



1Q25 Earnings Results

May 7, 2025



Legal disclaimer

This presentation includes forward-looking statements. All statements contained in this presentation other than statements of historical facts, including, without limitation, future financial and business performance for the quarter ending June 30, 2025 and year ending December 31, 2025, the success of our product offerings and our platform, and the value proposition of our products, are forward-looking statements. The words "anticipate," "assume," "believe," "continue," "estimate," "expect," "intend," "guide," "may," "will" and similar expressions and their negatives are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks and uncertainties, including, without limitation, risks related to our rapid growth and ability to sustain our revenue growth rate, competition in the markets in which we operate, market growth, our ability to innovate and manage our growth, our ability to expand effectively into new markets, macroeconomic conditions both in the U.S. and globally, legal, reputational and financial risks which may result from ever-evolving cybersecurity threats, our ability to operate in compliance with applicable laws, as well as other risks and uncertainties set forth in the "Risk Factors" section of our latest Form 10-K filed with the Securities and Exchange Commission (the "SEC") and any subsequent reports that we file with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. We are under no obligation to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation.

This presentation also includes certain guidance on non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the Company's non-GAAP financial measures as tools for comparison. The Company provides a reconciliation of certain non-GAAP measures to the most directly comparable GAAP measures, which are available in the earnings press release for the relevant period and in the appendix of this presentation.

Market data and industry information used throughout this Presentation are based on management's knowledge of the industry and the good faith estimates of management. Management also relied, to the extent available, upon management's review of independent industry surveys and publications and other publicly available information prepared by a number of third party sources. The market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information. While we believe the estimated market position, market opportunity and market size information included in this presentation are generally reliable, such information, which is derived in part from management's estimates and beliefs, is inherently uncertain and imprecise. No representations or warranties are made by the Company or any of its affiliates as to the accuracy of any such statements or projections. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties.

We develop and deliver
the power to communicate



Voice



Messaging



Emergency
Services

Providing global comms at scale across three customer categories

Global Voice Plans

Powering employees communicating with each other and their customers through Unified Communications and Contact Center platforms



Microsoft



Google



GENESYS™



zoom



Five9™

Enterprise Voice

Powering innovative customer experiences for the Global 2000 with composable solutions that integrate best-in-class CX and AI tools



Uber



Southwest®



docusign

Programmable Messaging

Powering digital engagements and notifications with programmable text messaging solutions



attentive®

Lasting customer loyalty

>99%

Name Retention
Rate

116%

Net Retention
Rate

12 years

Top 20 Customer
Median Tenure

Note: Customer metrics as of March 31, 2025. See Appendix for definitions of metrics presented on this slide.

1Q25 TTM Financial Highlights

\$752m

Total revenue

▲19%

Total revenue
y/y growth

\$545m

Cloud communications
revenue¹

▲11%

Cloud communications
revenue¹ y/y growth

\$88m

Adjusted EBITDA²

▲50%

Adjusted EBITDA²
y/y growth

\$50m

Free cash flow²

▲94%

Free cash flow²
y/y growth

¹ Cloud communications revenue is total revenue less pass-through messaging surcharge revenue.

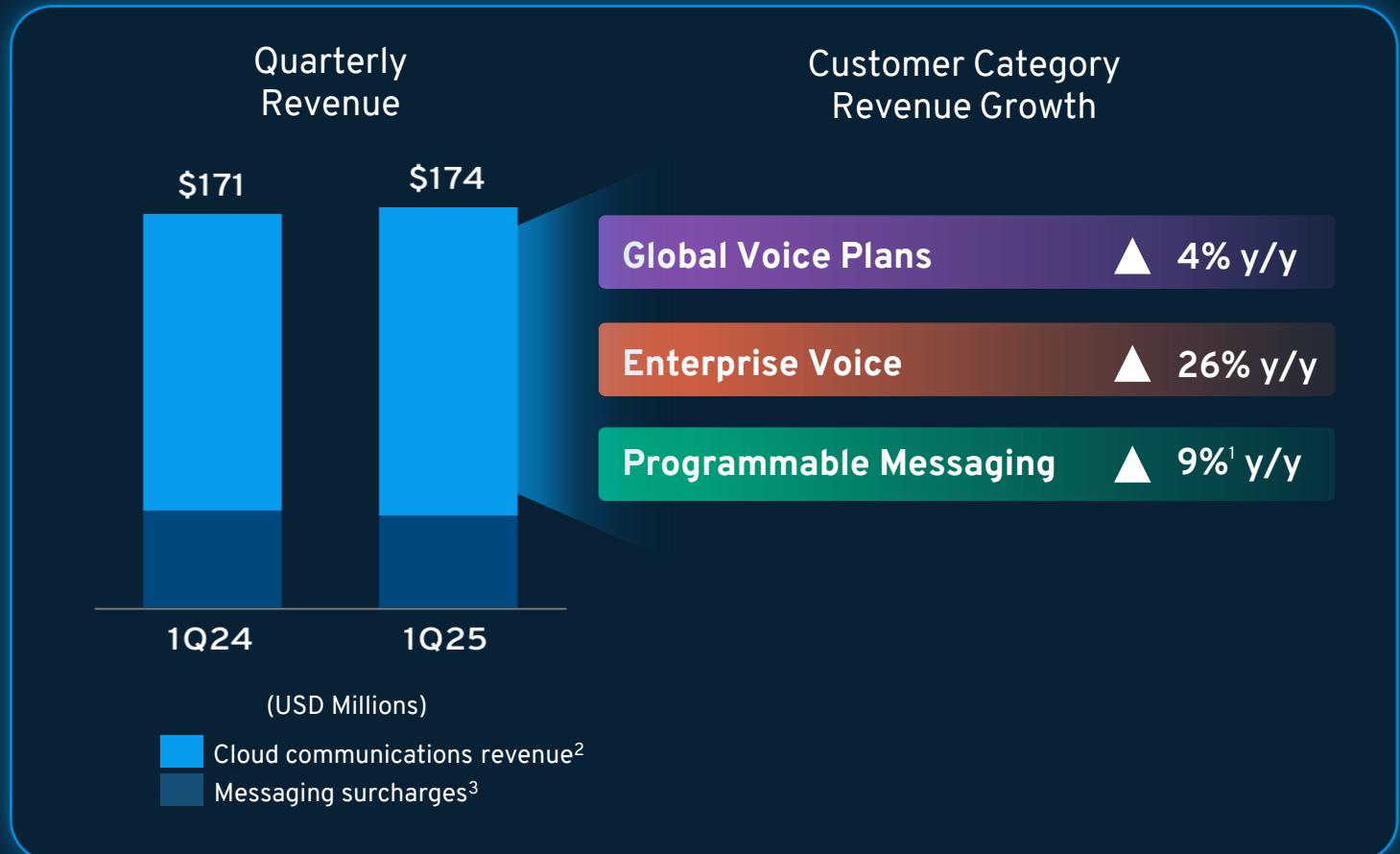
² See appendix for GAAP to non-GAAP reconciliation.

Note: See Appendix for definitions and calculations of metrics presented on this slide.

Revenue Performance

▲ 7%¹
1Q25 total revenue growth y/y

▲ 6%¹
1Q25 cloud communications revenue¹ growth y/y



¹ Normalized for campaign messaging revenue.

² Cloud communications revenue is total revenue less pass-through messaging surcharge revenue.

³ Messaging surcharges is defined as pass-through messaging surcharges levied by carriers on Application to Person (A2P) text messages.

Customer Metrics

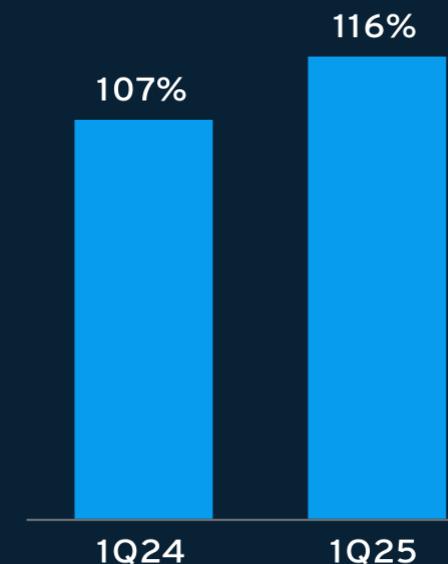
▲ 116%

Net retention rate

▲ 20%

Increase in average annual
customer revenue y/y

Net Retention
("NRR")



Average Annual
Customer Revenue

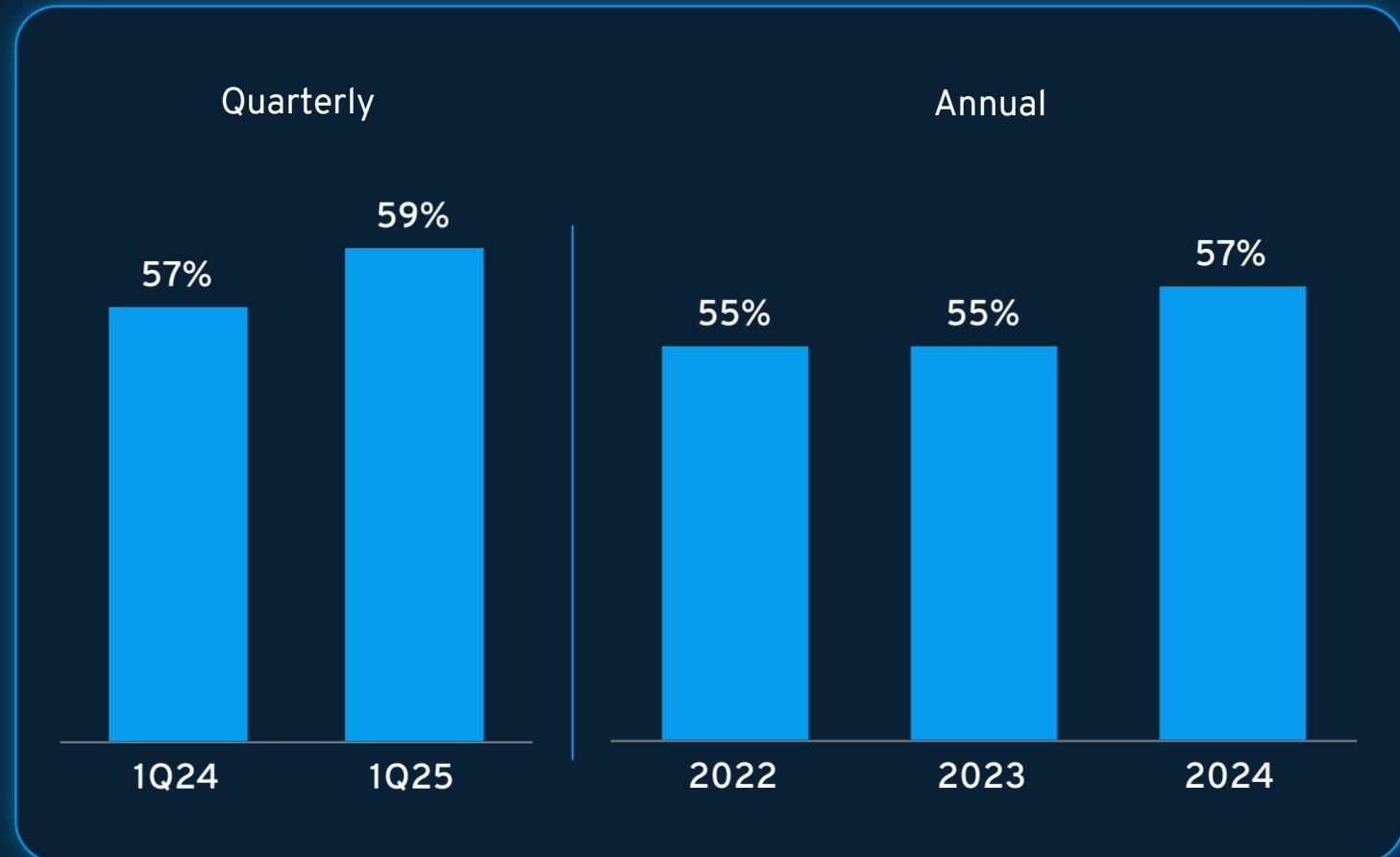


Note: Information regarding NRR and average annual customer revenue including definitions and how they are calculated is included in the Appendix.

Non-GAAP Gross Margin Performance

Fueling gross margin expansion

- Scale and platform ownership
- Product mix
- Global coverage
- Operational efficiencies



Note: We calculate Non-GAAP gross margin by dividing Non-GAAP gross profit by Cloud communications revenue, which is total revenue less pass-through messaging surcharge revenue.

See Appendix for GAAP to Non-GAAP reconciliation.

Adjusted EBITDA Performance

▲40%
1Q25 Adjusted EBITDA
growth y/y

17%
1Q25 Adjusted EBITDA
margin¹



¹ Calculated by dividing Adjusted EBITDA by Cloud communications revenue, which is total revenue less pass-through messaging surcharge revenue.
See appendix for GAAP to non-GAAP reconciliation.

2Q25 and Full Year 2025 Outlook

Raising full year
2025 guidance

9-11%¹

Total revenue
growth y/y
2025 guidance

	2Q 2025	FY 2025
Revenue	\$178m - \$180m	\$745m - \$760m
Adjusted EBITDA ²	\$18m - \$20m	\$84m - \$91m

For the full year 2025, Bandwidth's revenue guidance projects 9 percent to 11 percent year-over-year growth when adjusting for the expected cyclical reduction in political campaign messaging activity, which resulted in revenue in the second quarter and full year 2024 of approximately \$8 million and \$62 million, respectively.

¹ When normalized for 2024 cyclical political campaign revenue.

² Bandwidth has not reconciled its second quarter and full year 2025 guidance related to Adjusted EBITDA to GAAP net income or loss, because stock-based compensation cannot be reasonably calculated or predicted at this time. Accordingly, a reconciliation is not available without unreasonable effort.

1Q25 Earnings Results Key Takeaways

Strong 1Q25 Performance

Revenue and Adjusted EBITDA exceeded expectations, driven by healthy demand and disciplined execution.

Growth Drivers

All three customer categories grew, with strong traction in Enterprise Voice and steady growth in Global Voice Plans.

AI Focus

Bandwidth's open, partner-friendly AI strategy enables seamless integration of preferred voice agents through Maestro and AI Bridge. This drove strong 1Q adoption across key sectors, reflecting rising demand for AI-powered communications.

Financial Health

Bandwidth benefits from its scalable business model, which contributes to continued Adjusted EBITDA, Non-GAAP gross margin, and free cash flow growth.

2025 Outlook

Bandwidth anticipates continued growth, with a focus on strategic investments, profitable growth, and strengthening its capital structure. The company expects 2025 revenue growth in a range of 9% to 11% when normalized for 2024 cyclical political campaign revenue.

Thank you!

Appendix

Historical Metrics

USD millions, except for Average Annual Customer Revenue in USD thousands

	FY22	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24	3Q24	4Q24	FY24	1Q25
Total Revenue	573.2	137.8	145.9	152.0	165.4	601.1	171.0	173.6	193.9	210.0	748.5	174.2
Cloud communications	474.6	114.4	118.4	120.2	125.8	478.9	128.5	128.4	138.8	144.1	539.8	133.5
Messaging surcharges	98.6	23.4	27.5	31.8	39.6	122.2	42.5	45.2	55.1	65.9	208.7	40.8
Total Gross Profit	238.4	55.7	59.0	59.5	62.1	236.2	65.5	64.8	73.1	76.5	280.0	71.5
Non-GAAP Gross Profit	260.0	61.3	65.3	65.7	69.0	261.4	72.6	71.8	80.1	83.4	307.9	78.6
Non-GAAP Gross Margin ¹	55%	54%	55%	55%	55%	55%	57%	56%	58%	58%	57%	59%
Net Income (loss)	19.6	3.6	(3.9)	(5.1)	(10.9)	(16.3)	(9.2)	4.1	0.4	(1.8)	(6.5)	(3.7)
Non-GAAP Net Income	15.0	1.2	4.4	6.3	10.8	22.8	7.8	8.7	12.8	11.6	40.9	11.1
Adjusted EBITDA	34.6	5.1	10.6	13.8	18.8	48.2	15.9	18.7	24.0	23.4	82.1	22.2
Adjusted EBITDA Margin ²	7%	4%	9%	11%	15%	10%	12%	15%	17%	16%	15%	17%
Cash and Investments ³	184.9	123.5	122.6	139.1	153.5	153.5	147.2	76.4	79.9	83.8	83.8	41.7
Net cash provided by (used in) operating activities	34.9	(6.4)	3.1	23.0	19.3	39.0	2.5	24.4	20.5	36.5	83.9	(3.1)
Net cash used in investing in capital assets ⁴	(45.4)	(4.5)	(4.3)	(4.8)	(6.2)	(19.9)	(6.9)	(6.1)	(6.2)	(6.2)	(25.4)	(10.2)
Free Cash Flow	(10.5)	(10.9)	(1.2)	18.2	13.0	19.1	(4.4)	18.3	14.2	30.3	58.5	(13.3)
Average Annual Customer Revenue	171	172	176	177	178	178	190	198	212	226	226	228
Net Retention Rate	112%	109%	106%	104%	101%	101%	107%	111%	117%	122%	122%	116%

¹ Calculated by dividing non-GAAP gross profit by Cloud communications revenue.

² Calculated by dividing adjusted EBITDA by Cloud communications revenue.

³ Cash and Investments excludes restricted cash beginning in 1Q23. Prior periods have been conformed to current definition.

⁴ Represents the acquisition cost of property, plant and equipment and capitalized development costs for software for internal use.

Note: Totals may not sum due to rounding.

GAAP to Non-GAAP Reconciliation - Net Income

USD millions, except per share amounts

	FY22	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24	3Q24	4Q24	FY24	1Q25
Net income (loss)	19.6	3.6	(3.9)	(5.1)	(10.9)	(16.3)	(9.2)	4.1	0.4	(1.8)	(6.5)	(3.7)
Stock-based compensation	20.7	7.4	8.0	6.9	14.7	37.0	12.3	11.4	11.4	13.2	48.4	13.6
Amortization of acquired intangibles	17.2	4.3	4.3	4.3	4.3	17.3	4.4	4.3	4.4	4.4	17.5	4.3
Amortization of debt discount and issuance costs for convertible debt	3.0	0.6	0.5	0.5	0.5	2.0	0.5	0.4	0.3	0.3	1.5	0.3
Gain on sale of business	(3.8)	-	-	-	-	-	-	-	-	-	-	-
Net cost associated with early lease terminations and leases without economic benefit	-	-	-	1.2	2.8	4.0	1.2	0.9	0.4	0.0	2.4	-
Net gain on extinguishment of debt	(40.2)	(12.8)	-	-	-	(12.8)	-	(10.3)	-	-	(10.3)	(1.1)
Gain on business interruption insurance recoveries	-	-	(4.0)	-	-	(4.0)	-	-	-	-	-	-
Non-recurring items not indicative of ongoing operations and other ¹	2.0	0.6	0.2	0.1	0.4	1.2	0.1	0.0	(1.0)	0.3	(0.6)	0.5
Estimated tax effects of adjustments	(3.4)	(2.4)	(0.7)	(1.5)	(0.9)	(5.5)	(1.4)	(2.1)	(3.2)	(4.8)	(11.5)	(2.7)
Non-GAAP net income	15.0	1.2	4.4	6.3	10.8	22.8	7.8	8.7	12.8	11.6	40.9	11.1
Interest expense on convertible notes ²	1.7	0.3	0.3	0.3	0.3	1.3	0.3	0.3	0.3	0.3	1.1	0.3
Numerator used to compute Non-GAAP diluted net income per share³	16.7	1.5	4.7	6.7	11.1	24.0	8.1	9.0	13.0	11.8	42.0	11.4

¹ Non-recurring items not indicative of ongoing operations and other include (i) \$0.9 million of foreign currency losses on the settlement of intercompany borrowings, which were repatriated in conjunction with the repurchase of the 2026 Convertible Notes and \$0.6 million of nonrecurring litigation expense for the year ended December 31, 2022, (ii) \$0.4 million of expense resulting from early termination of undrawn SVB credit facility for the year ended December 31, 2023, (iii) a \$1.0 million gain on the sale of an intangible asset for the year ended December 31, 2024, and (iv) \$0.4 million, \$0.8 million, and \$0.5 million of losses on disposals of property, plant and equipment during the years ended December 31, 2024, 2023, and 2022, respectively. For the three months ended March 31, 2025, non-recurring items not indicative of ongoing operations and other include \$0.5 million in nonrecurring litigation expense and less than \$0.1 million of losses on disposals of property, plant and equipment.

² Non-GAAP net income is increased for interest expense as part of the calculation for diluted Non-GAAP earnings per share.

GAAP to Non-GAAP Reconciliation - Earnings per share

USD millions, except per share amounts

	FY22	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24	3Q24	4Q24	FY24	1Q25
Net income (loss) per share												
Basic	0.77	0.14	(0.15)	(0.20)	(0.42)	(0.64)	(0.35)	0.15	0.02	(0.06)	(0.24)	(0.13)
Diluted	(0.48)	(0.28)	(0.15)	(0.20)	(0.42)	(0.64)	(0.35)	(0.17)	0.01	(0.06)	(0.24)	(0.13)
Non-GAAP net income per Non-GAAP share												
Basic	0.59	0.05	0.17	0.25	0.42	0.89	0.30	0.32	0.47	0.41	1.50	0.38
Diluted	0.54	0.05	0.16	0.23	0.38	0.83	0.27	0.29	0.43	0.37	1.34	0.36
Weighted average number of common shares outstanding												
Basic shares	25.3	25.4	25.6	25.6	25.8	25.6	26.5	27.1	27.4	27.9	27.2	29.0
Diluted shares	30.9	29.3	25.6	25.6	25.8	25.6	26.5	29.5	28.6	27.9	27.2	29.0
Non-GAAP basic shares	25.3	25.4	25.6	25.6	25.8	25.6	26.5	27.1	27.4	27.9	27.2	29.0
Convertible debt conversion	5.6	3.8	3.3	3.3	3.3	3.4	3.3	2.4	1.8	1.8	2.3	1.7
Stock options issued and outstanding	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonvested RSUs outstanding	-	-	-	-	-	-	0.7	1.3	1.2	2.0	1.8	0.8
Non-GAAP diluted shares	31.0	29.4	28.9	29.0	29.2	29.1	30.6	30.8	30.4	31.6	31.4	31.4

Note: Totals may not sum due to rounding.

GAAP to Non-GAAP Reconciliation – Gross Profit, Adjusted EBITDA, Free Cash Flow

USD millions, except per share amounts

	FY22	1Q23	2Q23	3Q23	4Q23	FY23	1Q24	2Q24	3Q24	4Q24	FY24	1Q25
Gross Profit	238.4	55.7	59.0	59.5	62.1	236.2	65.5	64.8	73.1	76.5	280.0	71.5
Gross Margin %	42%	40%	40%	39%	38%	39%	38%	37%	38%	36%	37%	41%
Depreciation	13.6	3.5	4.2	4.1	4.5	16.3	4.8	4.7	4.7	4.4	18.5	4.7
Amortization of acquired intangible assets	7.7	1.9	2.0	2.0	1.9	7.8	2.0	1.9	2.0	1.9	7.8	1.9
Stock-based compensation	0.4	0.2	0.2	0.2	0.6	1.1	0.4	0.4	0.4	0.5	1.6	0.5
Non-GAAP Gross Profit	260.0	61.3	65.3	65.7	69.0	261.4	72.6	71.8	80.1	83.4	307.9	78.6
Non-GAAP Gross Margin %¹	55%	54%	55%	55%	55%	55%	57%	56%	58%	58%	57%	59%
Net Income (loss)	19.6	3.6	(3.9)	(5.1)	(10.9)	(16.3)	(9.2)	4.1	0.4	(1.8)	(6.5)	(3.7)
Income tax (benefit) provision	(2.3)	(3.1)	0.2	(0.2)	0.2	(3.0)	(0.2)	(0.3)	(0.7)	(1.2)	(2.4)	(0.1)
Interest expense (income), net	3.0	0.9	0.3	(0.1)	(0.4)	0.8	(0.6)	0.7	1.0	0.8	1.9	0.5
Depreciation	18.4	4.6	5.5	6.6	7.7	24.4	8.1	8.0	8.0	7.7	31.7	8.2
Amortization	17.2	4.3	4.3	4.3	4.3	17.3	4.4	4.3	4.4	4.4	17.5	4.3
Stock-based compensation	20.7	7.4	8.0	6.9	14.7	37.0	12.3	11.4	11.4	13.2	48.4	13.6
Gain on sale of business	(3.8)	-	-	-	-	-	-	-	-	-	-	-
Net cost associated with early lease terminations and leases without economic benefit	-	-	-	1.2	2.8	4.0	1.2	0.9	0.4	-	2.4	-
Net gain on extinguishment of debt	(40.2)	(12.8)	-	-	-	(12.8)	-	(10.3)	-	-	(10.3)	(1.1)
Gain on business interruption insurance recoveries	-	-	(4.0)	-	-	(4.0)	-	-	-	-	-	-
Non-recurring items not indicative of ongoing operations and other ²	2.0	0.2	0.2	0.1	0.4	0.8	0.1	-	(1.0)	0.3	(0.6)	0.5
Adjusted EBITDA	34.6	5.1	10.6	13.8	18.8	48.2	15.9	18.7	24.0	23.4	82.1	22.2
Net cash provided by (used in) operating activities	34.9	(6.4)	3.1	23.0	19.3	39.0	2.5	24.4	20.5	36.5	83.9	(3.1)
Net cash used in investing in capital assets ³	(45.4)	(4.5)	(4.3)	(4.8)	(6.2)	(19.9)	(6.9)	(6.1)	(6.2)	(6.2)	(25.4)	(10.2)
Free cash flow	(10.5)	(10.9)	(1.2)	18.2	13.0	19.1	(4.4)	18.3	14.2	30.3	58.5	(13.3)

¹ Calculated by dividing Non-GAAP gross profit by revenue less pass-through surcharges of \$98.6M in FY22, \$23.4M in 1Q23, \$27.5M in 2Q23, \$31.8M in 3Q23, \$39.6M in 4Q23, \$42.5M in 1Q24, \$45.2M in 2Q24, \$55.1M in 3Q24, \$65.9M in 4Q24, and \$40.8M in 1Q25.

² Non-recurring items not indicative of ongoing operations and other include (i) \$0.9 million of foreign currency losses on the settlement of intercompany borrowings, which were repatriated in conjunction with the repurchase of the 2026 Convertible Notes and \$0.6 million of nonrecurring litigation expense for the year ended December 31, 2022, (ii) a \$1.0 million gain on the sale of an intangible asset for the year ended December 31, 2024, and (iii) \$0.4 million, \$0.8 million, and \$0.5 million of losses on disposals of property, plant and equipment during the years ended December 31, 2024, 2023, and 2022, respectively. For the three months ended March 31, 2025, non-recurring items not indicative of ongoing operations and other include \$0.5 million in nonrecurring litigation expense and less than \$0.1 million of losses on disposals of property, plant and equipment.

³ Represents the acquisition cost of property, plant and equipment and capitalized development costs for software for internal use.

Note: Totals may not sum due to rounding.

Definitions

Adjusted EBITDA: Net income or losses from continuing operations, adjusted to reflect the addition or elimination of certain statement of operations items including, but not limited to: income tax (benefit) provision, interest (income) expense, net, depreciation and amortization expense, acquisition related expenses, stock-based compensation expense, impairment of intangible assets, (gain) loss on sale of business, net cost associated with early lease terminations and leases without economic benefit, net (gain) loss on extinguishment of debt, gain on business interruption insurance recoveries, and non-recurring items not indicative of ongoing operations and other.

Adjusted EBITDA margin: Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by cloud communications revenue, which excludes pass-through messaging surcharge revenue.

Average annual customer revenue: Average annual customer revenue is the trailing twelve month revenue divided by the average [number] of active customers from the current quarter and number of active customers from the same quarter of the prior year.

Cloud communications revenue: Total revenue less pass-through messaging surcharge revenue.

Customer name retention rate: Customer name retention rate (CNRR) is defined as the percentage of customers with \$100k or greater revenue in the prior twelve month period that remain customers in the current twelve month period.

Free cash flow: Free cash flow represents net cash provided by or used in operating activities less net cash used in the acquisition of property, plant and equipment and capitalized development costs of software for internal use.

Free cash flow margin: Free cash flow margin is calculated by dividing free cash flow by cloud communications revenue, which excludes pass-through messaging surcharge revenue.

Messaging surcharge revenue: Revenue derived from fees imposed by certain carriers within the messaging ecosystem, which are subsequently invoiced and passed through to customers.

Net Retention Rate ("NRR"): To calculate the net retention rate, we first identify the cohort of customers that generated revenue in the same quarter of the prior year. The net retention rate is obtained by dividing the revenue generated from that cohort in a quarter, by the revenue generated from that same cohort in the corresponding quarter in the prior year. The net retention rate reported in a quarter is then obtained by averaging the result from that quarter by the corresponding results from each of the prior three quarters. Customers of acquired businesses are included in the subsequent year's calendar quarter of acquisition.

Non-GAAP Gross Profit: Gross profit after adding back the following items: depreciation and amortization; amortization of acquired intangible assets related to acquisitions; and stock-based compensation.

Non-GAAP Gross Margin: Non-GAAP Gross Margin is calculated by dividing non-GAAP gross profit by cloud communications revenue, which excludes pass-through messaging surcharge revenue.

Non-GAAP Net Income: Net income or loss adjusted for certain items affecting period to period comparability. Non-GAAP net income excludes stock-based compensation, amortization of acquired intangible assets related to acquisitions, amortization of debt discount and issuance costs for convertible debt, acquisition related expenses, impairment charges of intangibles assets, if any, net cost associated with early lease terminations and leases without economic benefit, (gain) loss on sale of business, net (gain) loss on extinguishment of debt, gain on business interruption insurance recoveries, non-recurring items not indicative of ongoing operations and other, and estimated tax impact of above adjustments, net of valuation allowances.