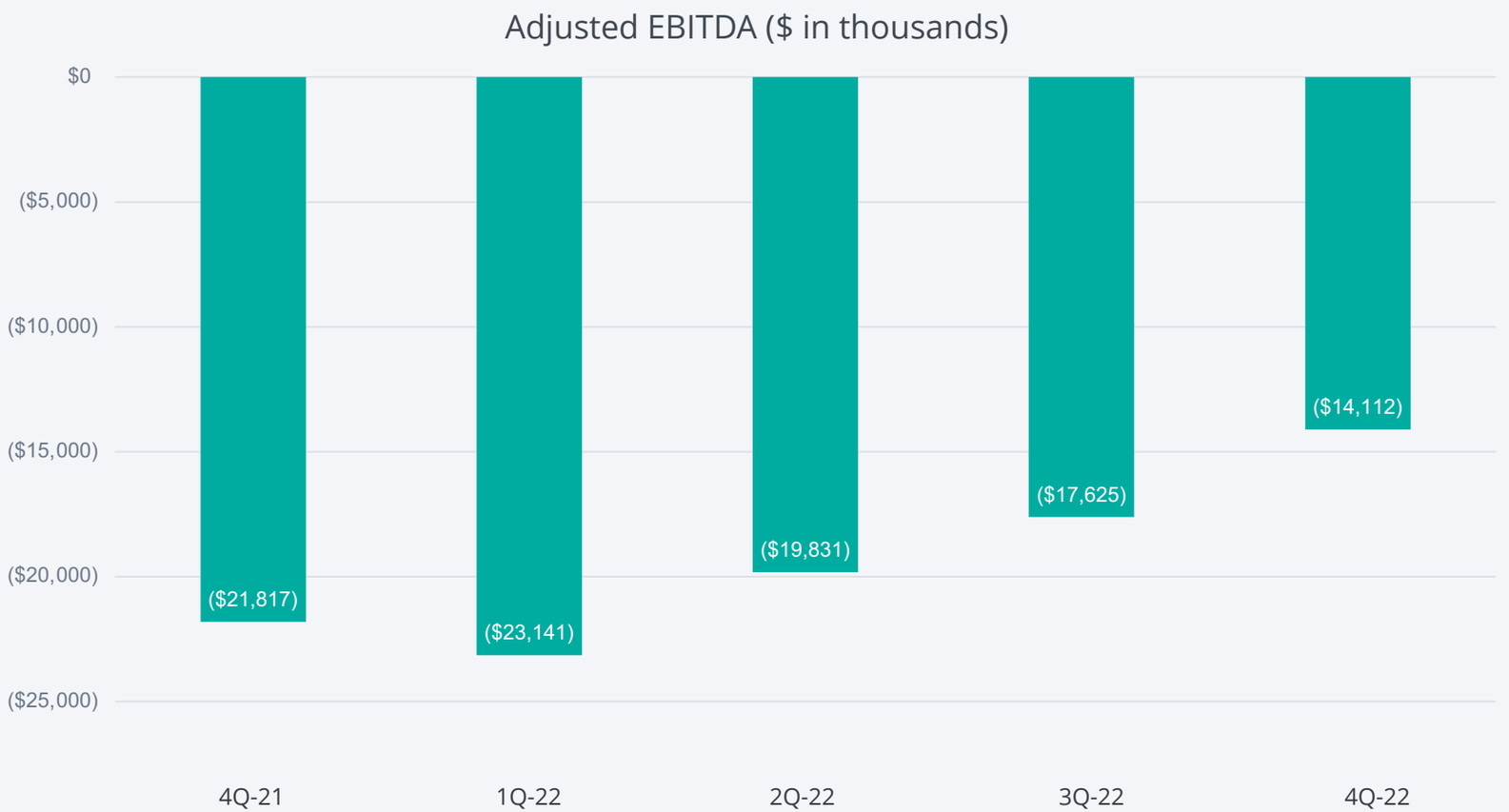
QoQ Operating Expense Improvement

$1.7 million

QoQ Operating Expense Improvement

Reducing Quarterly Adjusted EBITDA Loss

On path toward intra-quarter profitability in 2023



20%

QoQ Adjusted EBITDA Improvement

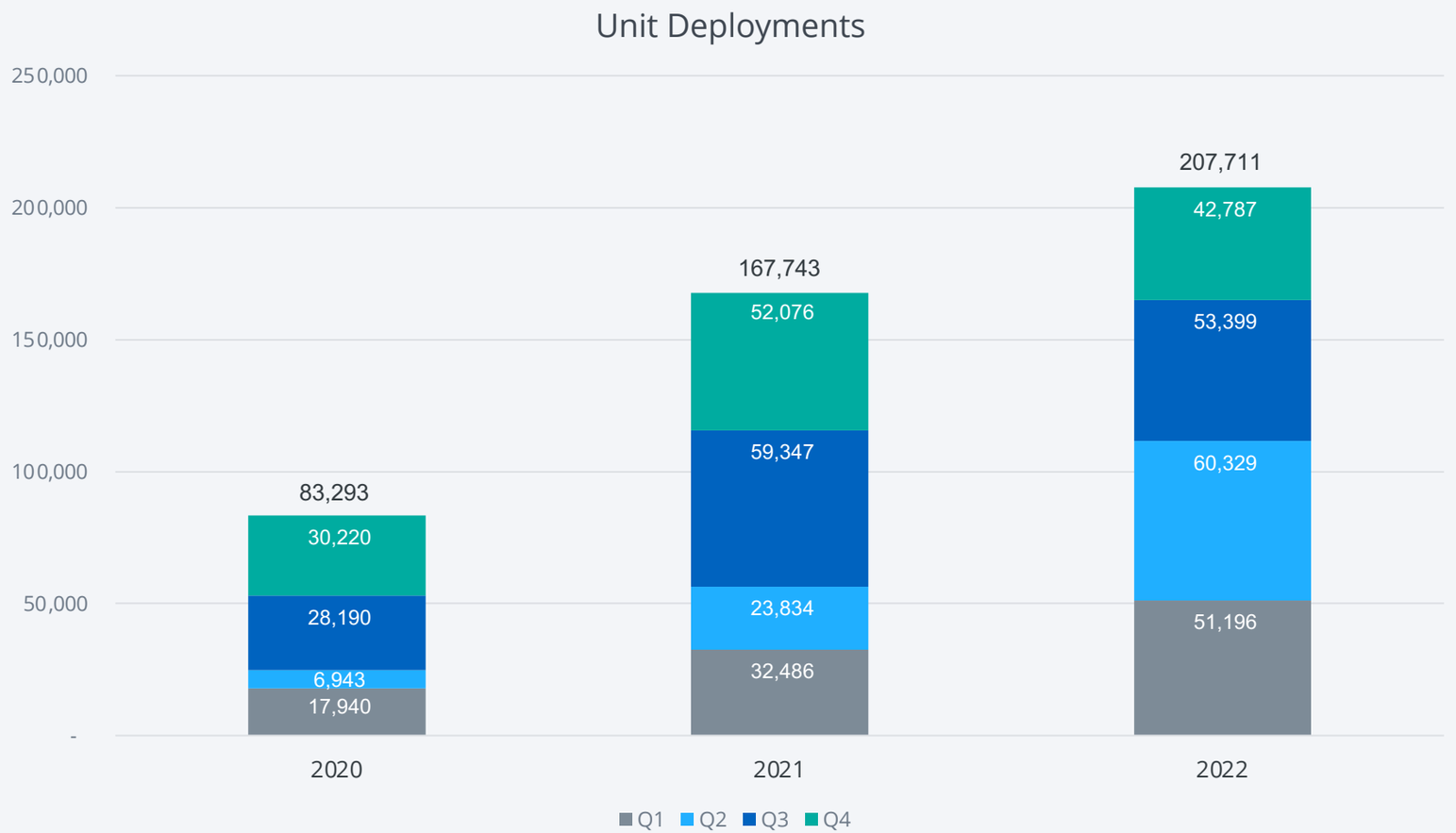
$3.5 million

QoQ Adjusted EBITDA Improvement

Note: Refer to Reconciliation of Non-GAAP Metrics on page 17.

YoY Deployed Unit Growth

Total 547,196 Deployed Units as of December 31, 2022



24%

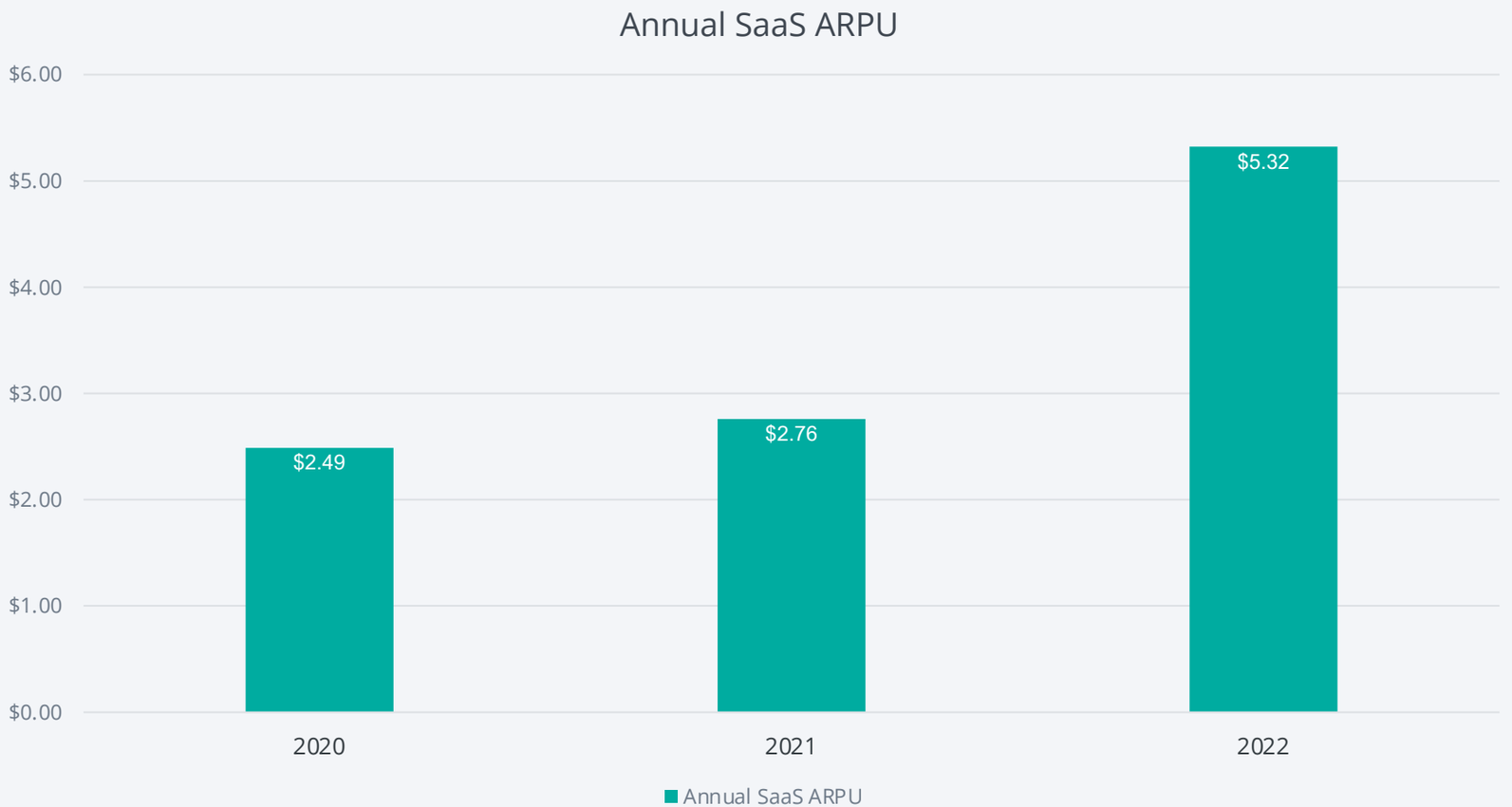
YoY Unit Deployment Growth

39,968

YoY Unit Deployment Growth

YoY SaaS ARPU Growth Continues

Nearly two-fold increase, driven by broadened product suite and price increases



93%

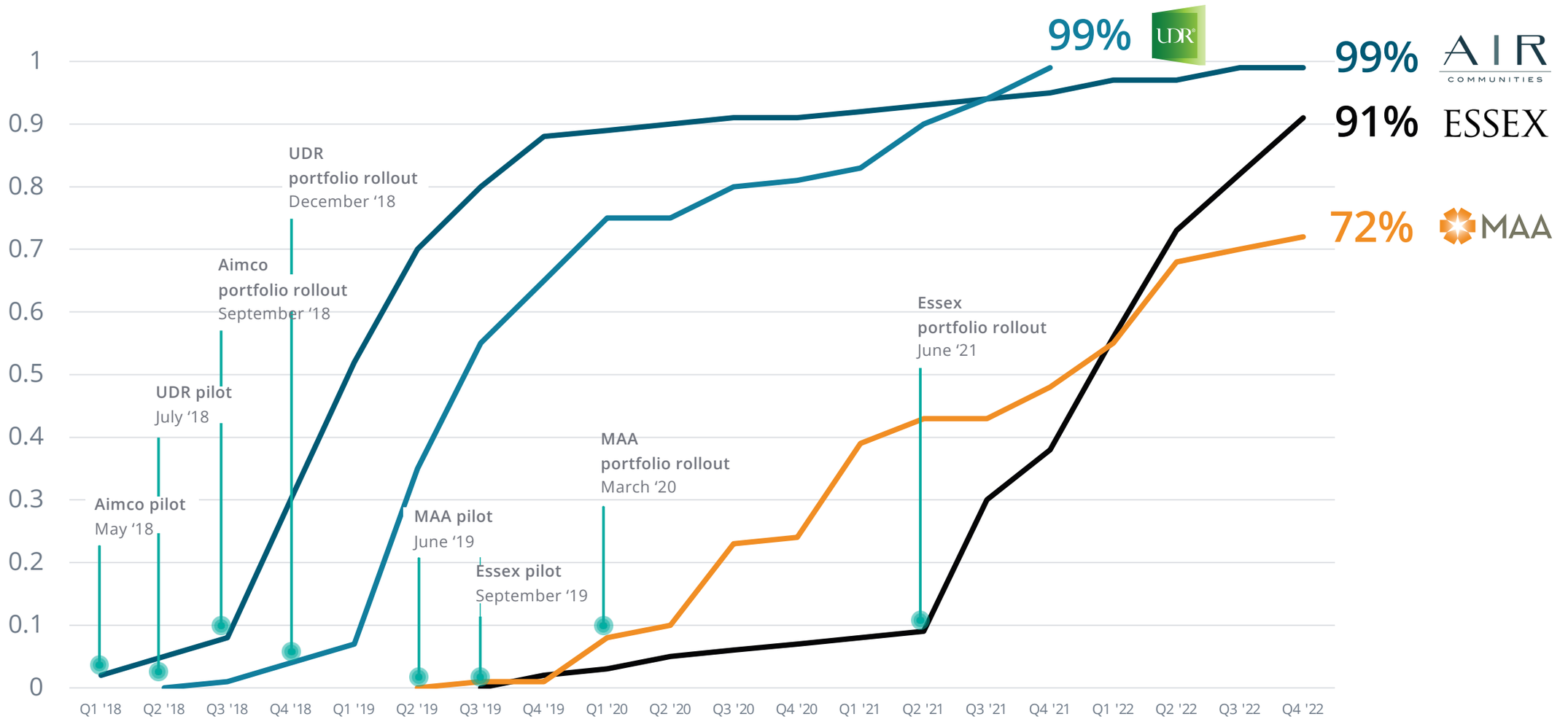
YoY SaaS ARPU Growth

$2.56

YoY SaaS ARPU Growth

Illustrative Sales Cycle & Portfolio Rollouts

Portfolio-wide rollouts represent a significant organic growth opportunity



Source: Company Data as of 12/31/2022
AIR (Apartments Income REIT Corp.) was spun-off from Aimco in December 2020. Portfolio roll out represents AIR and Aimco combined units

Financial & Business Outlook

Intra-quarter profitability in 2023

	Guidance	
	1Q 2023	Full Year 2023
Total Revenue	$55M to $58M	$225M to $250M
Adjusted EBITDA	$(12)M to $(8)M	$(25)M to $(15)M

The above estimates represent a range of possible outcomes and may differ materially from actual results. These estimates exclude the impact of potential acquisitions, capital markets activities, and unforeseen continued challenges with supply chain and logistics. The estimates are forward-looking based on the Company's current assessment of demand for its product, execution capabilities and market conditions, as well as other risks outlined above under the caption "Forward Looking Statements."

TTM Condensed Consolidated Balance Sheet

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

	12/31/22	9/30/22	6/30/22	3/31/22	12/31/21
Cash and cash equivalents	$ 210,409	$ 210,112	$ 255,008	$ 278,003	$ 430,841
Accounts receivable, net	62,442	64,085	45,135	62,543	45,486
Inventory	75,725	61,258	59,235	42,259	33,208
Total current assets	378,356	363,542	389,430	417,966	536,007
Goodwill and intangible assets, net	148,391	150,057	151,103	150,978	16,256
Total assets	560,845	551,138	575,807	599,938	579,683
	-				
Deferred revenue, current portion	80,020	63,840	65,108	58,765	42,185
Total current liabilities	132,776	97,836	102,927	105,021	70,568
Deferred revenue, long-term portion	59,928	64,329	60,337	58,007	53,412
Total liabilities	196,645	169,269	171,199	169,791	130,181
Total stockholders' equity (including convertible preferred stock)	364,200	381,869	404,608	430,147	449,502
Total liabilities, convertible preferred stock and stockholders' equity	560,845	551,138	575,807	599,938	579,683

Note: Information as of December 31, 2022. Source: SmartRent SEC filings.

TTM Condensed Consolidated Statement of Operations

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

	Three months ended				
	12/31/22	9/30/22	6/30/22	3/31/22	12/31/21
Revenue					
Hardware	$ 17,680	$ 26,683	$ 20,895	$ 22,114	$21,177
Professional services	8,791	7,478	9,123	6,909	7,387
Hosted services	14,080	13,341	12,391	8,336	6,104
Total revenue	40,551	47,502	42,409	37,359	34,668
Cost of revenue					
Hardware	15,063	25,417	20,951	21,858	21,226
Professional services	15,879	14,386	14,115	15,167	12,340
Hosted services	5,688	6,516	6,355	5,078	4,256
Total cost of revenue	36,630	46,319	41,421	42,103	37,822
Total operating expense	26,191	27,848	28,001	23,559	22,755
Loss from operations	(22,270)	(26,665)	(27,013)	(28,303)	(25,909)
Net loss	(21,389)	(25,950)	(25,589)	(23,394)	(25,958)
Other comprehensive loss					
Foreign currency translation adjustment	898	(493)	(407)	(183)	(92)
Comprehensive loss	(20,491)	(26,443)	(25,996)	(23,577)	(26,050)
Net loss per common share					
Basic and diluted	$ (0.11)	$ (0.13)	$ (0.13)	$ (0.12)	$ (0.13)
Weighted-average number of shares used in computing net loss per share					
Basic and diluted	197,011	196,486	196,693	193,055	192,053

Note: Information as of December 31, 2022. Source: SmartRent SEC filings.

Reconciliation of Non-GAAP Metrics

($ in thousands)

	Three months ended				
Reconciliation of Non-GAAP Measures	**12/31/22**	**9/30/22**	**6/30/22**	**3/31/22**	**12/31/21**
Net loss	$ (21,389)	$ (25,950)	$ (25,589)	$ (23,394)	$ (25,958)
Interest income, net	(1,199)	(506)	(253)	12	50
Provision for income taxes	347	81	(1,009)	(4,807)	(15)
Depreciation and amortization	1,386	1,240	1,227	409	160
EBITDA	(20,855)	(25,135)	(25,624)	(27,780)	(25,763)
Stock-based compensation	3,098	3,272	3,823	3,523	2,969
Compensation expense in connection with acquisitions	1,592	1,341	1,830	279	-
Other non-recurring acquisition expenses	53	405	119	620	-
Asset impairment	2,000	2,441	-	-	-
Loss on warranty accrual	-	-	-	-	730
Other adjustments	-	51	21	217	247
Adjusted EBITDA	$ (14,112)	$ (17,625)	$ (19,831)	$ (23,141)	$ (21,817)

Note: Information as of December 31, 2022. Source: SmartRent SEC filings.

Definition of Key Operating Metrics

SmartRent regularly monitors several operating and financial metrics to evaluate its operating performance, identify trends affecting its business, formulate business plans, measure its progress, and make strategic decisions. SmartRent's key operating metrics may not provide accurate predictions of future GAAP financial results.

Units Deployed is defined as the aggregate number of Hub Devices that have been installed (also including customer self-installations) during a stated measurement period. The Company uses this operating metric to assess the general health and trajectory of its business growth.

Annual Recurring Revenue ("ARR") is defined as the annualized value of our recurring SaaS revenue earned in the current quarter.