

Ooma<sup>®</sup>

# Smart Connected Services

Investor Presentation

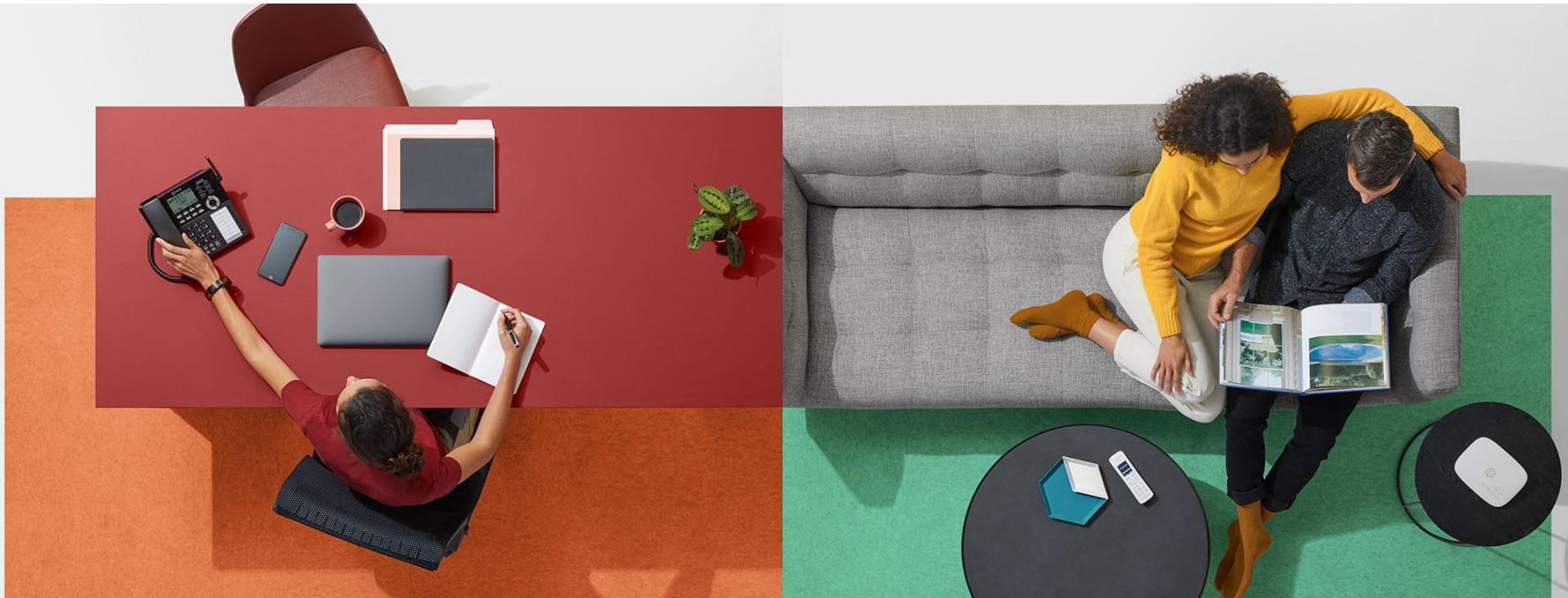
December 4, 2024

# 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 investments made in connection with our international operations; 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 acquisitions. 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 July 31, 2024, filed with the SEC on September 6, 2024. 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

Multi-tenant SaaS platform

Telephony, Messaging, Video, and more

> 1.2 million core users

1,157 employees and contractors

HQ: Sunnyvale, CA

Founded 2003; IPO 2015 NYSE: OOMA

## Revenue\*

\$253 million

+9%

## Adjusted EBITDA\*

\$22 million

+9%

## Recurring Revenue\*

\$234 million

99% retention\*\*

## Recurring Gross Profit Margin\*

72%

\* Revenue, Adjusted EBITDA, Recurring Revenue and Recurring Gross Profit Margin amounts are last four fiscal quarters, and the associated Revenue, Adjusted EBITDA and Recurring Revenue percentages indicate YoY growth for the last four fiscal quarters. Recurring Gross Profit Margin is non-GAAP. Adjustments to EBITDA and other non-GAAP values are described in the Reconciliation of Non-GAAP Financial Measures tables of Ooma earnings releases. Recurring Revenue is Annual Exit Recurring Revenue (AERR); it includes Ooma Business, residential and, beginning the fiscal quarter ended October 31, 2023 (3QF24), 2600Hz.

\*\* Net dollar subscription retention rate as of second quarter ended October 31, 2024.

Note: Our fiscal year ends January 31. Core users exclude 2600Hz and Talkatone users.

# 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 Features Transform Communications

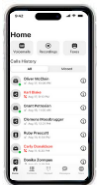
## COMMUNICATE IN MORE PLACES



IP Phone



Desktop App



Mobile Phone

## COMMUNICATE IN MORE WAYS



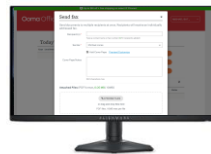
Call



Message & Chat



Video



Virtual Fax

## COMMUNICATE MORE EFFECTIVELY

- PBX Features
- Contact Center
- Customer Engagement<sup>1</sup>
- AI Recording/Transcription
- Vertical Market Solutions<sup>2</sup>
- CRM/Other Integrations
- Analytics

1 – e.g., Caller Info-Search, Online Bookings

2 – e.g., HIPAA, Extended Message Logs

# Our Cost Structure Enables Superior Value

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

(Monthly)

\$15.14



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. Data as of 2QF25 ended July301 2024.

# Our Platform Drives Customer Satisfaction

## 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

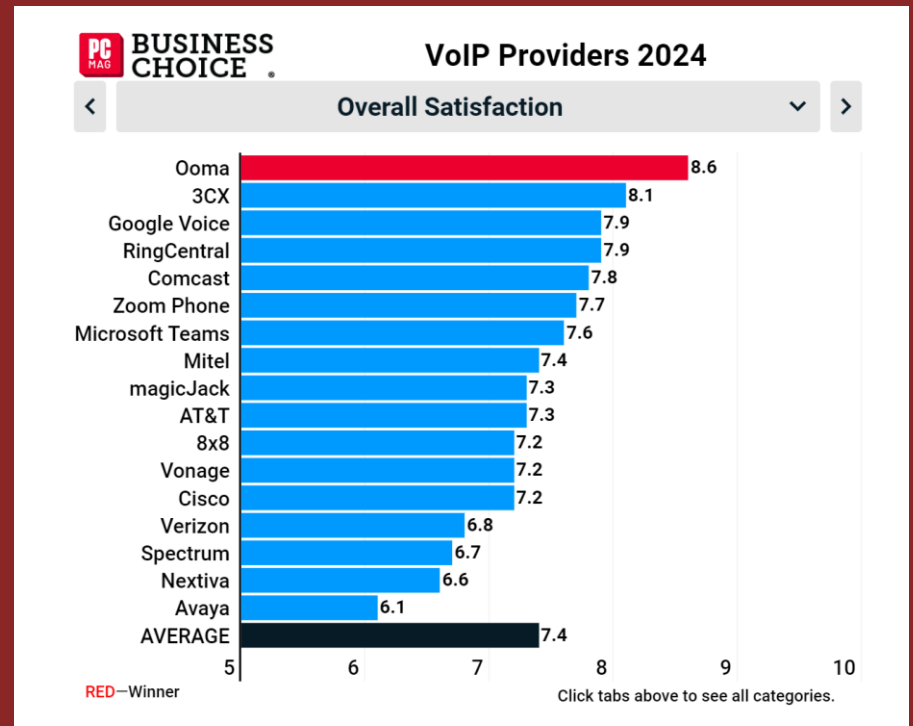




# Customers Rate Ooma #1



#1 Ranked by Readers  
11 Years in a Row



Ooma has been rated  
the top phone service by  
Consumer Reports.

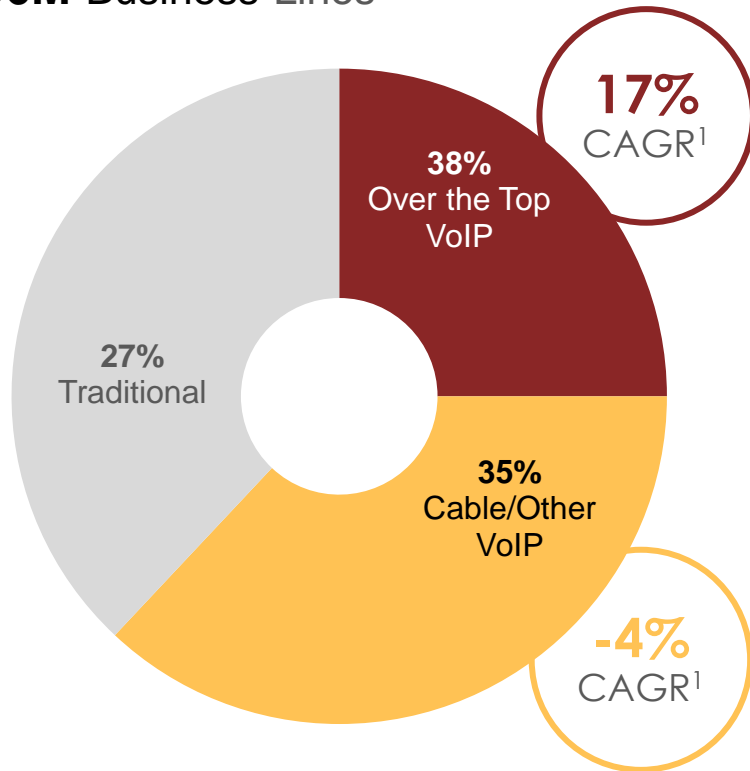
*Consumer Reports does not endorse products or services.*

# Massive Market Transformation Underway

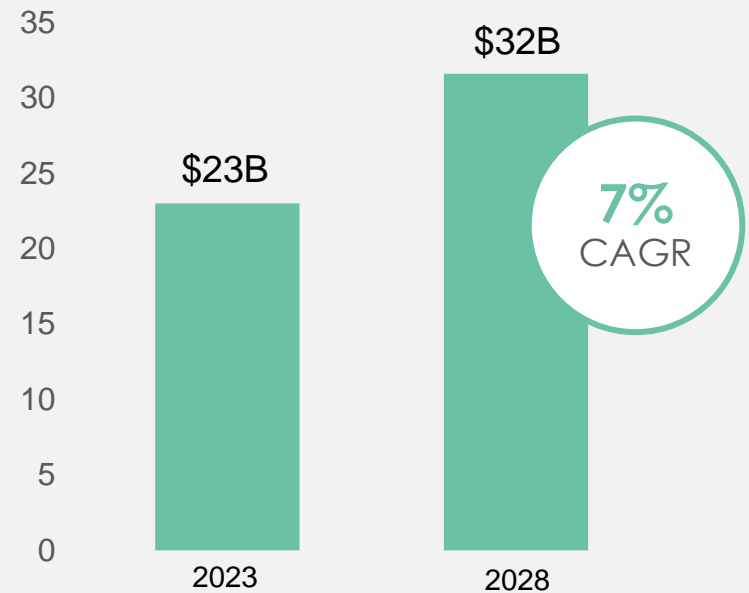
## North American Business Market

## Growth Opportunity

**56M** Business Lines<sup>1</sup>



Worldwide hosted voice/UC public cloud (UCaaS) market<sup>1</sup>



<sup>1</sup> Estimate based on: FCC Voice Telephone Services as of December 31, 2023, published November 2024; CRTC Data - Telecommunications sector, updated October 2024; Ooma internal estimates; and IDC data as of May 2024. Compound annual growth rates are for 2020 – 2023, except for IDC data, which are for the values displayed (2023-2028).

# Our Reach Extends to Two Large New Markets

## POTS (COPPER LINE) REPLACEMENT



*Solves critical infrastructure problem*

**>10 million line U.S. market opportunity<sup>1</sup>**

## WHOLESALE SOLUTIONS



*Wholesale platform for carriers/others*

**Worldwide market, 50+ million users<sup>2</sup>**

1. IDC, April 2022, *Impending Copper Sunset Could Leave Critical Infrastructure in the Dark*.
2. Internal estimate based on industry reports and other sources, including data contained in press releases issued by Netsapiens (April 16, 2024) and Cisco Systems, Inc. (May 5, 2023).

# AirDial: Solving POTS (Copper) Line Replacement



- Reduce costs
- Sustain existing equipment
- Specialized Features:
  - Remote Management
  - Automated Alerts
  - Multipath Technology for Seamless Failover

## Common Applications



Elevators



Fire Alarm Panels



Security Panels



PBX Trunks



Gate Phones



Blue Light Phones



Boiler Room Alarms

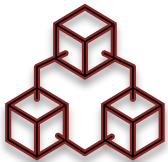
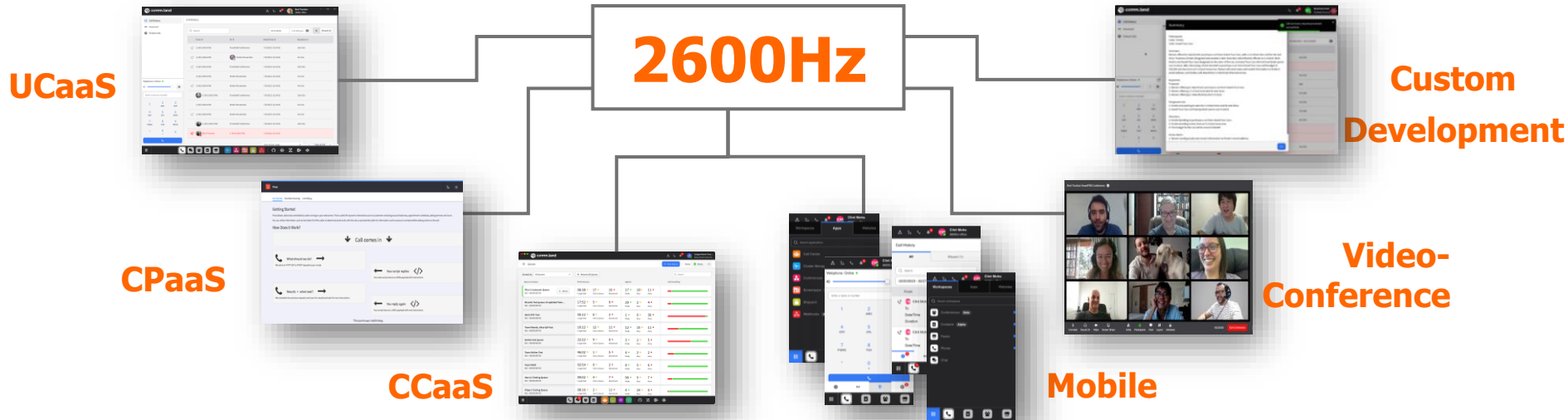


High Volume Fax



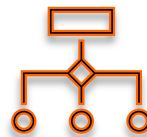
Door Entry Intercoms

# 2600Hz: The Modern Platform For The Future



100% API-Driven

Everything from server orchestration to voice, video, and chat is API-driven



Multi-Tenant Architecture

End user, admin, and back-office services in an architecture with true georedundancy and scalability



Low-Cost  
Operating Model

Low-cost cloud model plus the alternative for the user to host

# Integrated Growth Strategy



**73%<sup>1</sup>**  
Net Promoter  
Score



Advertising

Direct Sales



Ooma<sup>®</sup>

Customer  
Satisfaction  
and Referrals

Resellers  
and Partners



Geographic  
Expansion<sup>2</sup>

Retailers



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

<sup>2</sup>Ooma Now Serves Customers in 32 Countries

# Significant Growth Drivers

Small businesses with underserved needs



Large businesses with custom requirements



Businesses stranded by copper line sunset



Telecom resellers modernizing their platform



Geographic expansion



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

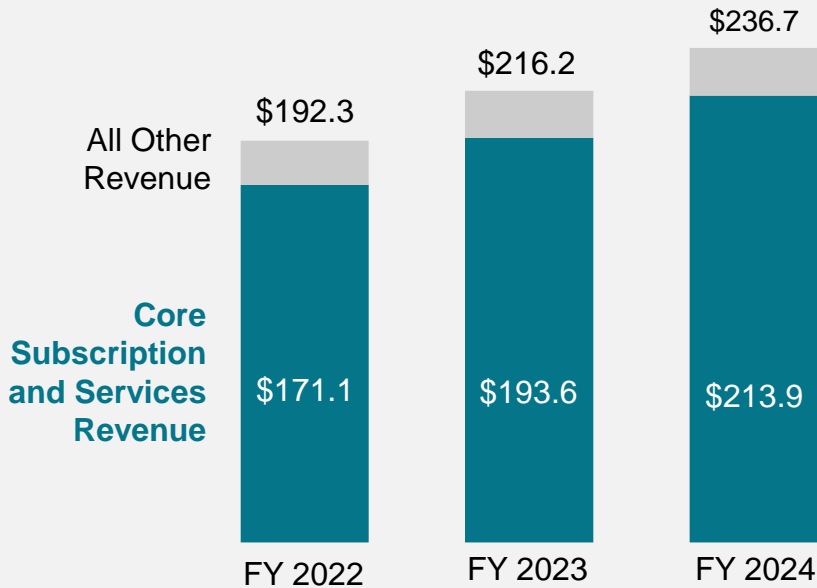
# Financial Overview



# Consistent Revenue Performance

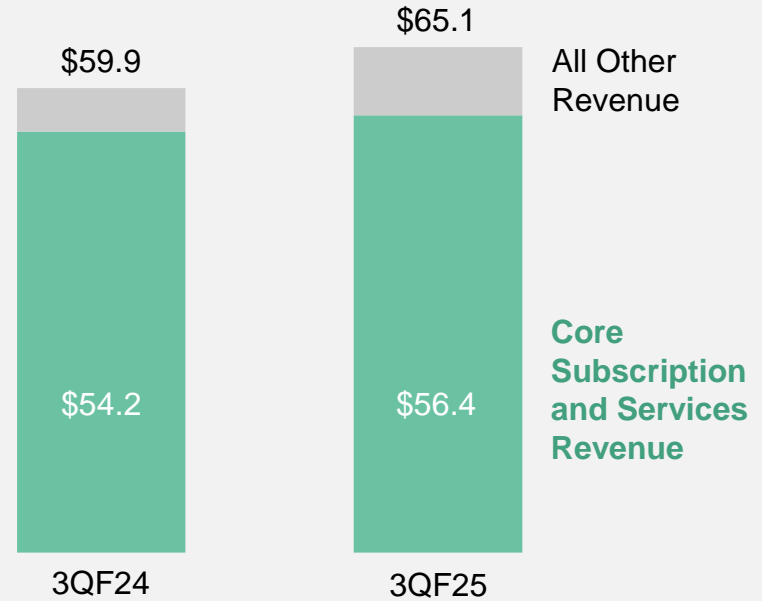
## ANNUAL REVENUE

(in millions)



## QUARTERLY REVENUE

(in millions)

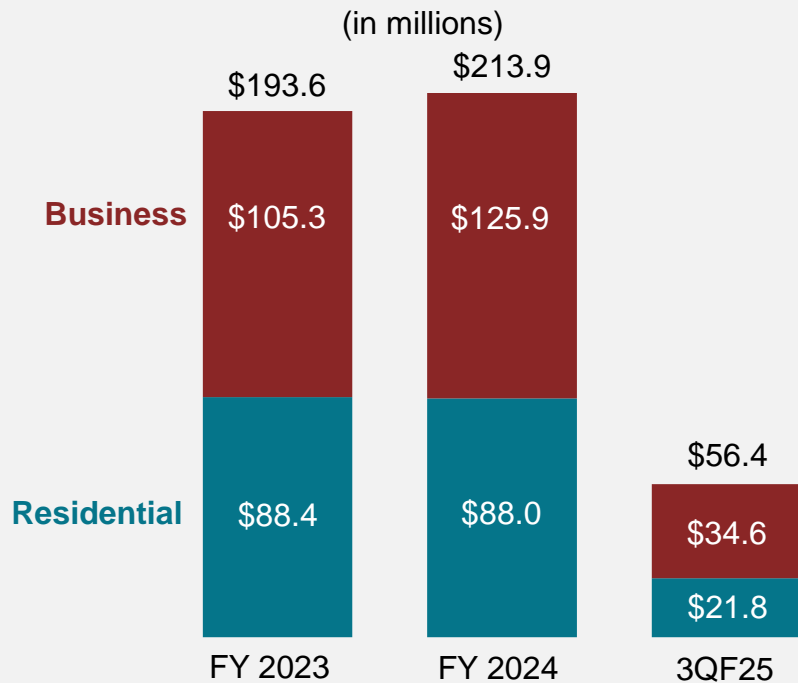


Business Subscription and Services revenue, including 2600Hz, was 62% of overall subscription and services revenue in 3QF25.

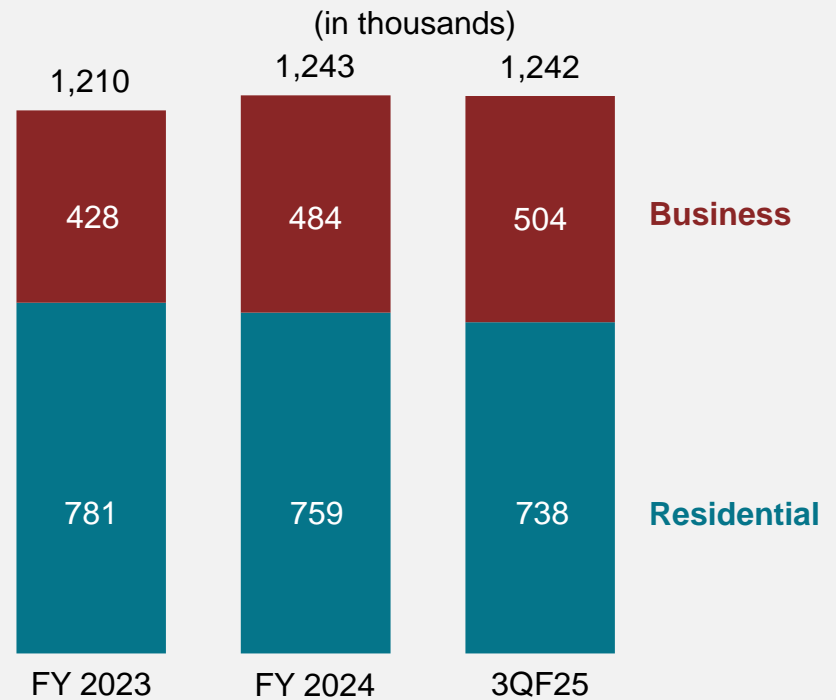
Core Subscription & Services Revenue includes Ooma Business, which is the combined revenue of Office, Enterprise, AirDial and OnSIP, and Residential. All other revenue includes product sales, 2600Hz and Talkatone. Overall Subscription and Services revenue includes Ooma Business, Residential, 2600Hz and Talkatone.

# Ooma Business Drives Growth

## CORE SUBSCRIPTION AND SERVICES REVENUE



## CORE USERS



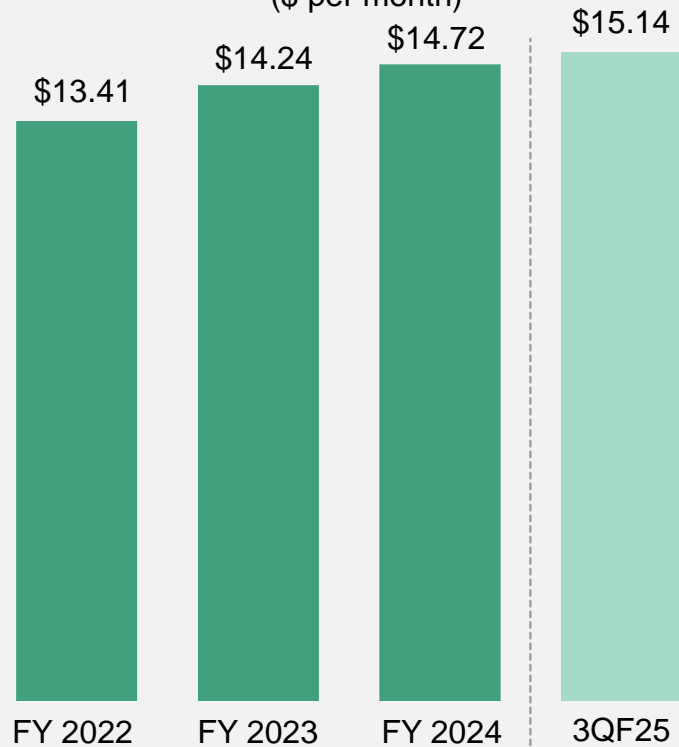
Core Business Subscription and Services Revenue Growth (YoY) was 7% in 3QF25.

Core Subscription & Services Revenue includes revenue provided by core users of Ooma Business, which is the combined revenue of Office, Enterprise, AirDial and OnSIP, and Ooma Residential. 2600Hz and Talkatone are excluded from core Subscription and Services Revenue.

# Key Metrics

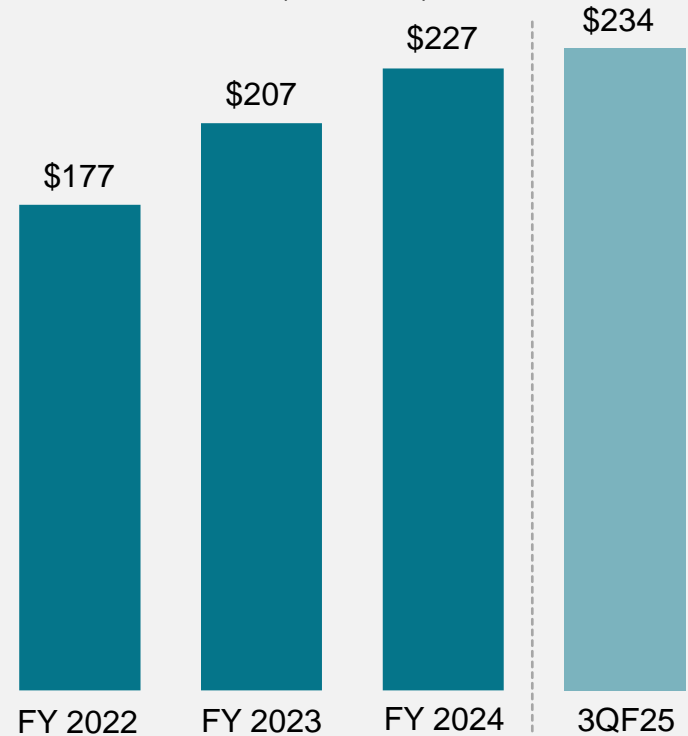
## ARPU

(\$ per month)



## AERR

(\$ millions)

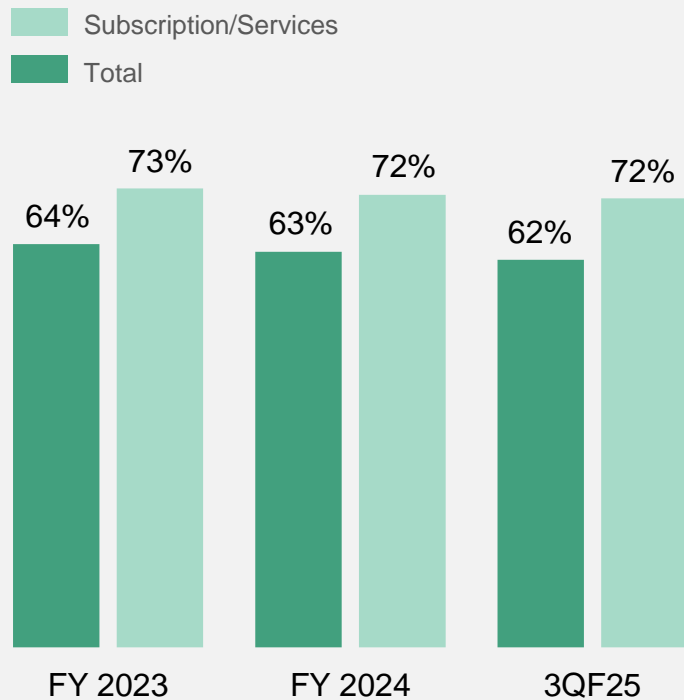


**Monthly Business ARPU ~\$23, Monthly Residential ARPU ~\$9**

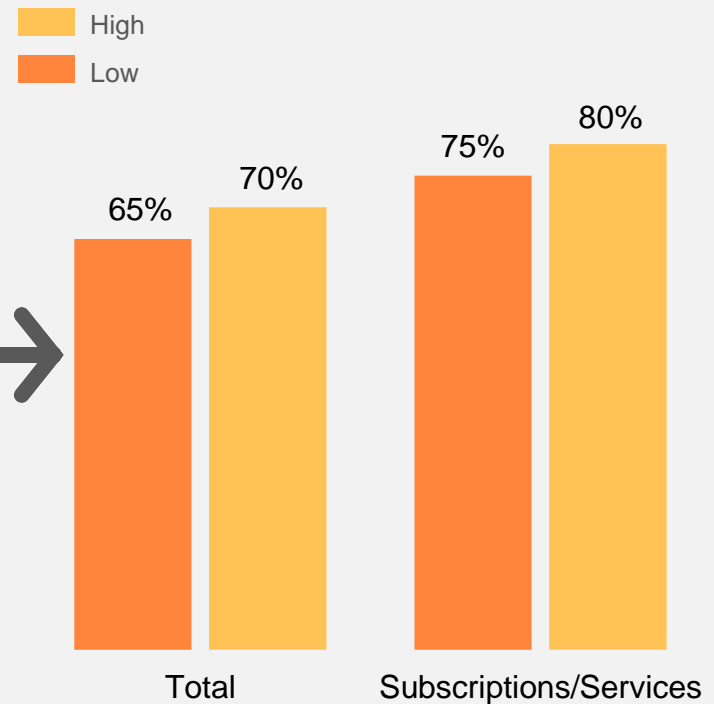
Average Revenue Per User (ARPU) is blended monthly average subscription and services revenue per core user/seat. ARPU does not include Talkatone or 2600Hz. Annual Exit Recurring Revenue (AERR) includes Ooma Business, residential and, beginning 3QF24, 2600Hz. Talkatone revenue is not considered recurring and not included in AERR. ARPU and AERR shown represent data for the fourth quarter of each fiscal year presented.

# Robust Gross Margin

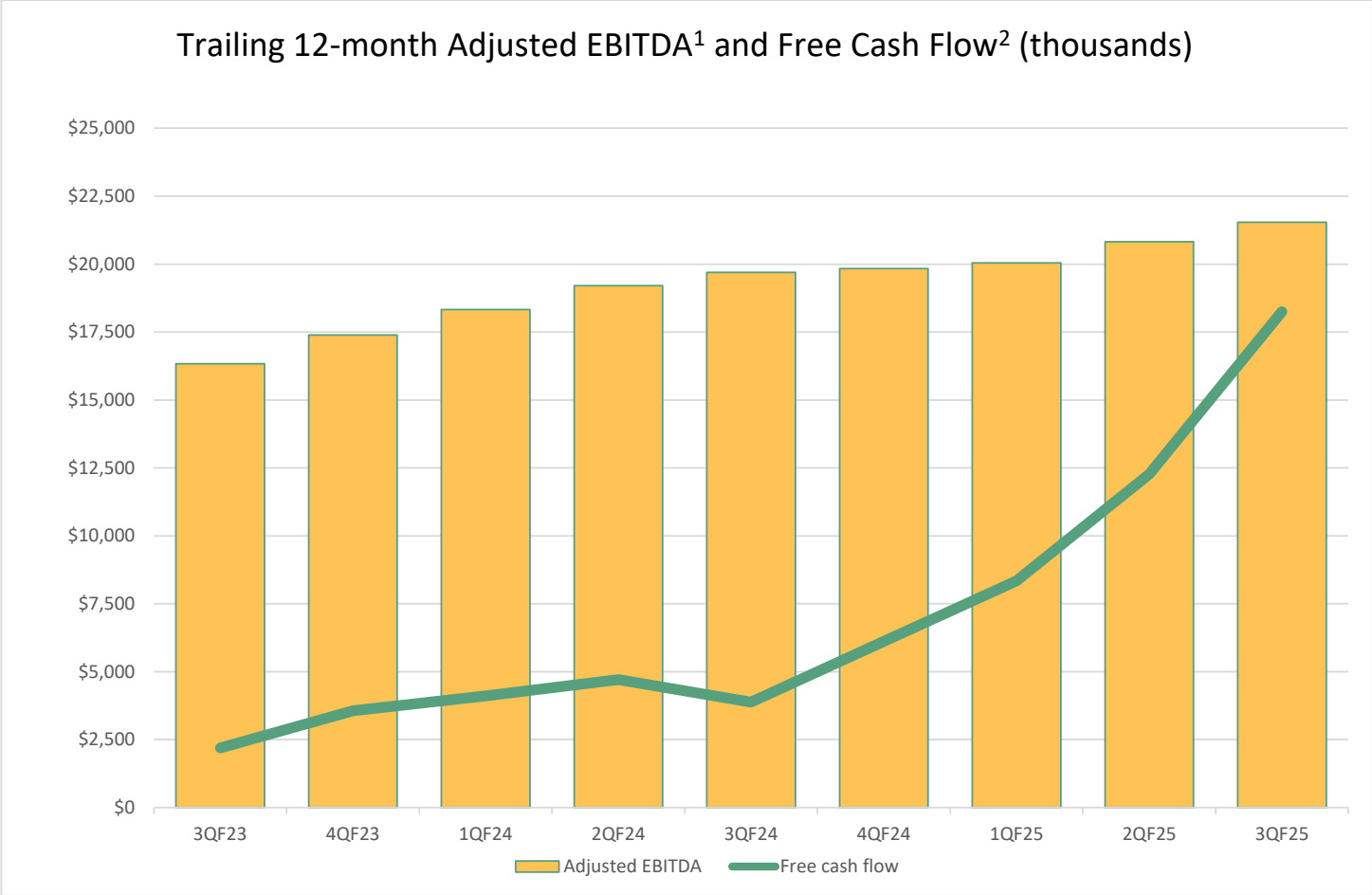
## HISTORICAL GROSS MARGIN RANGES



## LONG TERM TARGET GROSS MARGIN RANGES



# Growing Adjusted EBITDA & Free Cash Flow



1. Adjustments to EBITDA are described in the Reconciliation of Non-GAAP Financial Measures tables of Ooma earnings releases. Values are trailing twelve month amounts for each quarter presented.  
 2. Free cash flow is defined as cash flow from operations minus capital expenditures.

# Financial Position Summary

(\$ millions)	FY 2023	FY 2024	3QF25
<b>Cash and Investments</b>	\$26.9	\$17.5 <sup>1</sup>	\$17.1
<b>Debt</b>	\$0.0	\$16.0 <sup>2</sup>	\$3.0 <sup>3</sup>
<b>Cash from Operations</b>	\$8.8	\$12.3	\$8.1
<b>Capital Spending</b>	(\$5.2)	(\$6.2)	(\$1.6)
<b>Adjusted EBITDA</b>	\$17.4	\$19.8	\$5.7

1. During 3QF24 Ooma acquired 2600Hz for approximately \$33.0 million cash, which was paid during the second half of FY24.

2. The 2600Hz acquisition was partially financed by a \$30.0 million revolving line of credit that was established during 3QF24.

3. Debt fully paid off subsequent to 3QF25.

# Target Model (Non-GAAP)

(% revenue)	Actual Results			Targets	
	FY 2023	FY 2024	3QF25	Mid-Term (1-2 Year)	Long-Term
<b>Subscription &amp; Services Gross Margin</b>	73%	72%	72%	73%-74%	75% - 80%
<b>Overall Gross Margin</b>	64%	63%	62%	63%-64%	65% - 70%
<b>Sales &amp; Marketing</b>	31%	29%	27%	28%-29%	20% - 25%
<b>Research &amp; Development</b>	19%	19%	19%	15%-17%	12% - 15%
<b>General &amp; Administrative</b>	9%	9%	9%	7%-8%	6% - 8%
<b>Adjusted EBITDA</b>	<b>8%</b>	<b>8%</b>	<b>9%</b>	<b>10-12%</b>	<b>20% - 25%</b>

Ooma<sup>®</sup>

Thank You.



# GAAP to Non-GAAP Reconciliation

\$ Thousands	FY 2023	FY 2024	3QF24	3QF25
GAAP Gross Profit	\$137,648	\$147,232	\$36,939	\$39,270
<i>Add: Stock-based compensation and related taxes</i>	986	1,026	260	248
Amortization of intangibles	430	1,151	173	708
Restructuring charges	-	-	-	39
<b>Non-GAAP Gross Profit</b>	<b>\$139,064</b>	<b>\$149,409</b>	<b>\$37,372</b>	<b>\$40,265</b>
GAAP Sales and Marketing	\$69,671	\$73,503	\$17,912	\$19,223
<i>Add: Stock-based compensation and related taxes</i>	(2,068)	(2,276)	(511)	(985)
Amortization of intangibles	(1,856)	(2,559)	(620)	(698)
Restructuring costs	-	(14)	-	(57)
<b>Non-GAAP Sales and Marketing</b>	<b>\$65,747</b>	<b>\$68,654</b>	<b>\$16,781</b>	<b>\$17,483</b>
GAAP Research and Development	\$45,939	\$49,935	\$12,540	\$14,234
<i>Add: Stock-based compensation and related taxes</i>	(4,713)	(4,876)	(1,217)	(1,404)
Restructuring costs	-	(450)	-	(756)
Acquisition-related costs	(426)	-	-	-
<b>Non-GAAP Research and Development</b>	<b>\$40,800</b>	<b>\$44,609</b>	<b>\$11,323</b>	<b>\$12,074</b>
GAAP General and Administrative	\$27,795	\$27,795	\$7,505	\$8,099
<i>Add: Stock-based compensation and related taxes</i>	(6,388)	(6,932)	(1,778)	(1,938)
Amortization of intangibles and acquisition-related costs	(1,112)	(884)	(408)	-
Facilities consolidation gain (costs)	(1,402)	956	-	-
Legal settlement costs	-	(300)	-	-
Restructuring costs	-	(13)	-	(17)
Litigation costs	-	-	-	(75)
<b>Non-GAAP General and Administrative</b>	<b>\$18,893</b>	<b>\$20,622</b>	<b>\$5,319</b>	<b>\$6,069</b>
GAAP Operating Income (Loss)	(\$5,757)	(\$4,001)	(\$1,018)	(\$2,286)
<i>Add: Stock-based compensation and related taxes</i>	14,155	15,110	3,766	4,575
Amortization of intangibles and acquisition-related costs	3,824	4,594	1,201	1,406
Facilities consolidation costs (gain)	1,402	(956)	-	-
Restructuring costs	-	477	-	869
Legal settlement costs	-	300	-	-
Litigation costs	-	-	-	75
<b>Non-GAAP Operating Profit</b>	<b>\$13,624</b>	<b>\$15,524</b>	<b>\$3,949</b>	<b>\$4,639</b>
GAAP Net (Loss) Income	(\$3,655)	(\$835)	\$2,285	(\$2,364)
<i>Add: Stock-based compensation and related taxes</i>	14,155	15,110	3,766	4,575
Amortization of intangibles and acquisition-related costs	3,824	4,403	1,201	1,406
Facilities consolidation costs (gain)	1,402	(956)	-	-
Restructuring costs	-	477	-	869
Legal settlement costs	-	300	-	-
Litigation costs	-	-	-	75
Acquisition related income tax (benefit)	(2,133)	(3,131)	(3,234)	-
<b>Non-GAAP Net Income</b>	<b>\$13,593</b>	<b>\$15,368</b>	<b>\$4,018</b>	<b>\$4,561</b>