

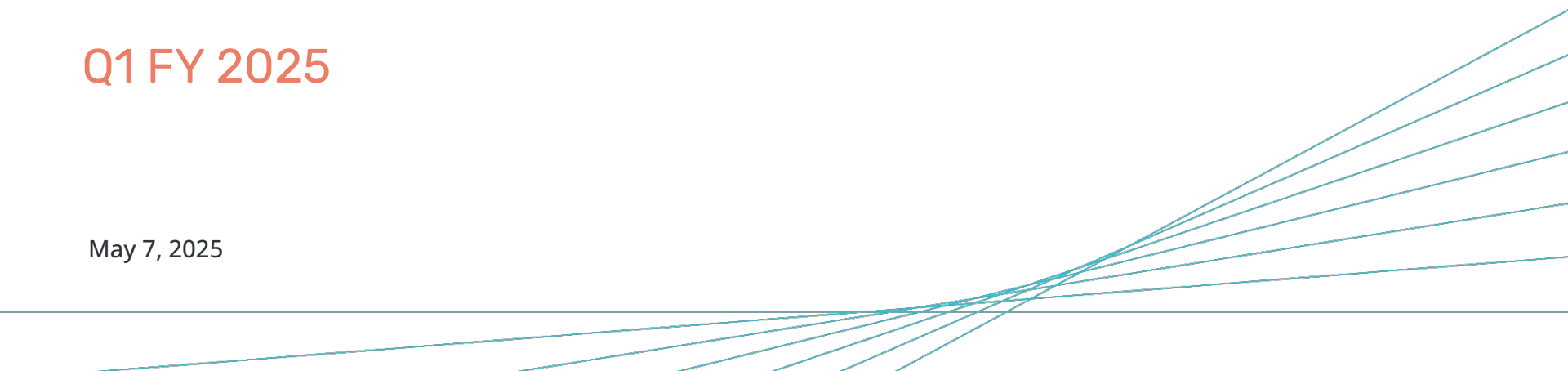


Smart Community and Smart
Operations Solutions
for the Rental Housing Industry

QUARTERLY EARNINGS UPDATE

Q1 FY 2025

May 7, 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; including strategic pillars and our sales organization; expected future business and financial performance and areas of focus; 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.

Q1 2025 Overview



Built on a strong foundation—with the right product, the right market, and now, the right execution plan

SaaS Momentum Continues: 1

Annual Recurring Revenue of \$55.9M, up 17% YoY, **now representing ~34% of total revenue.**

Strategic Shift Underway: 2

Revenue mix is intentionally transitioning from bulk hardware sales **in favor of high-margin, recurring SaaS revenue.**

Installed Base Growth: 3

~827K+ Units Deployed, +10% YoY, positioning **SmartRent as a leader in an underpenetrated market.**

Cost Discipline in Action: 4

Over ~\$10M in cost reductions completed; \$126M cash, no debt, with \$75M undrawn credit facility.

Customer-Centric Transformation: 5

New sales and customer success leadership are driving scalable, execution-focused operations.

Resilient Customer Base: 6

>99.9% customer retention over 3 years; 96% of surveyed managers say **SmartRent improves their customer experience.**

Execution Challenges Addressed: 7

Operating structure, GTM strategy, and technology focus are being overhauled to **unlock sustainable growth.**

Clear Path Forward: 8

Focused on driving adjusted EBITDA **profitability with recurring revenue, platform differentiation, and operational excellence.**

Q1 FY 2025 Key Financial Highlights



Revenue

\$41.3M

Total Revenue -18% compared to YOY
Declines primarily driven by transitions away from hardware-led growth, in favor of a SaaS focused revenue mix



ARR Revenue Growth

\$55.9M

Continued ARR growth of +17% YOY reflects steady expansion in customer value, adoption and retention



Adjusted EBITDA⁽²⁾

\$(6.4)M

Decreased from \$0.4 million in same quarter prior year, primarily due to expenses related to a legal matter

Improved Per Unit Economics

\$5.69

SaaS ARPU

Improved from \$5.41 in the same quarter of the prior year, delivers incremental pricing improvement once units are deployed



Growth in Units Deployed⁽¹⁾

~827k

Units Deployed

Improved by 10%, or 78,210 more units, when compared with the same quarter in the prior year



Net Loss

\$(40.2)M

Includes a goodwill impairment charge of \$24.9 million, increased from \$(7.7) million YOY

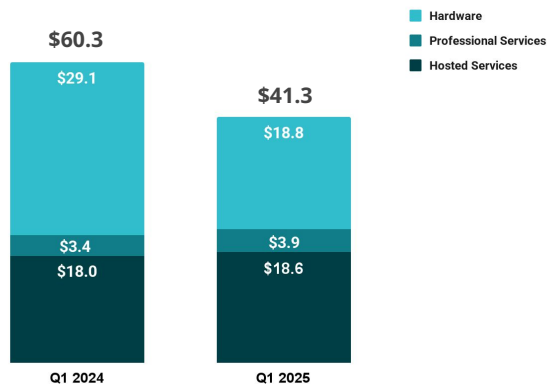
Cash Balance as of 3/31/25

\$125.6M No Debt

Q1 2025 Revenue Performance



Q1 2025 Revenue (\$ Millions)



▼ 18%

Total Revenue Down 18% y/y
Due to overall lower New Units Deployed

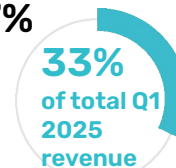
▲ 4%

Hosted Services Revenue Up 4% y/y

SaaS Revenue

\$14.0M +17%

SaaS revenue growth
YOY reflects steady,
consistent expansion



SaaS Momentum Accelerates

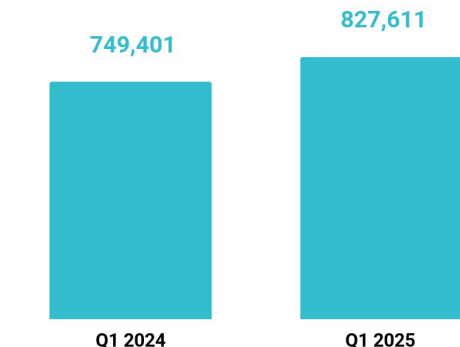
- Units Deployed, ARPU and NRR (Customer and Property) remain key drivers of SaaS performance
- Demonstrating traction against our strategic pillar of Sustainable and Predictable ARR growth
- Revenue mix continues to shift in favor of higher-margin recurring revenue

***Recurring Revenue Growth Validates
Retention Strength***

Units Deployed⁽¹⁾ Performance



Units Deployed



▲ **10%** Units Deployed Up 10% y/y

Units Deployed at end of Q1 2025

~827K



+10% increase since Q1 2024
highlights continued market adoption

Net Revenue Retention⁽¹⁾

114% Customer

102% Property

Customer Churn⁽¹⁾

0.02%

Strong Customer Loyalty Indicators

Q1 FY 2025 Key Takeaways



Momentum in Motion: Operational Excellence and Recurring Revenue Growth

Building the infrastructure for long-term, profitable growth



Sales + GTM Rebuild in Motion

Restructured commercial org under new CRO; aligned sales, success, and account management to expand customer lifetime value.



SaaS Pricing Power Demonstrated

SaaS ARPU increased to \$5.69, up 5% YoY, validating product differentiation and sustained customer value.



ARR Growth + Retention

Annual Recurring Revenue grew 17% YoY to \$55.9M with customer net revenue retention of 114% and churn of 0.02%.



> \$10M Cost Reduction Fuels Margin

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



Disciplined Capital Allocation

Repurchased ~1.0 million shares at an aggregate cost of \$1.2 million in Q1, with \$20.4 million remaining in our authorized program.



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)

	<u>As of</u>				
	<u>3/31/25</u>	<u>12/31/24</u>	<u>9/30/24</u>	<u>6/30/24</u>	<u>3/31/24</u>
Cash and cash equivalents	\$ 125,600	\$ 142,482	\$ 163,403	\$ 187,435	\$ 204,701
Accounts receivable, net	49,859	59,299	63,013	65,220	58,093
Inventory	33,189	35,261	35,948	34,420	30,899
Total current assets	227,863	257,650	284,986	313,836	319,477
Goodwill and intangible assets, net	114,745	140,643	141,611	142,580	143,548
Total assets	366,065	420,176	448,593	475,347	485,453
Deferred revenue, current portion	38,887	35,071	49,861	67,187	78,077
Total current liabilities	75,873	71,032	85,970	100,332	106,990
Deferred revenue, long-term portion	32,704	52,588	50,111	44,671	41,491
Total liabilities	115,395	130,741	143,452	145,964	152,366
Total stockholders' equity (including convertible preferred stock)	250,670	289,435	305,141	329,383	333,087
Total liabilities, convertible preferred stock and stockholders' equity	366,065	420,176	448,593	475,347	485,453

TTM Condensed Consolidated Statement of Operations



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

	Three months ended				
	3/31/25	12/31/24	9/30/24	6/30/24	3/31/24
Revenue					
Hardware	\$ 18,830	\$ 10,384	\$ 18,707	\$ 24,676	\$ 29,077
Professional services	3,893	6,221	3,308	5,816	3,458
Hosted services	18,621	18,763	18,495	18,026	17,954
Total revenue	41,344	35,368	40,510	48,518	50,489
Cost of revenue					
Hardware	13,960	9,988	13,843	16,318	18,684
Professional services	7,293	9,003	6,840	8,869	6,448
Hosted services	6,529	6,224	6,370	6,026	5,934
Total cost of revenue	27,782	25,215	27,053	31,213	31,066
Total operating expense	29,922	23,111	25,194	24,223	29,582
Impairment charge	24,929				
Loss from operations	(41,289)	(12,958)	(11,737)	(6,918)	(10,159)
Net loss	(40,184)	(11,423)	(9,923)	(4,605)	(7,692)
Other comprehensive loss					
Foreign currency translation adjustment	88	(147)	270	(11)	6
Comprehensive loss	(40,096)	(11,570)	(9,653)	(4,616)	(7,686)
Net loss per common share					
Basic and diluted	\$ (0.21)	\$ (0.06)	\$ (0.05)	\$ (0.02)	\$ (0.04)
Weighted-average number of shares used in computing net loss per share					
Basic and diluted	192,419	198,731	198,731	203,327	203,485

Quarterly - Reconciliation of net loss to EBITDA and Adjusted EBITDA



(Unaudited, \$ in thousands)

	<u>Three months ended</u>				
	<u>3/31/25</u>	<u>12/31/24</u>	<u>9/30/24</u>	<u>6/30/24</u>	<u>3/31/24</u>
Net loss	\$ (40,184)	\$ (11,423)	\$ (9,923)	\$ (4,605)	\$ (7,692)
Interest income, net	(1,200)	(1,524)	(2,019)	(2,290)	(2,409)
Income tax expense (benefit)	108	136	18	68	45
Depreciation and amortization	1,943	1,765	1,644	1,585	1,501
EBITDA	(39,333)	(11,046)	(10,280)	(5,242)	(8,555)
Legal matter	5,105	700	2,325	-	5,300
Stock-based compensation	2,836	2,548	1,653	3,284	3,281
Goodwill Impairment	24,929				
Impairment on equity investment	-	-	-	2,250	
Compensation expense in connection with acquisitions	-	-	-		-
Severance charges	-	-	-	-	231
Other acquisition expenses	52	(978)	(4)	117	140
Non-recurring warranty provision	(150)	350	(522)	463	-
Other adjustments	189	1,068	3,006	30	-
Adjusted EBITDA	\$ (6,372)	\$ (7,358)	\$ (3,822)	\$ 902	\$ 397

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

THANK YOU

For more information, please contact
investors@smartrent.com

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