

SmartRent®

Q4 2023 Earnings Deck

MARCH 2024

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 stock repurchase program; Units Booked and Units Deployed; expected growth in revenue and Adjusted EBITDA; expected growth in ARR; and gross margin improvement. 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; (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 release, and SmartRent disclaims any intent or obligation to update forward-looking statements. This press release should be read in conjunction with the information included in the Company's other press releases, reports and other filings with the SEC. Understanding the information contained in these filings is important in order to fully understand the Company's reported financial results and our business outlook for future periods.

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 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: stock-based compensation expense, non-employee warrant expense, non-recurring warranty provisions, asset impairment, loss on extinguishment of debt, non-recurring expenses in connection with acquisitions, severance charges, 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.

Adjusted EBITDA may be determined or calculated differently by other companies. A reconciliation of Adjusted EBITDA to net income or loss, the most directly comparable GAAP financial measure, has been provided in the Appendix. 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. In addition, we have not provided the forward-looking GAAP equivalents or a GAAP reconciliation for forward-looking Adjusted EBITDA in this presentation due to the uncertainty regarding, and the potential variability of, reconciling items such as stock-based compensation expense. Accordingly, a reconciliation of Adjusted EBITDA guidance to net income or loss is not available without unreasonable effort. However, it is important to note that material changes to reconciling items could have a material effect on future GAAP results.

SmartRent's management uses Adjusted EBITDA in a number of ways to assess the Company's financial and operating performance and believes that this measure 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.

Recent Highlights – Adj. EBITDA Profitable; Announcing Stock Repurchase

$0.74M

ADJUSTED EBITDA PROFITABLE (1)

Up from $(14.1)M in Q4 2022 and from $(5.0)M in Q3 2023

↑41%

STRONG REVENUE GROWTH

2023 Total Revenue:
$236.8M, up 41% Y/Y

Q4 Total Revenue:
$60.3M vs. Q4 2022 of $40.6M, up 49%

↑43%

ARR GROWTH

ARR:
$46.2M, up 43% Y/Y

28%

TOTAL GROSS MARGIN

Q4 2023 Gross Margin:
28.2%,
up from 9.7% Q4 2022

$216M

CASH as of 12/31/23

Ended Q4 2023 with $216M, increase of $5M from Q3 2023

No debt

$50M

STOCK REPURCHASE

$50M Repurchase Program

Investing to Enhance and Accelerate WiFi

$40M

Q4 BOOKINGS

41.8K Q4 Units Booked

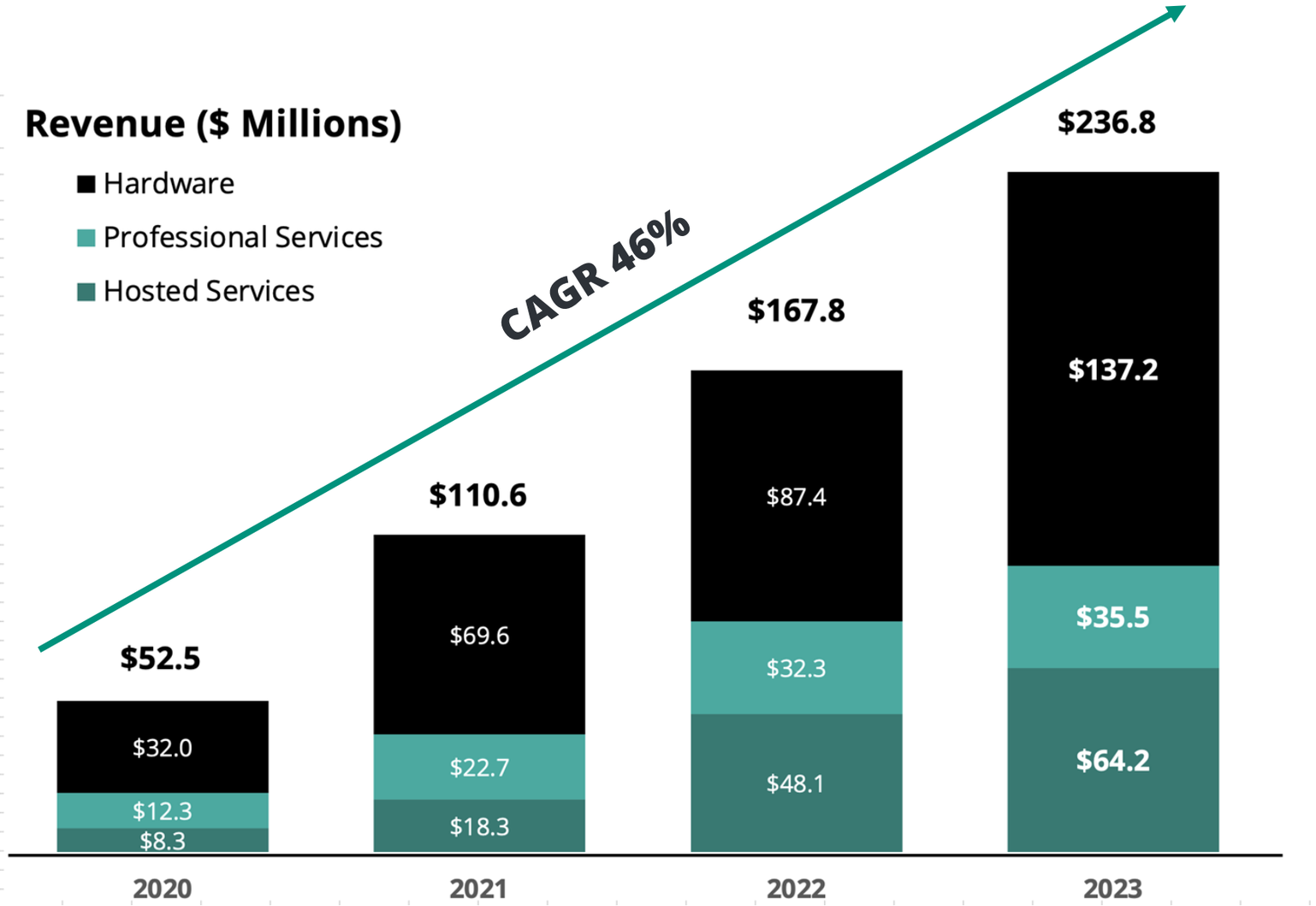
↑16%

2024 REVENUE GUIDANCE GROWTH AT MIDPOINT

Revenue:
$260-$290M,
Adjusted EBITDA:
$5M - $8M

(1) See Appendix for reconciliation of net loss to EBITDA and Adjusted EBITDA for each period indicated.

Strong Revenue Growth and Gross Margin Expansion 2020-2023



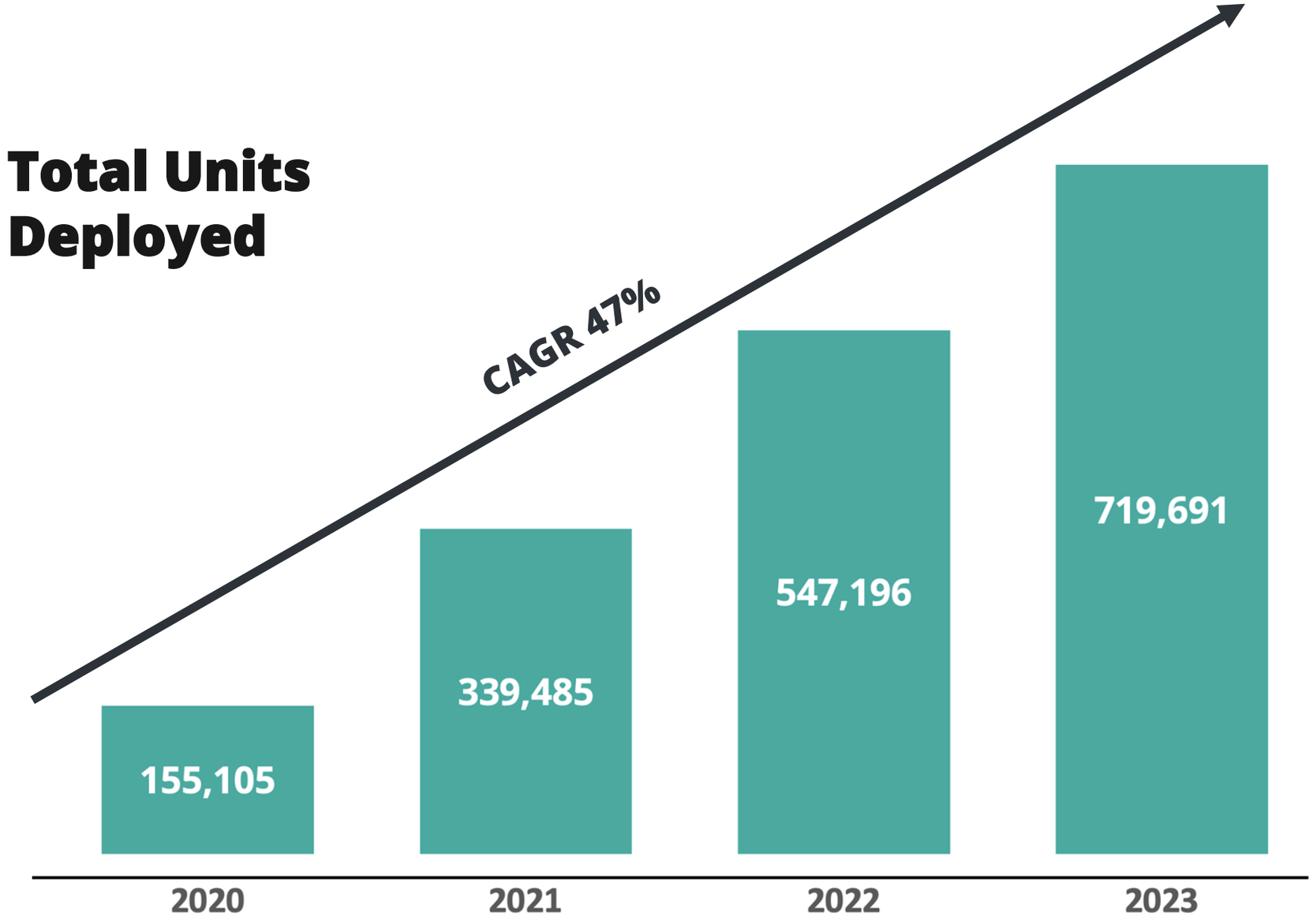
Gross Margin Expansion

Increased 2,910 bps vs. 2020

2023	20.9%
2022	0.8%
2021	(9.1)%
2020	(8.2)%

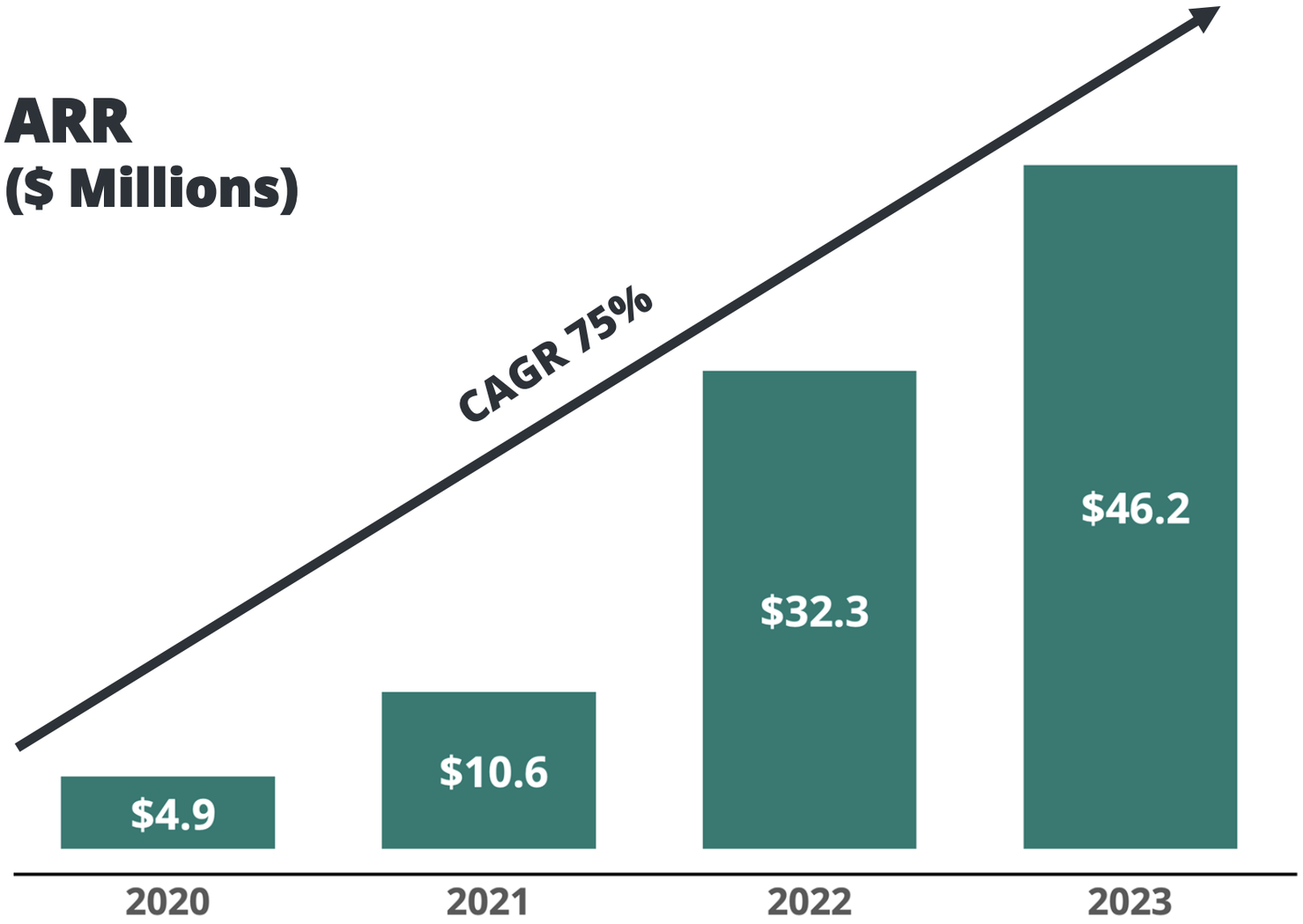
Note: Information as of December 31, 2023. Source: SmartRent SEC filings.

Growing Unit Deployments 2020-2023



Note: Information as of December 31, 2023. Source: SmartRent SEC filings.

ARR Growth with Steadily Expanding Margins 2020-2023

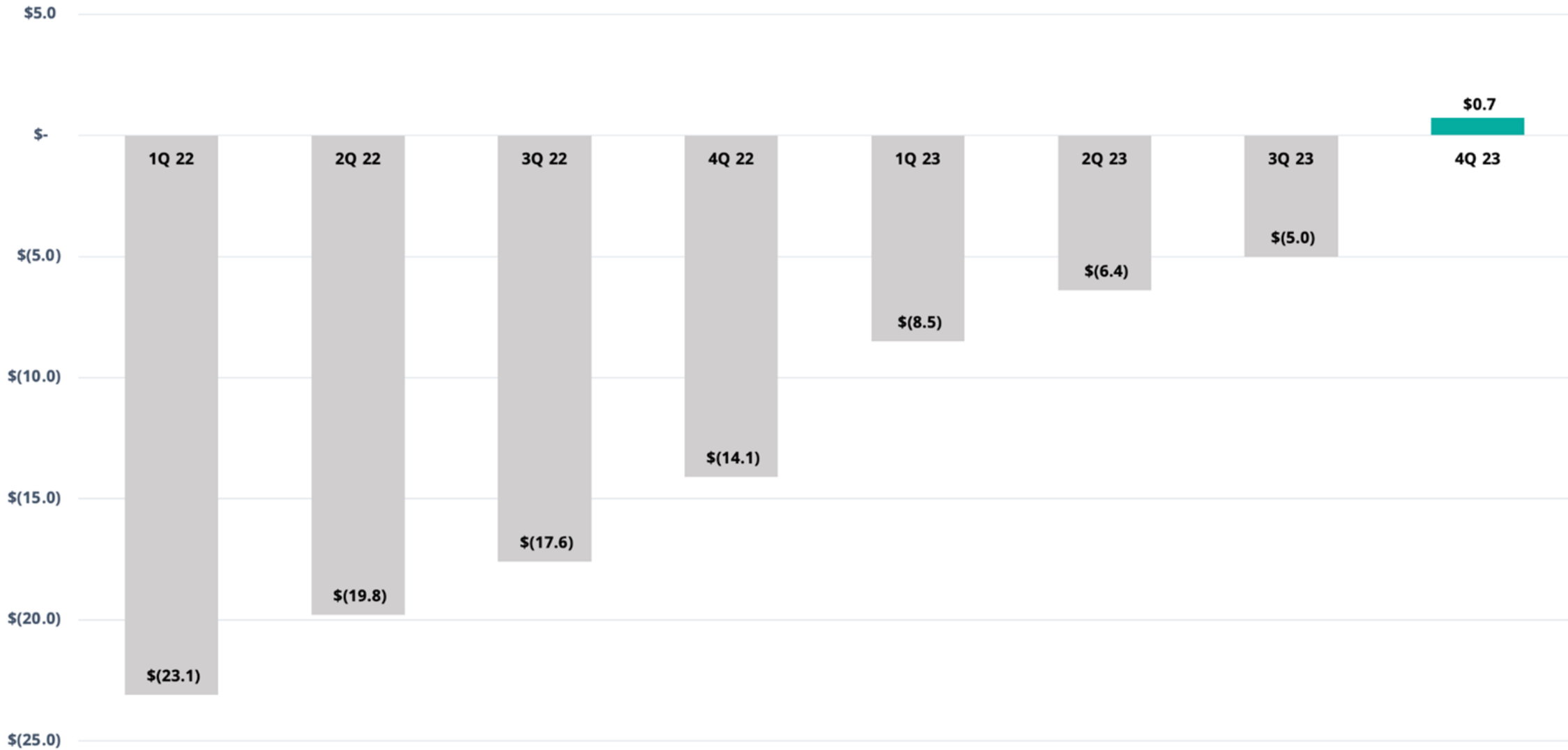


SaaS Gross Margin Expansion
Increased 4,090 bps vs 2020

2023	74.9%
2022	55.7%
2021	19.0%
2020	34.0%

Note: Information as of December 31, 2023. Source: SmartRent SEC filings.

Adjusted EBITDA(1) by Quarter ($ Millions) – 7 Consecutive Quarters of Improvement



Note: Information as of December 31, 2023. Source: SmartRent SEC filings.
(1) See Appendix for reconciliation of net loss to EBITDA and Adjusted EBITDA for each period indicated.

Q1 and Full-Year 2024 Outlook

	Q1 2024	FULL-YEAR 2024
TOTAL REVENUE	$47M to $53M	$260M to $290M
ADJUSTED EBITDA (1)	$(1)M to $250K	$5M to $8M

- $50M Stock Repurchase Program
- Investing in Community WiFi Solution

(1) See Appendix for definition.

Appendix

TTM Consolidated Balance Sheet

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

	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Cash and cash equivalents	$ 215,214	$ 211,000	$ 196,970	$ 203,933	$ 210,409
Accounts receivable, net	61,903	63,546	60,032	59,069	62,442
Inventory	41,575	47,521	60,506	66,853	75,725
Total current assets	340,340	344,116	346,205	357,494	378,356
Goodwill and intangible assets, net	144,517	145,485	146,453	147,422	148,391
Total assets	509,756	515,597	521,481	536,340	560,845
Deferred revenue, current portion	77,257	93,445	92,866	88,459	80,020
Total current liabilities	117,309	123,611	120,573	123,375	132,776
Deferred revenue, long-term portion	45,903	44,134	49,970	54,510	59,928
Total liabilities	167,308	172,345	174,276	181,723	196,645
Total stockholders' equity (including convertible preferred stock)	342,448	343,252	347,205	354,617	364,200
Total liabilities, convertible preferred stock and stockholders' equity	509,756	515,597	521,481	536,340	560,845

Note: Information as of December 31, 2023. Source: SmartRent SEC filings.

TTM Condensed Consolidated Statement of Operations

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

	Three months ended				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Revenue					
Hardware	$ 36,457	$ 35,631	$ 27,788	$ 37,325	$ 17,680
Professional services	6,692	5,962	10,050	12,769	8,791
Hosted services	17,104	16,511	15,564	14,985	14,080
Total revenue	60,253	58,104	53,402	65,079	40,551
Cost of revenue					
Hardware	26,662	27,556	21,990	32,572	15,063
Professional services	10,922	11,130	15,809	17,634	15,879
Hosted services	5,669	5,887	5,720	5,758	5,688
Total cost of revenue	43,253	44,573	43,519	55,964	36,630
Total operating expense	22,831	23,478	21,970	24,409	26,191
Loss from operations	(5,831)	(9,947)	(12,087)	(15,294)	(22,270)
Net loss	(3,300)	(7,723)	(10,349)	(13,215)	(21,389)
Other comprehensive loss					
Foreign currency translation adjustment	53	(188)	(9)	104	898
Comprehensive loss	(3,247)	(7,911)	(10,358)	(13,111)	(20,491)
Net loss per common share					
Basic and diluted	$ (0.02)	$ (0.04)	$ (0.05)	$ (0.07)	$ (0.11)
Weighted-average number of shares used in computing net loss per share					
Basic and diluted	203,200	201,584	199,619	198,334	197,011

Note: Information as of December 31, 2023. Source: SmartRent SEC filings.

Reconciliation of net loss to EBITDA and Adjusted EBITDA

(Unaudited, $ in thousands)

	Three months ended							
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
Net loss	$ (3,300)	$ (7,723)	$ (10,349)	$ (13,215)	$ (21,389)	$ (25,950)	$ (25,589)	$ (23,394)
Interest income, net	(2,516)	(2,233)	(1,815)	(2,016)	(1,199)	(506)	(253)	12
Provision for income taxes	(86)	(33)	18	(7)	347	81	(1,009)	(4,807)
Depreciation and amortization	1,542	1,395	1,342	1,254	1,386	1,240	1,227	409
EBITDA	(4,360)	(8,594)	(10,804)	(13,984)	(20,855)	(25,135)	(25,624)	(27,780)
Stock-based compensation	3,042	3,273	3,276	3,680	3,098	3,272	3,823	3,523
Compensation expense in connection with acquisitions	-	15	370	1,625	1,592	1,341	1,830	279
Other non-recurring acquisition expenses	243	(23)	226	205	53	405	119	620
Severance charges	265	317	488	-	-	-	-	-
Asset impairment	-	-	-	-	2,000	2,441	-	-
Non-recurring warranty provision	1,746	-	-	-	-	-	-	-
Other adjustments	(193)	-	-	-	-	51	21	217
Adjusted EBITDA	$ 743	$ (5,012)	$ (6,444)	$ (8,474)	$ (14,112)	$ (17,625)	$ (19,831)	$ (23,141)

Note: Information as of December 31, 2023. Source: SmartRent SEC filings.

Definition of 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.

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

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

Units Booked is the aggregate number of Hub Device units associated with binding orders executed during a stated measurement period.

Units Deployed is the aggregate number of Hub Devices that have been installed (including customer self-installations) as of a stated measurement date.

New Units Deployed is the aggregate number of Hub Devices that were installed (including customer self-installations) during a stated measurement period.

Units Shipped the aggregate number of Hub Devices that have been shipped from warehouse locations during a stated measurement period.

Average Revenue per Unit ("ARPU") is used to assess the growth and health of the overall business and believe that ARPU reflects our ability to acquire, retain, engage and monetize our customers, and thereby drive revenue.

Hardware ARPU is total hardware revenue during a given period divided by the total Units Shipped during the same period.

Professional Services ARPU is total professional services revenue during a given period divided by the total New Units Deployed during the same period.

SaaS ARPU is total SaaS revenue during a given period divided by the average aggregate Units Deployed in the same period.