

Ooma<sup>®</sup>

# Smart Connected Services

Investor Presentation

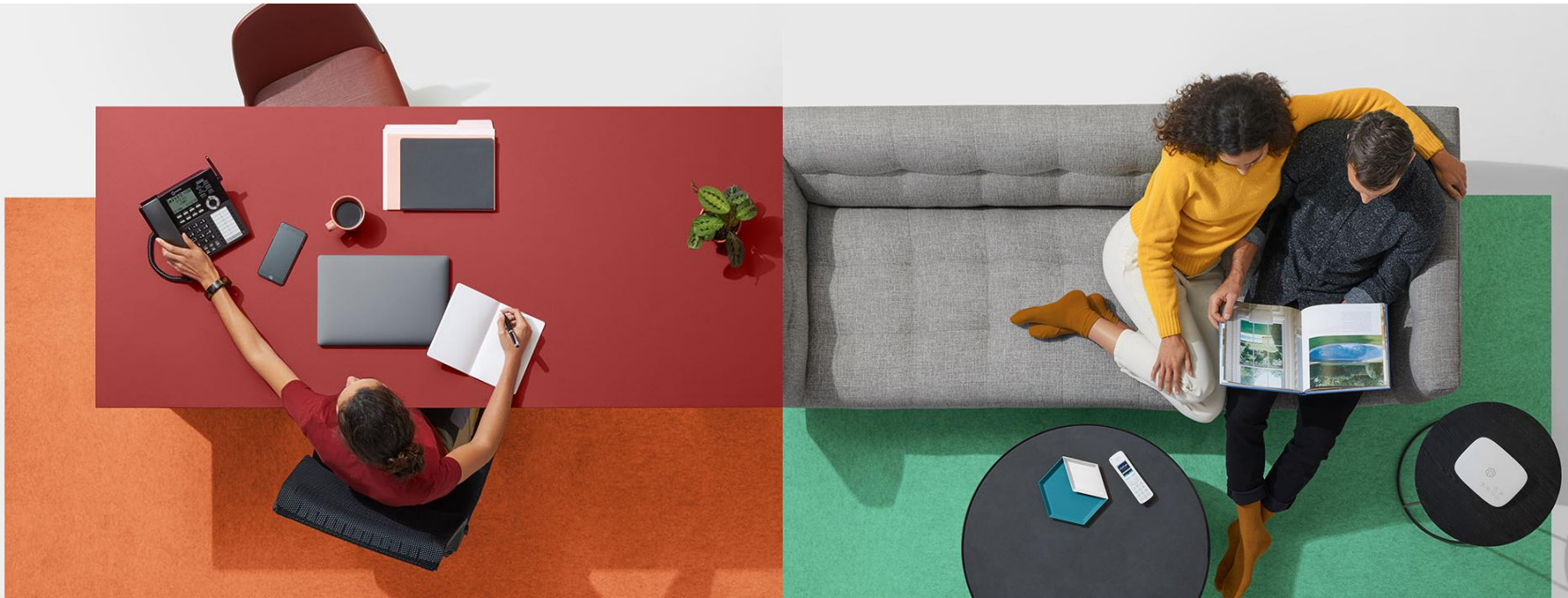
August 23, 2023

# Safe Harbor Statement

This presentation contains forward-looking statements. In particular, statements regarding future economic performance, finances, and expectations and objectives of management constitute forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical facts and generally contain words such as “believes”, “expects”, “may”, “will”, “should”, “seeks”, “approximately”, “intends”, “plans”, “estimates”, “anticipates”, and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters. Although the forward-looking statements contained in this presentation are based upon information available at the time the statements are made and reflect management's good faith beliefs, forward-looking statements inherently involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements to differ materially from anticipated future results. Important factors that could cause actual results to differ materially from expectations include, among others: our inability to attract new customers on a cost-effective basis; our inability to retain customers; our inability to realize expected returns from our investments made in connection with our international expansion efforts; our inability to market and sell new products and services, including Ooma AirDial; intense competition; our reliance on retailers and reseller partnerships to sell our products; our reliance on vendors to manufacture the on-premise appliances and end-point devices we sell; our reliance on third parties for our network connectivity and co-location facilities; our reliance on third parties for some of our software development, quality assurance and operations; our reliance on third parties to provide the majority of our customer service and support representatives; interruptions to our service; and our inability to achieve the anticipated effect on our business as a result of our OnSIP acquisition. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof. We do not undertake to update or revise any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law.

The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in our filings which we make with the Securities and Exchange Commission, from time to time, including the risk factors contained in our Quarterly Report on form 10-Q for the quarter ended April 30, 2023, filed with the SEC on June 8, 2023. The forward-looking statements in this presentation are based on information available to Ooma as of the date hereof, and Ooma disclaims any obligation to update any forward-looking statements, except as required by law.

# Ooma Provides Leading Communications Services

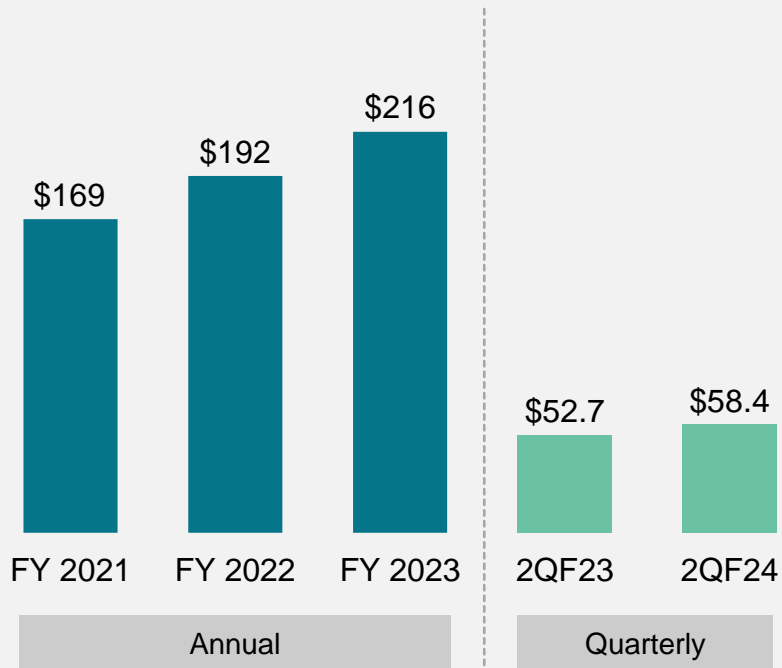


We transform sophisticated technology into elegant, simple communications solutions accessible to everyone.

# Ooma Today

## TOTAL REVENUE

(in millions)



Founded 2003; IPO 2015 NYSE: OOMA

Multi-tenant SaaS platform

1.2M core users

Customers of all sizes

90+% recurring revenue (99% retention\*)

1,108 employees and contractors

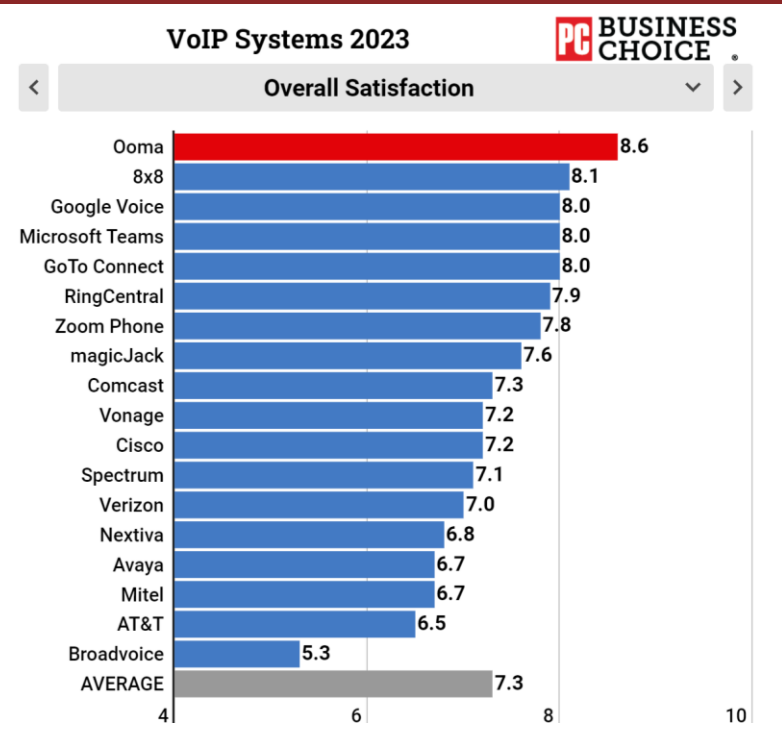
HQ: Sunnyvale, CA

\*Net dollar subscription retention rate  
Note: Fiscal year end January 31

# Customers Rate Ooma #1



#1 Ranked by Readers  
10 Years in a Row



Top Ranked by Readers 9 Times for Telecom Services

Consumer Reports ranking through 2021, including a tie with a regional provider

# Our Solutions Serve Customers Better

HOME

HOME OFFICE

SMALL / MEDIUM BUSINESS

LARGE BUSINESS

ENTERPRISE



Ooma Telo™

Superior Value  
Innovative Features



*Free home phone service  
(just pay taxes and fees)*



Ooma Office

Created for SMB  
Simple to Install / Use



*Sound like a big business at  
a small business price*



Ooma Enterprise

Extensive Features  
Flexible, Customizable



*Business communications  
built exclusively for you*

# Our Platform Delivers Breakthrough Features

## DEPENDABLE VOICE QUALITY

### Overcomes Internet Congestion

- Advanced codec
- Adaptive redundancy
- Router / QoS

## TAILORED SOLUTIONS

### Enables Customization

- Modern flexible design
- Easy integrations

## EASE OF USE

### Provides End-to-End Solution

- Smart endpoints
- Simple deployments

## ENHANCED RELIABILITY

### Ensures Real-Time Fail Over

- Fully redundant architecture
- Remote diagnostics



# Our Disruptive Cost Structure Enables Superior Value

## RECURRING ARPU<sup>1</sup>

(Monthly)

\$14.51



72%  
Margin  
per user

28%  
Cost  
per user

## WHY CUSTOMERS BUY

### Ooma Telo

- Free calling / no more phone bills
- Uses existing home phones

“

*Ooma is a brand I recognize and trust*

### Ooma Office

- Value/unlimited nationwide calling
- Easy to install / configure

“

*I choose Ooma for its quality, ease of use and value*

### Ooma Enterprise

- Customizable to individual needs
- High reliability

“

*Ooma satisfies our unique requirements*

<sup>1</sup>Average revenue per user for core users. Margin and cost per user based on Ooma's overall subscription and services.



# Our Business Scope Provides Sales Synergy



**40%** of Telo customers and **22%** of Office customers first hear about Ooma by word of mouth

Source: Ooma customer survey, Office customers include those who previously had Telo service.

# Our Reach Extends to New Opportunities

## RESELLER-FRIENDLY SOLUTIONS



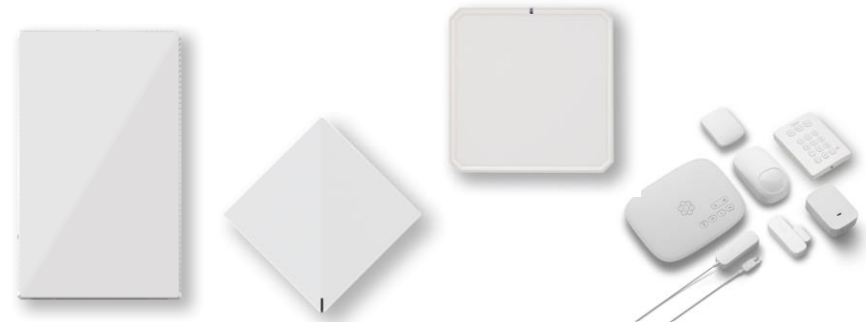
## WIRELESS INTERNET



## AirDial IoT & TELEPHONY



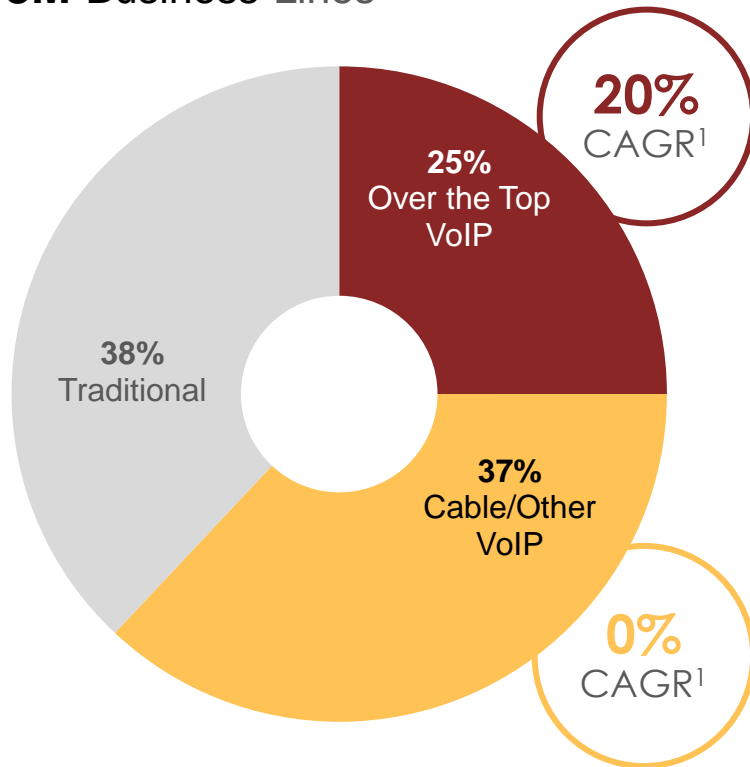
## MANAGED Wi-Fi & SECURITY



# Massive Market Transformation Underway

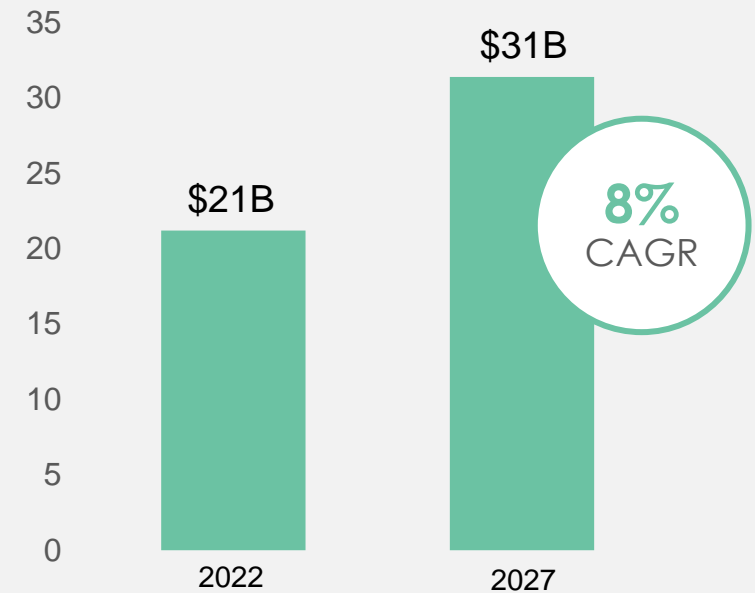
## North American Business Market

**58M** Business Lines<sup>1</sup>



## Growth Opportunity

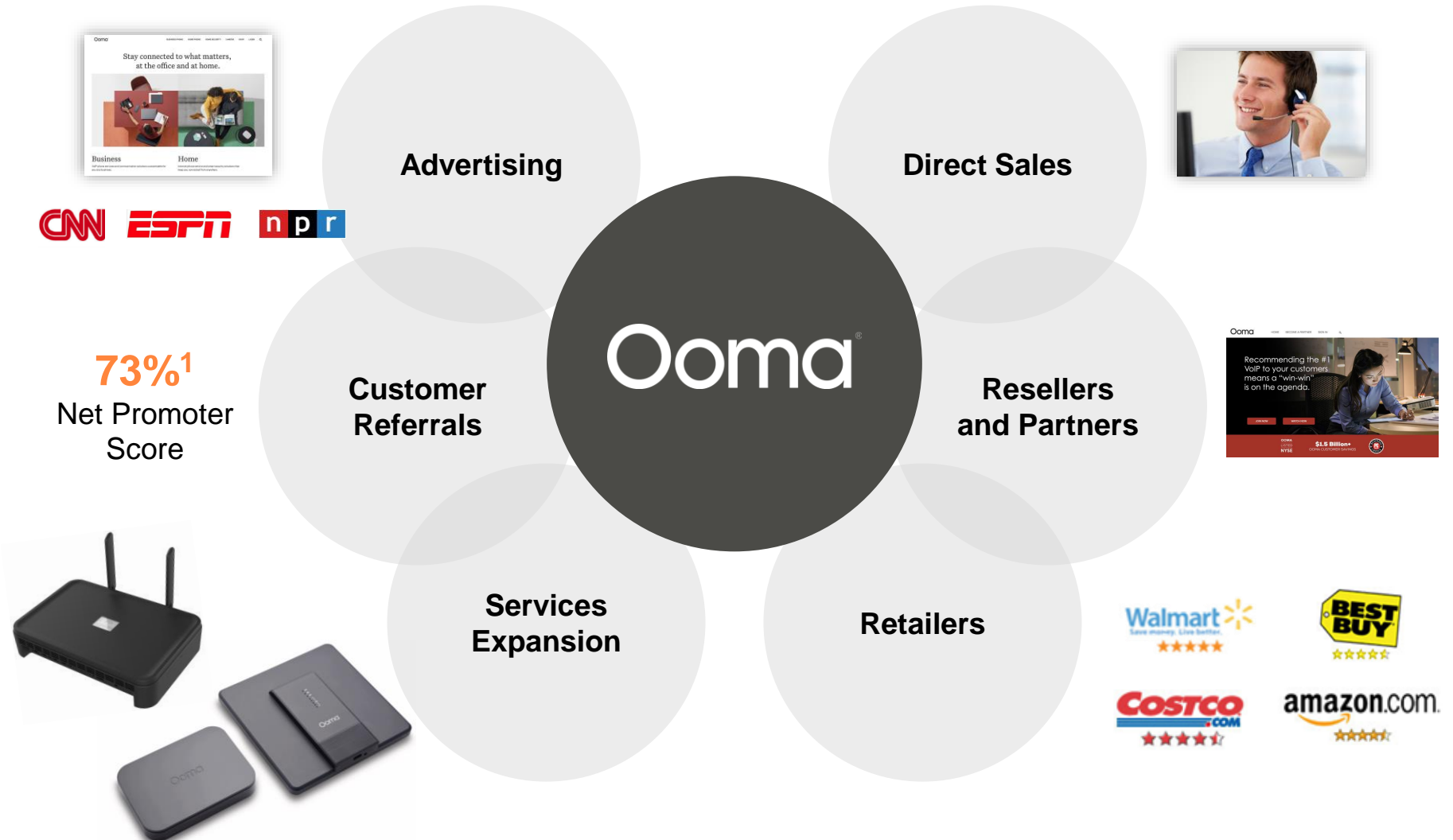
Worldwide hosted voice/UC public cloud (UCaaS) market



<sup>1</sup>2018 - 2021

Source: FCC Voice Telephone Services: Status as of June 30, 2021; CRTC Communications Monitoring Report: Status as of December 31, 2021; Ooma estimates; IDC, May 2023

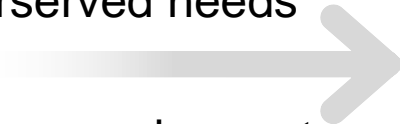
# Integrated Growth Strategy



<sup>1</sup>PC Mag 2022, for Ooma's Small Business Solution

# Significant Growth Drivers

Small businesses with underserved needs



Large businesses with custom requirements



Telecom resellers requiring own-brand solutions



New adjacent services



Geographic expansion



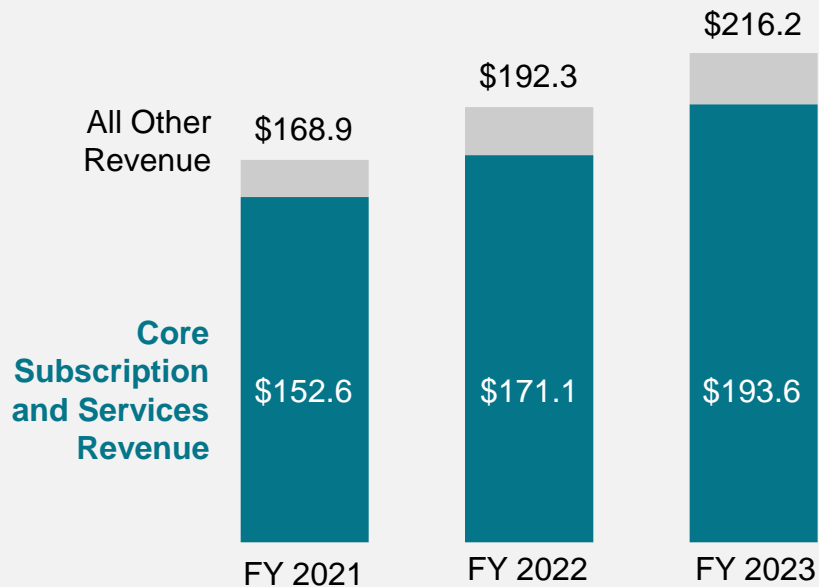
Our platform uniquely enables **solutions** to untapped opportunities

# Financial Overview

# Consistent Revenue Performance

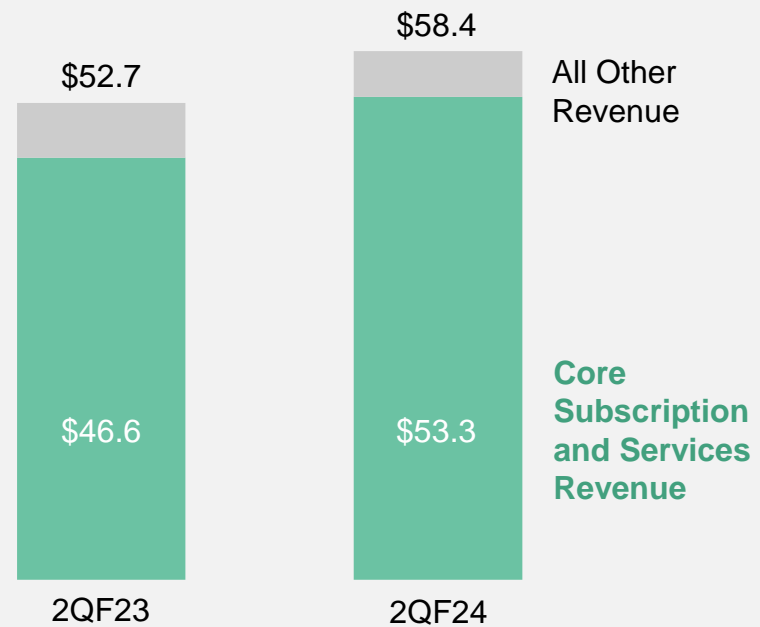
## ANNUAL REVENUE

(in millions)



## QUARTERLY REVENUE

(in millions)

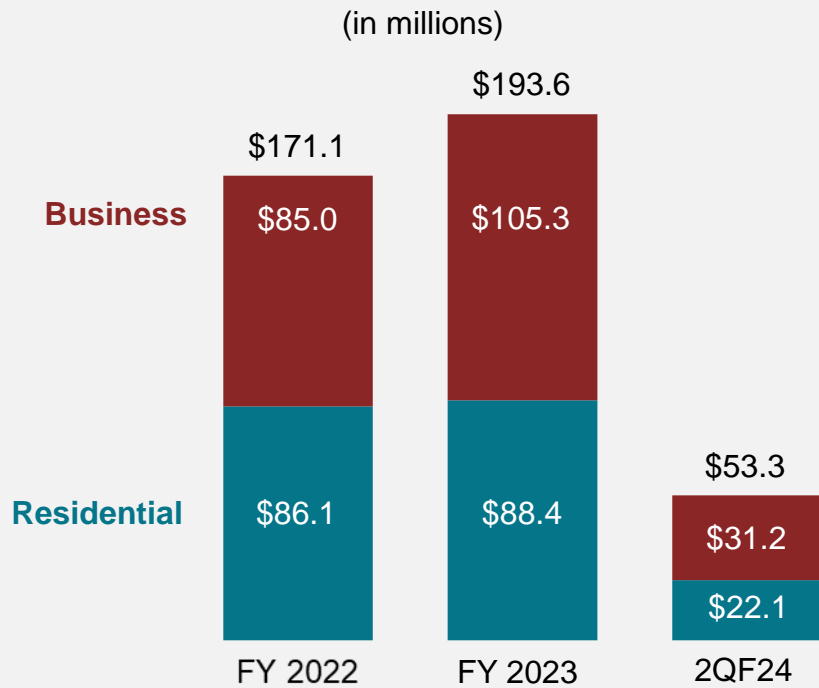


Business Subscription and Services revenue was 57% of overall subscription and services revenue in 2QF24

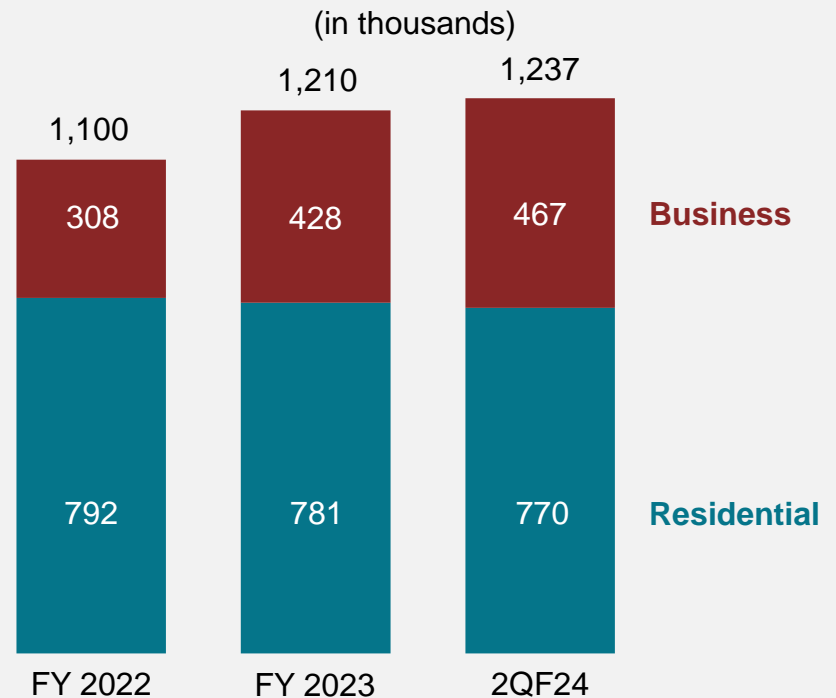
Core Subscription & Services Revenue includes Ooma Business, which is the combined revenue of Office, OnSIP, Enterprise and AirDial, and Residential. All other revenue includes product sales and Talkatone..

# Ooma Business Drives Growth

## CORE SUBSCRIPTION AND SERVICES REVENUE



## CORE USERS



Overall Business Subscription and Services Revenue Growth (YoY) was 27% in 2QF24, including the late 2QF23 acquisition of OnSIP. Organic Business Subscription and Services Revenue Growth (YoY) was 15% in 2QF24.

Core Subscription & Services Revenue includes Ooma Business, which is the combined revenue of Office, OnSIP, Enterprise and AirDial, and Residential.



# Key Metrics

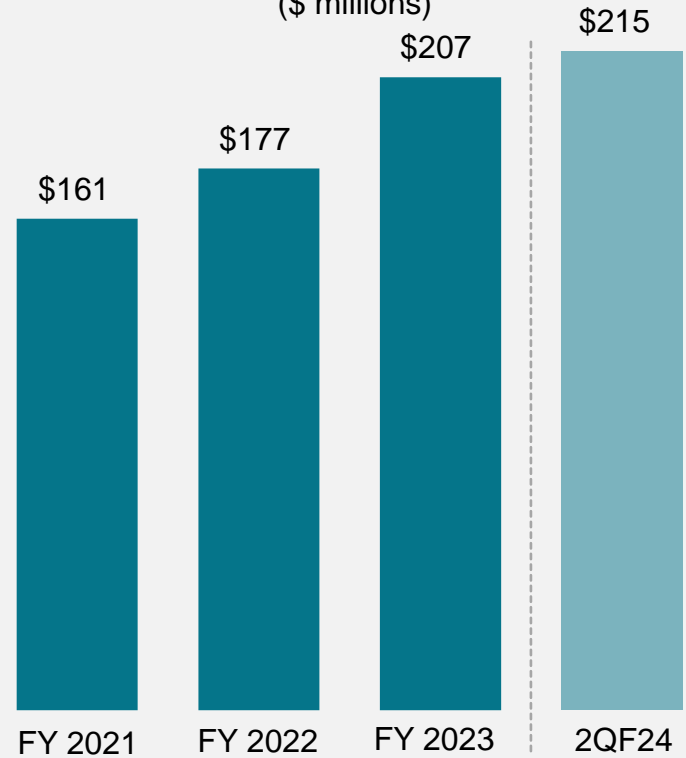
## ARPU

(\$ per month)



## AERR

(\$ millions)

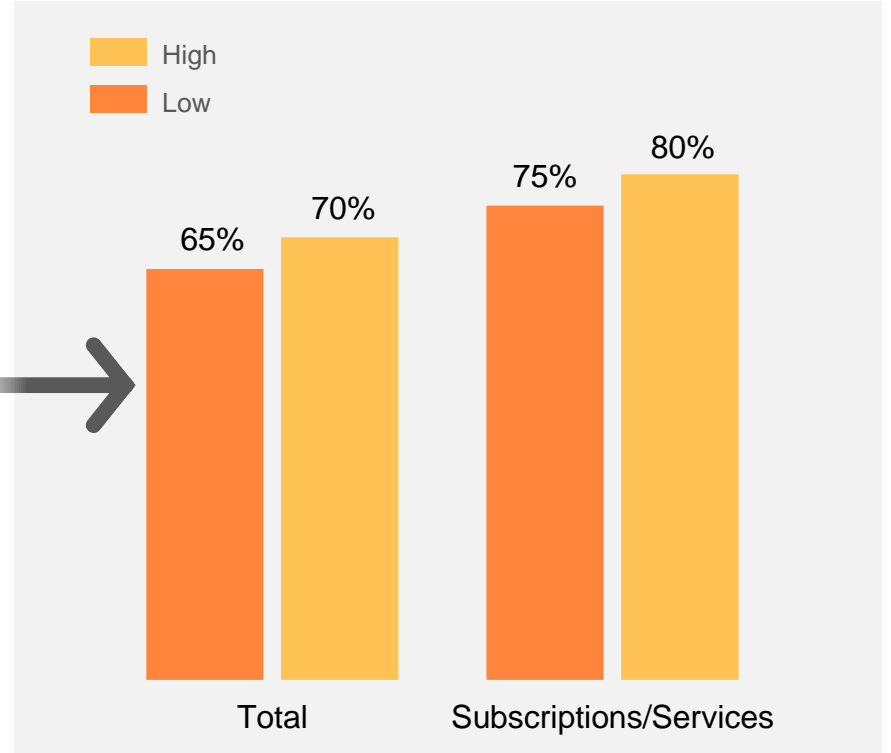
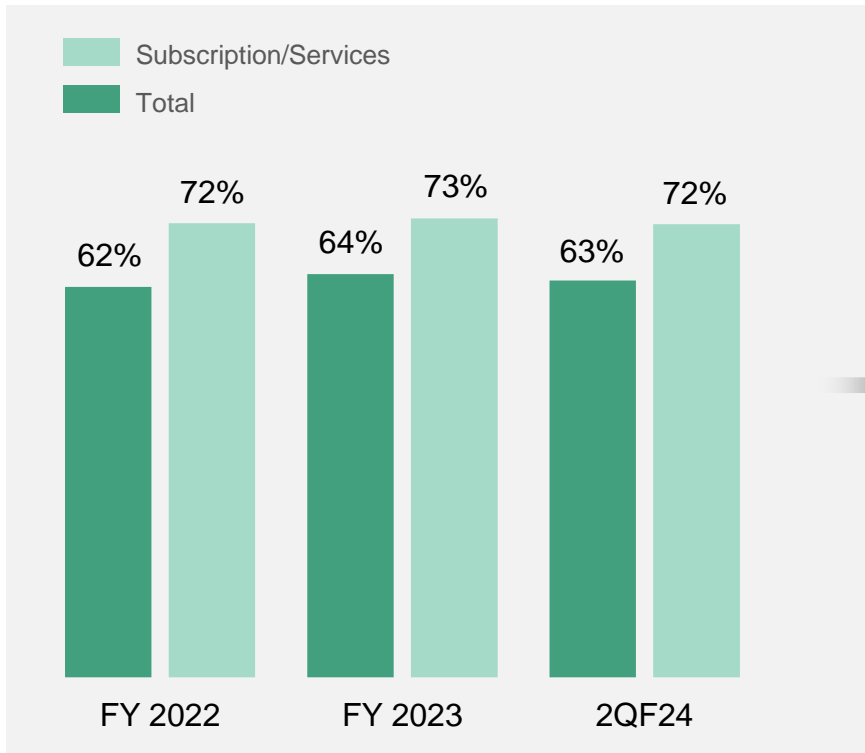


Monthly Business ARPU ~\$23, Monthly Residential ARPU ~\$9

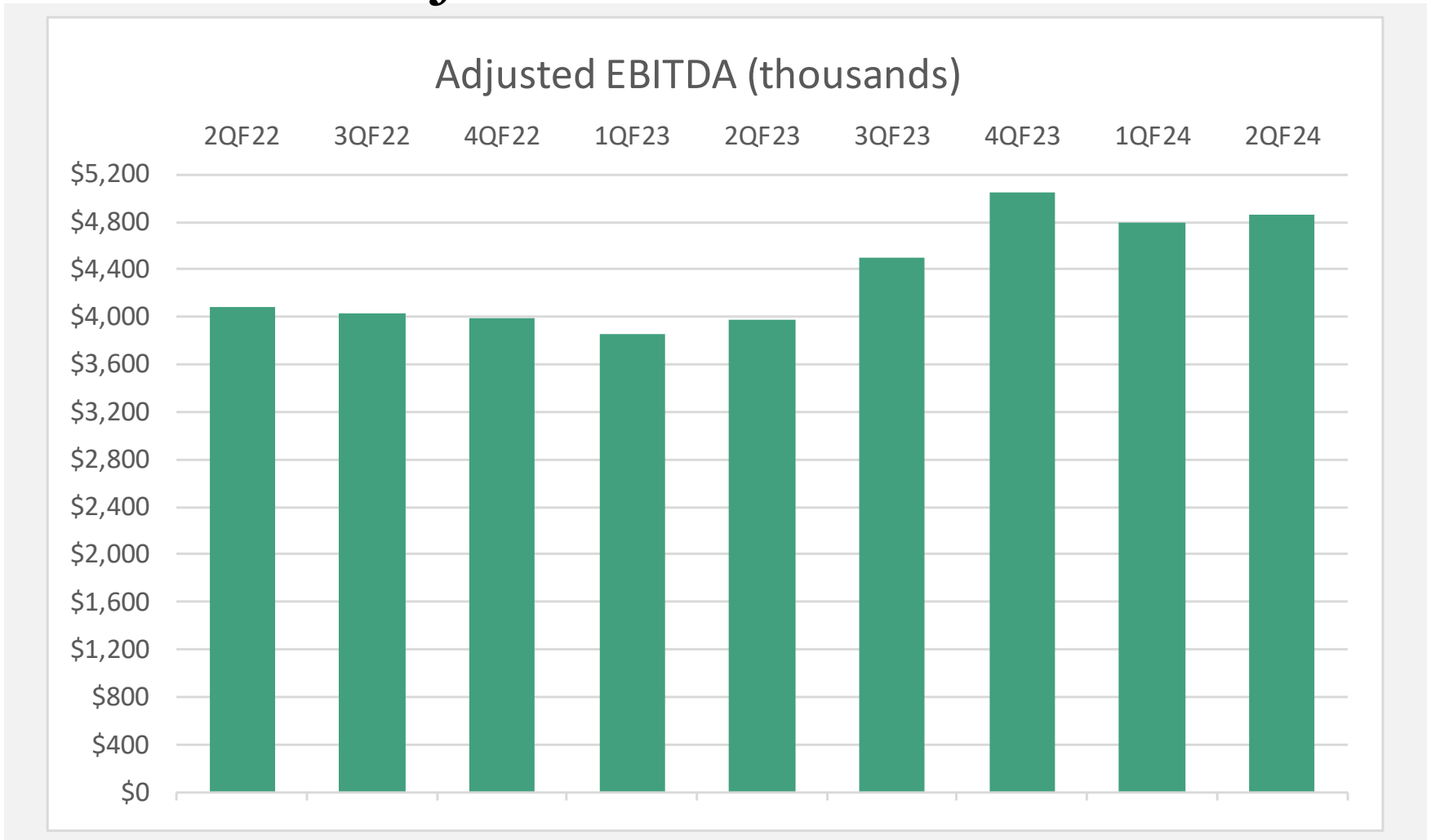
ARPU is blended monthly average subscription and services revenue per core user/seat. ARPU and AERR shown represent data for the fourth quarter of each fiscal year presented.

# Robust Gross Margin

## LONG TERM TARGET GROSS MARGIN RANGES



# Consistent Adjusted EBITDA Performance



Adjustments to EBITDA are described in the Reconciliation of Non-GAAP Financial Measures tables of Ooma earnings releases.

# Strong Financial Position

(\$ millions)	FY 2022	FY 2023	2QF24
<b>Cash and Investments</b>	\$31.3	\$26.9	\$29.5
<b>Cash from Operations</b>	\$6.7	\$8.8	\$3.6
<b>Capital Spending</b>	(\$4.2)	(\$5.2)	(\$2.1)
<b>Adjusted EBITDA</b>	\$15.6	\$17.4	\$4.9

# Target Model (Non-GAAP)

(% revenue)	Actual Results			Targets	
	FY 2022	FY 2023	2QF24	Mid-Term (1-3 Year)	Long-Term
<b>Subscription &amp; Services Gross Margin</b>	72%	73%	72%	70%-75%	75% - 80%
<b>Overall Gross Margin</b>	62%	64%	63%	62%-65%	65% - 70%
<b>Sales &amp; Marketing</b>	29%	30%	30%	29%-32%	20% - 25%
<b>Research &amp; Development</b>	18%	19%	18%	17%-19%	12% - 15%
<b>General &amp; Administrative</b>	9%	9%	8%	7%-9%	6% - 8%
<b>Adjusted EBITDA</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>	<b>8-10%</b>	<b>20% - 25%</b>

Ooma<sup>®</sup>

Thank You.

# GAAP to Non-GAAP Reconciliation

\$ Thousands	FY 2022	FY 2023	2QF23	2QF24
GAAP Gross Profit	\$118,438	\$137,648	\$33,817	\$36,588
Add: Stock-based compensation and related taxes	1,026	986	248	260
Amortization of intangibles	292	430	79	82
<b>Non-GAAP Gross Profit</b>	<b>\$119,756</b>	<b>\$139,064</b>	<b>\$34,144</b>	<b>\$36,930</b>
GAAP Sales and Marketing	\$58,631	\$69,671	\$17,432	\$18,842
Add: Stock-based compensation and related taxes	(1,932)	(2,068)	(540)	(512)
Amortization of intangibles	(1,012)	(1,856)	(293)	(610)
<b>Non-GAAP Sales and Marketing</b>	<b>\$55,687</b>	<b>\$65,747</b>	<b>\$16,599</b>	<b>\$17,720</b>
GAAP Research and Development	\$38,193	\$45,939	\$11,119	\$11,768
Add: Stock-based compensation and related taxes	(4,373)	(4,713)	(1,181)	(1,177)
Amortization of intangibles and acquisition-related costs	-	(426)	-	-
<b>Non-GAAP Research and Development</b>	<b>\$33,820</b>	<b>\$40,800</b>	<b>\$9,938</b>	<b>\$10,591</b>
GAAP General and Administrative	\$23,544	\$27,795	\$6,912	\$5,972
Add: Stock-based compensation and related taxes	(5,746)	(6,388)	(1,598)	(1,746)
Facilities consolidation gain (costs)	-	(1,402)	-	956
Legal settlement costs	-	-	-	(300)
Amortization of intangibles and acquisition-related costs	-	(1,112)	(801)	-
<b>Non-GAAP General and Administrative</b>	<b>\$17,798</b>	<b>\$18,893</b>	<b>\$4,513</b>	<b>\$4,882</b>
GAAP Operating Income (Loss)	(\$1,930)	(\$5,757)	(\$1,646)	\$6
Add: Stock-based compensation and related taxes	13,077	14,155	3,567	3,695
Amortization of intangibles and acquisition-related costs	1,304	3,824	1,173	692
Facilities consolidation costs (gain)	-	1,402	-	(956)
Legal settlement costs	-	-	-	300
<b>Non-GAAP Operating Profit</b>	<b>\$12,451</b>	<b>\$13,624</b>	<b>\$3,094</b>	<b>\$3,737</b>
GAAP Net (Loss) Income	(\$1,751)	(\$3,655)	\$338	\$271
Add: Stock-based compensation and related taxes	13,077	14,155	3,567	3,695
Amortization of intangibles and acquisition-related costs	1,304	3,824	1,173	501
Facilities consolidation costs (gain)	-	1,402	-	(956)
Legal settlement costs	-	-	-	300
Acquisition related income tax (benefit)	-	(2,133)	(2,043)	-
<b>Non-GAAP Net Income</b>	<b>\$12,630</b>	<b>\$13,593</b>	<b>\$3,035</b>	<b>\$3,811</b>