

SmartRent®

Q1 2024 Earnings Deck

MAY 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 SaaS expansion; expected market opportunity; expected future business and financial performance; expected growth in revenue and Adjusted EBITDA; expected growth of our community WiFi solution; expected growth in ARR; expected growth in adjusted EBITDA profitability 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 expenses related to non-recurring legal matters, stock-based compensation, compensation expense in connection with acquisitions, severance charges, 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.

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.

Q1 2024 Key Financial Highlights

1. **Revenue Diversification**: $50.5M total revenue with strong SaaS revenue growth

2. **SaaS Expansion**: $47.6M ARR, up 32% YoY

3. **Margin Expansion**: Favorable product mix, increases in Alloy SmartHome hardware

4. **Profitability**: Positive Adjusted EBITDA of $397K, net losses narrowed to $7.7M, a 42% improvement YoY

5. **Growth in Units Deployed**(1): ~750K Units Deployed, up 24% YoY

6. **Outlook**: Affirmed 2024 outlook, provided Q2 outlook

(1) See Appendix for definition.

Recent Highlights – Continued trend of Adj. EBITDA Profitable

$397K

ADJUSTED EBITDA PROFITABLE (1)

Q1 2024 Adjusted EBITDA a 105% improvement from $(8.5)M in Q1 2023

↑32%

STRONG SaaS REVENUE GROWTH

Q1 2024 SaaS Revenue: $11.9M, up 32% Y/Y

ARR: $47.6M

38.5%

TOTAL GROSS MARGIN

Q1 2024 Gross Margin up from 14.0% Q1 2023

$205M

CASH as of 3/31/24

No debt

$39M

Q1 BOOKINGS

46.3K Q1 2024 Units Booked up from 41.8K in Q4 2023

↑16%

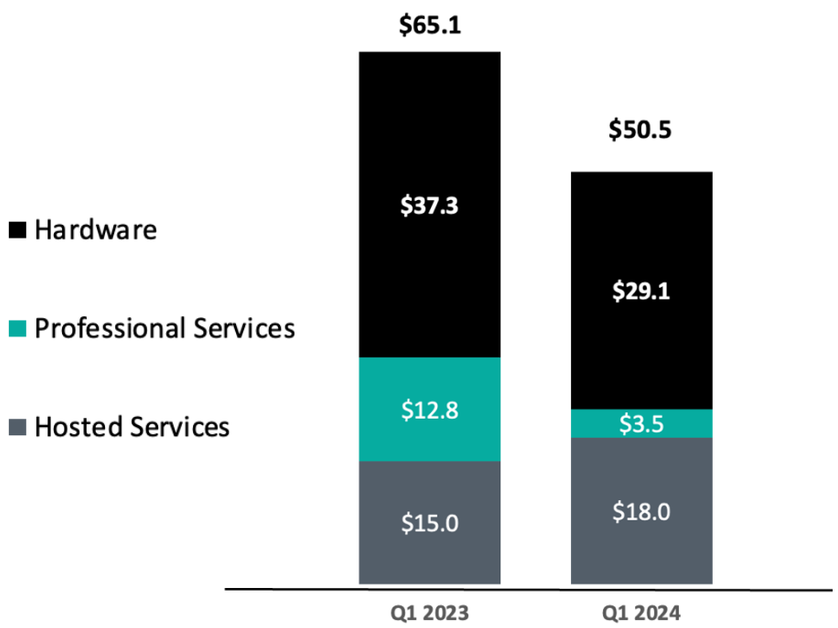
2024 REVENUE GUIDANCE GROWTH AT MIDPOINT

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

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

Q1 2024 Performance Comparison (Y/Y)

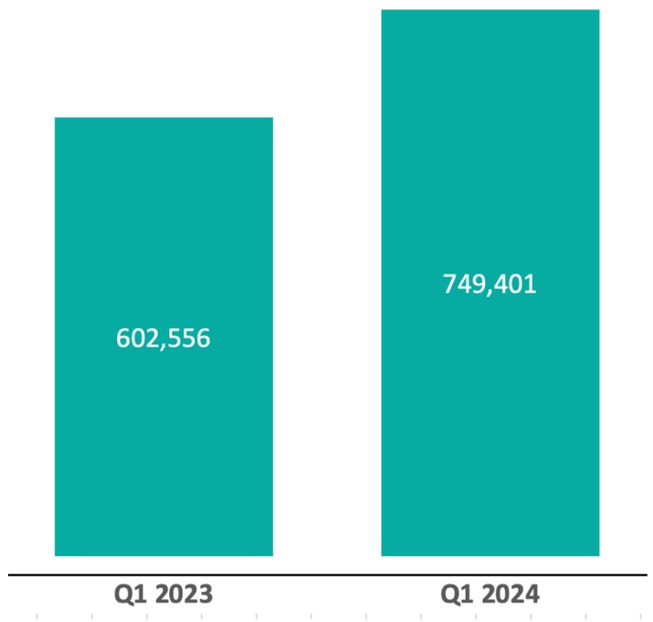
Revenue ($ Millions)



Total Revenue Down 22% y/y

Hosted Revenue Up 20% y/y

Total Units Deployed

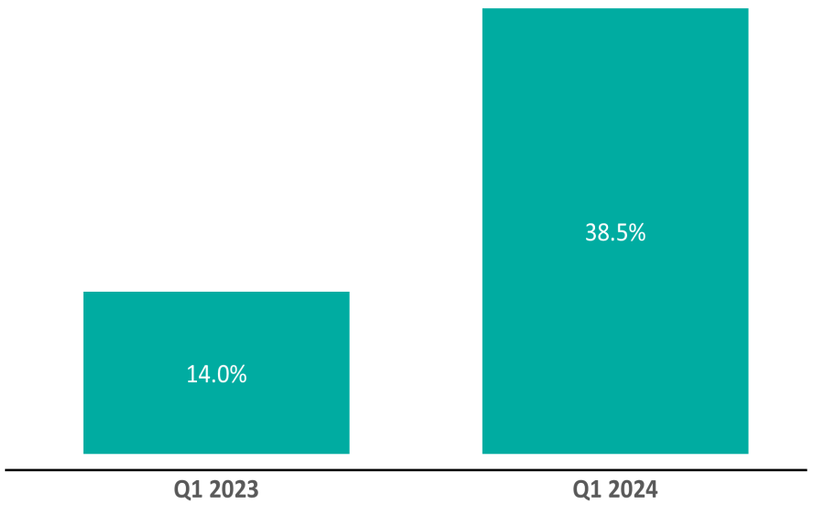


Total Units Deployed Up 24% Y/Y

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

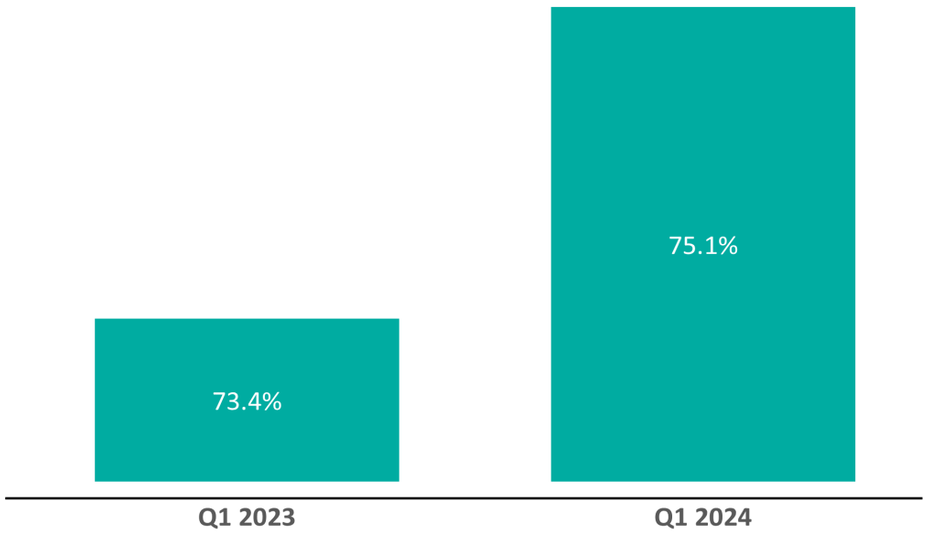
Q1 2024 Gross Margin Comparison (Y/Y)

Gross Margin
2,446 basis point improvement (y/y)



Gross Margin Improved to 38.5% from 14.0% y/y (up from 28.2% in Q4 2023)

SaaS Gross Margin
172 basis point improvement (y/y)

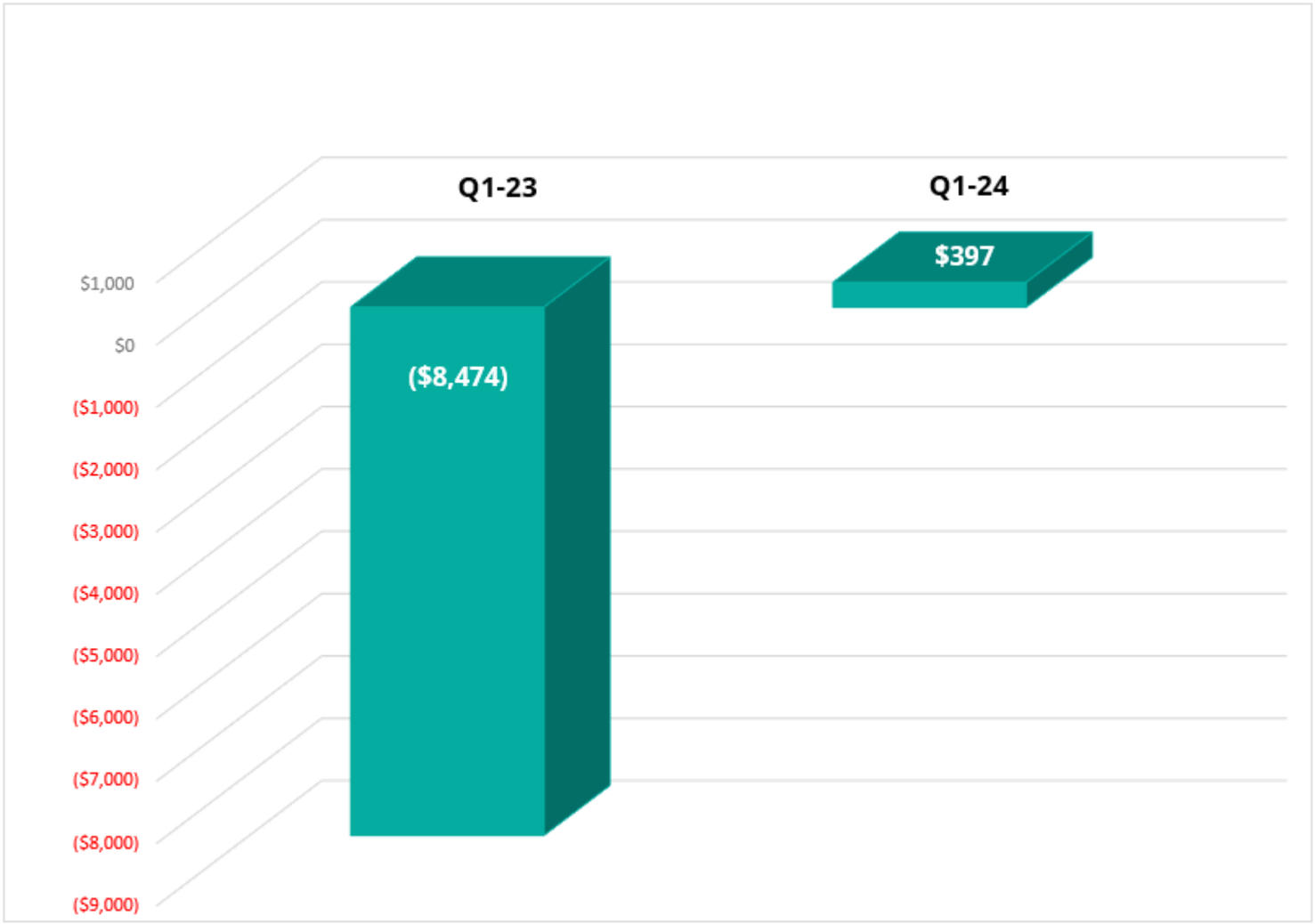


SaaS Gross Margin Improved to 75.1% from 73.4% y/y

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

Q1 2024 Adjusted EBITDA Comparison (Y/Y)

Adjusted EBITDA (000's)
$8.9M Improvement Y/Y



Adjusted EBITDA loss improved Y/Y and two consecutive periods of Adjusted EBITDA profitability

On-track to grow Adjusted EBITDA profitability through 2024

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

Q2 and Full-Year 2024 Outlook

	Q2 2024	FULL-YEAR 2024
TOTAL REVENUE	$49M to $55M	$260M to $290M
ADJUSTED EBITDA (1)	($500K) to $500K	$5M to $8M

(1) See Appendix for definition.

Appendix

TTM Consolidated Balance Sheet

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

	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Cash and cash equivalents	$ 204,701	$ 215,214	$ 211,000	$ 196,970	$ 203,933
Accounts receivable, net	58,093	61,903	63,546	60,032	59,069
Inventory	30,899	41,575	47,521	60,506	66,853
Total current assets	319,477	340,340	344,116	346,205	357,494
Goodwill and intangible assets, net	143,548	144,517	145,485	146,453	147,422
Total assets	485,453	509,756	515,597	521,481	536,340
Deferred revenue, current portion	78,077	77,257	93,445	92,866	88,459
Total current liabilities	106,990	117,309	123,611	120,573	123,375
Deferred revenue, long-term portion	41,491	45,903	44,134	49,970	54,510
Total liabilities	152,366	167,308	172,345	174,276	181,723
Total stockholders' equity (including convertible preferred stock)	333,087	342,448	343,252	347,205	354,617
Total liabilities, convertible preferred stock and stockholders' equity	485,453	509,756	515,597	521,481	536,340

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

TTM Condensed Consolidated Statement of Operations

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

	Three months ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Revenue					
Hardware	$ 29,077	$ 36,457	$ 35,631	$ 27,788	$ 37,325
Professional services	3,458	6,692	5,962	10,050	12,769
Hosted services	17,954	17,104	16,511	15,564	14,985
Total revenue	50,489	60,253	58,104	53,402	65,079
Cost of revenue					
Hardware	18,684	26,662	27,556	21,990	32,572
Professional services	6,448	10,922	11,130	15,809	17,634
Hosted services	5,934	5,669	5,887	5,720	5,758
Total cost of revenue	31,066	43,253	44,573	43,519	55,964
Total operating expense	29,582	22,831	23,478	21,970	24,409
Loss from operations	(10,159)	(5,831)	(9,947)	(12,087)	(15,294)
Net loss	(7,692)	(3,300)	(7,723)	(10,349)	(13,215)
Other comprehensive loss					
Foreign currency translation adjustment	6	53	(188)	(9)	104
Comprehensive loss	(7,686)	(3,247)	(7,911)	(10,358)	(13,111)
Net loss per common share					
Basic and diluted	$ (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	203,485	203,200	201,584	199,619	198,334

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

Reconciliation of net loss to EBITDA and Adjusted EBITDA

(Unaudited, $ in thousands)

	Three months ended				
	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Net loss	$ (7,692)	$ (3,300)	$ (7,723)	$ (10,349)	$ (13,215)
Interest income, net	(2,409)	(2,516)	(2,233)	(1,815)	(2,016)
Income tax expense (benefit)	45	(86)	(33)	18	(7)
Depreciation and amortization	1,501	1,542	1,395	1,342	1,254
EBITDA	(8,555)	(4,360)	(8,594)	(10,804)	(13,984)
Legal matter	5,300	-	-	-	-
Stock-based compensation	3,281	3,042	3,273	3,276	3,680
Compensation expense in connection with acquisitions	-	-	15	370	1,625
Severance charges	231	265	317	488	-
Other acquisition expenses	140	243	(23)	226	205
Non-recurring warranty provision	-	1,746	-	-	-
Other adjustments	-	(193)	-	-	-
Adjusted EBITDA	$ 397	$ 743	$ (5,012)	$ (6,444)	$ (8,474)

Note: Information as of March 31, 2024. 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 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 subject to binding orders executed during a stated measurement period.

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

New Units Deployed is defined as the aggregate number of Hub Devices that were installed (including customer self-installations) and resulted in a new active subscription during a stated measurement period.

Units Shipped is defined as the aggregate number of Hub Devices that have been shipped to customers during a stated measurement period.

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, excluding customer self-installations, 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.

Units Booked SaaS ARPU is the first year ARR for binding orders executed during the stated measurement period divided by the total Units Booked in the same period.