



Smart Connected Services

Investor Presentation

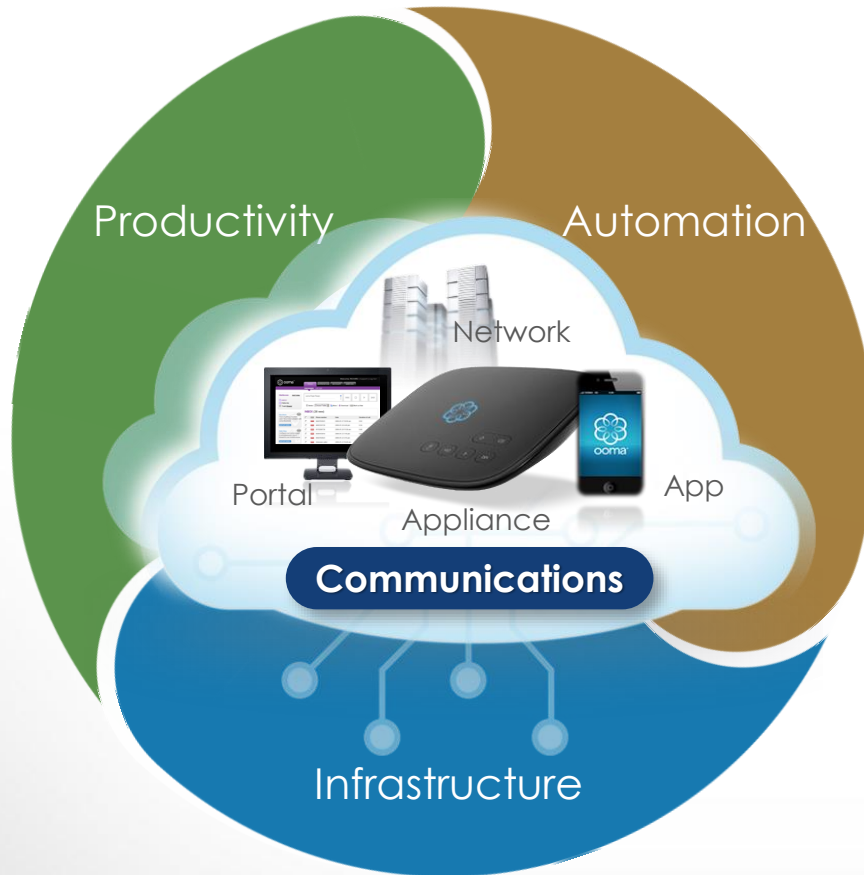
Information as of
August 28, 2018

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: inability to attract new customers on a cost-effective basis; our inability to retain customers; 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; our limited operating history; and interruptions to our service. 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.

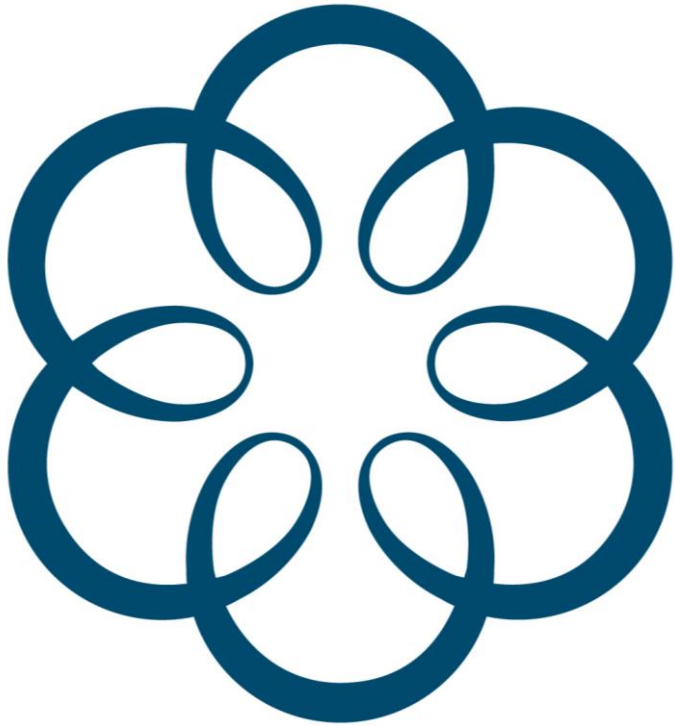
The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in our filings with the Securities and Exchange Commission, including the risk factors contained in our quarterly filing form 10Q for the period ended April 30, 2018, filed with the SEC on or about June 8, 2018. 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.



www.ooma.com

Ooma is a cloud/SaaS provider of telecommunications and other connected services, with solutions for business, home, and mobile users

Company Overview



Founded 2004

HQ: Sunnyvale, California

IPO in 2015, NYSE: OOMA

Multi-tenant SaaS platform

~955k Core Users

~90% Recurring revenue

~100% Recurring Revenue Retention

650+ employees/contractors

Investment Highlights



Massive Connected Services Opportunity

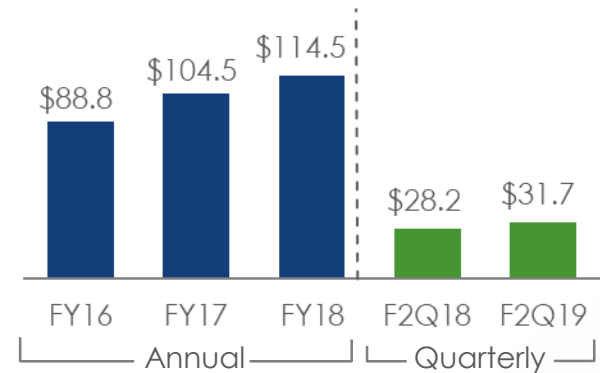
Unique Hybrid SaaS Platform Solution

Disruptive Cloud Communications and Other Connected Services

Efficient Integrated Go to Market Strategy

Predictable SaaS Subscription Business/Financial Model

Total Revenue
(in millions)



Core User Recurring Revenue
(in millions)



1: Core users include home user accounts and business user extensions.

Mega Trends Drive Our Business



Cloud Communications

“Traditional methods for voice are ripe for replacement.” - Macquarie

SMB SaaS

“SMBs are expanding the SaaS market opportunity for vendors.” - JPMorgan

IoT

“The Internet of Things represents huge potential ... need for more ... systems to deploy, manage and make use of ... devices.” - IDC



Disruptive Cloud Communications Opportunity

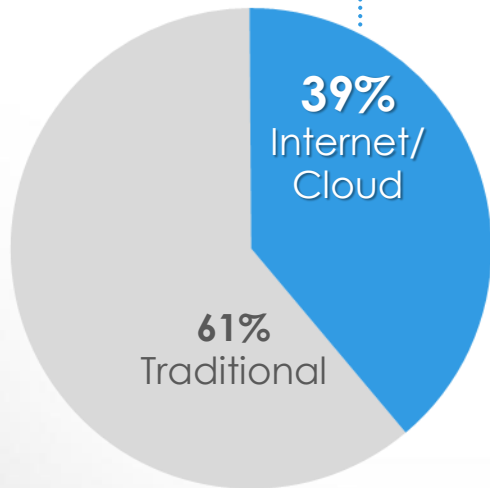


Business



62M Business Lines in North America

30%
CAGR¹

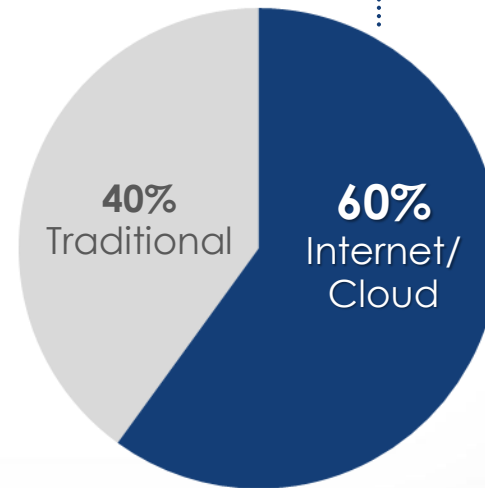


Home



74M Home Lines in North America

2%
CAGR¹

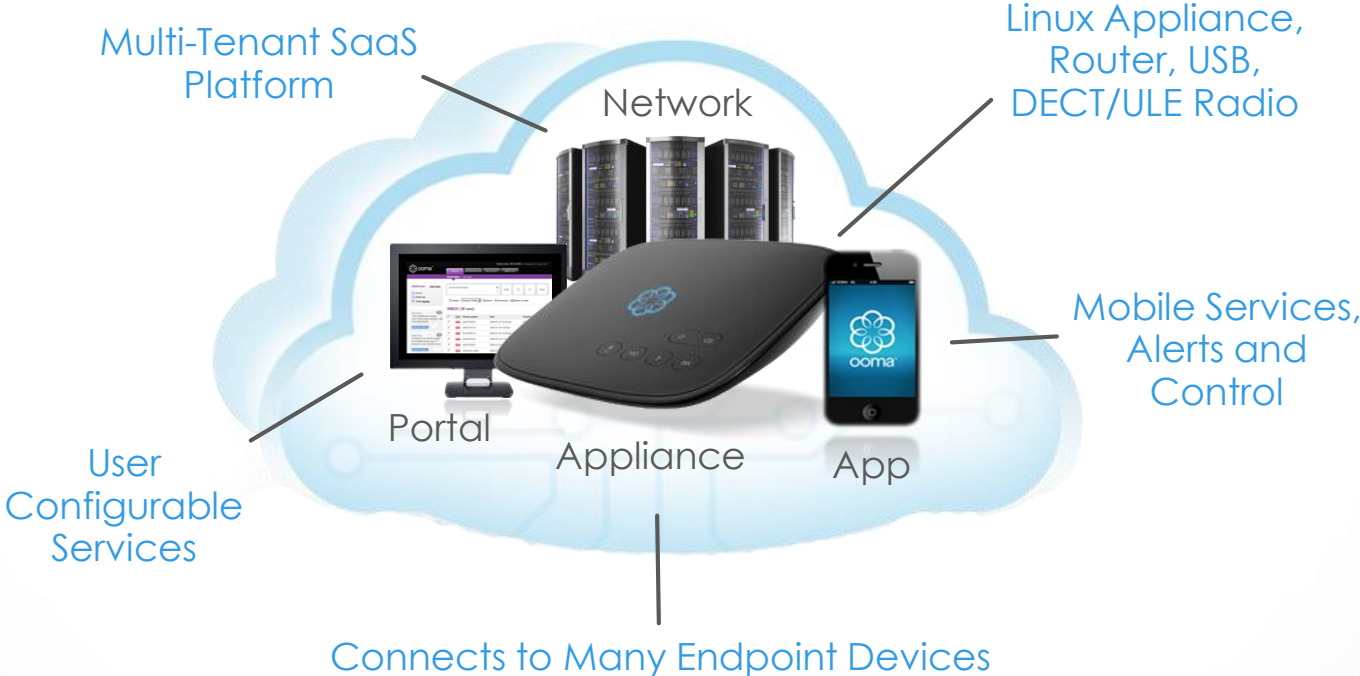


We Target Communications to Drive Adoption of the Ooma Platform

1: 2013 - 2016

Source: FCC Voice Telephone Services: Status as of December 31, 2016, CRIC Communications Monitoring Report 2016, IDC; U.S. Consumer Landline Voice Services 2014-2018 Forecast

Unique SaaS Platform



Integrated, Managed Platform Enabling Both Communications and Other Connected Services

Competitive Advantages



Breakthrough Voice
Quality

- Proprietary PureVoice Technology

Innovative Services

- Unique Applications that Create Customer Interest and Stickiness

Enhanced User
Experience

- Plug-and-Play Solutions, Diagnostics and New Service Upgrades

Superior Value

- Disruptive Low Cost Calling Architecture

Customers Rate Ooma #1



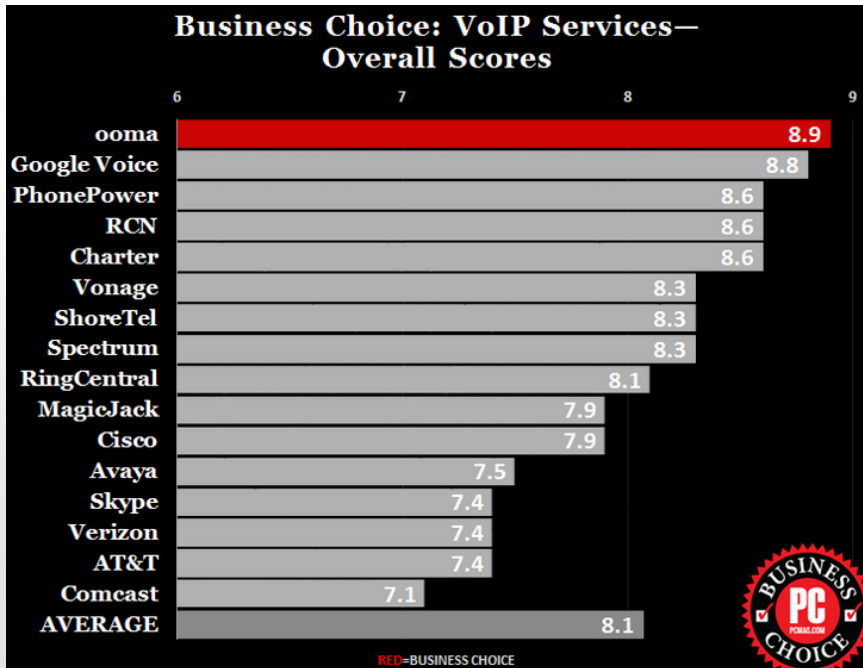
Office

#1 Ranked by Readers
5 Years in a Row



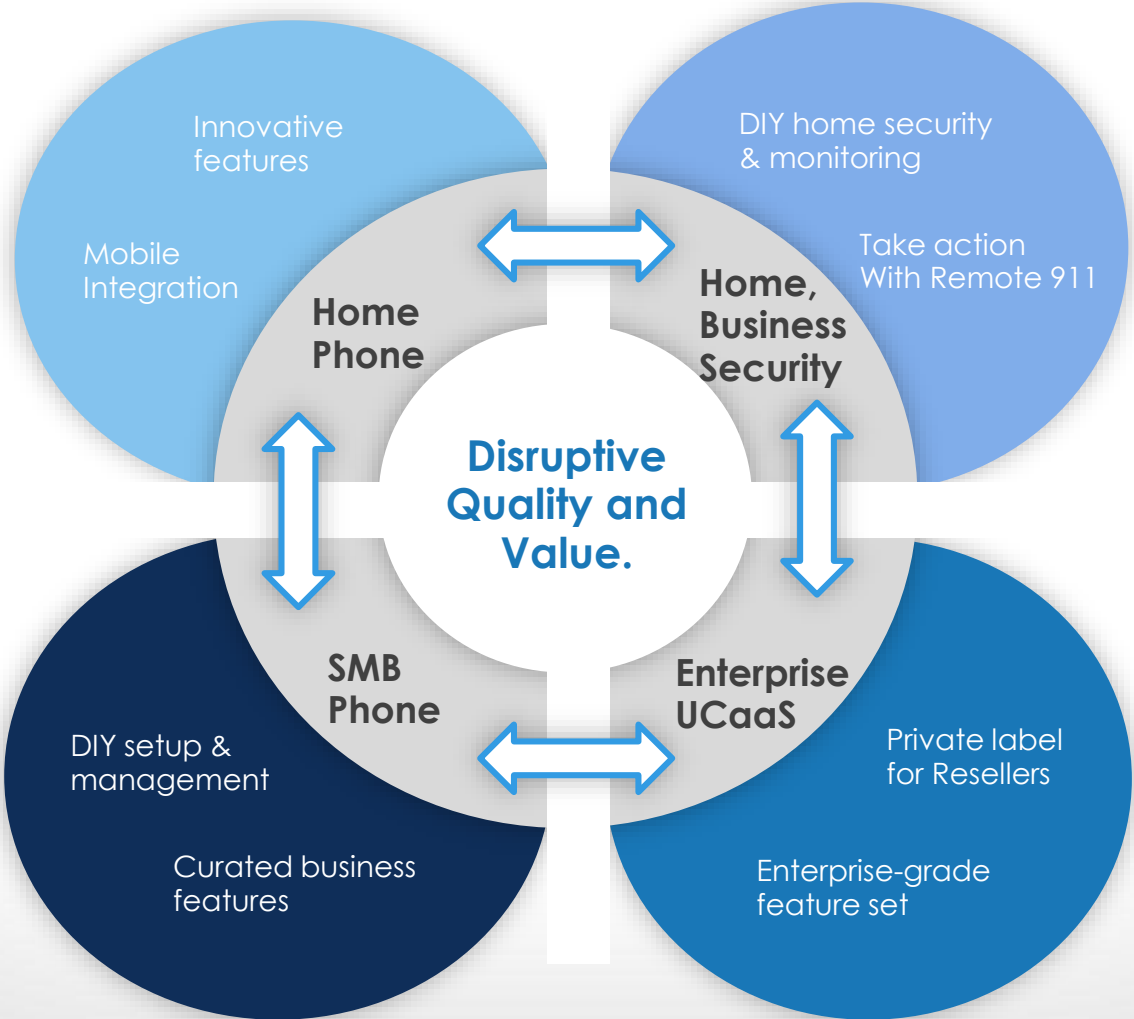
Home

Top Ranked by Readers
in last 7 surveys, including
2018



Order	Type	Provider	Reader score		Survey results			
			0	100	Value	Reliability	Call quality	Support
1	VoIP	Ooma	88	100	●	●	●	●
2	VoIP	WOW	82	100	●	●	●	●
3	VoIP	Vonage	81	100	●	●	●	●
4	VoIP	SuddenLink	78	100	●	●	●	●
5	VoIP	MagicJack	78	100	●	●	●	●
6	VoIP	Bright House Networks	77	100	●	●	●	●
7	fiber	Verizon FIOS	76	100	●	●	●	●
8	VoIP	RCN	75	100	●	●	●	●
9	VoIP	Cablevision/Optimum	75	100	●	●	●	●
10	VoIP	Cox	74	100	●	●	●	●
11	land	Cincinnati Bell	73	100	●	●	●	●
12	land	Cox	73	100	●	●	●	●
13	land	TDS	73	100	●	●	●	●
14	VoIP	Charter	72	100	●	●	●	●
15	fiber	AT&T U-verse	72	100	●	●	●	●
16	fiber	CenturyLink	72	100	●	●	●	●
17	land	Windstream	70	100	●	●	●	●
18	land	Verizon	70	100	●	●	●	●
19	land	FairPoint	70	100	●	●	●	●
20	VoIP	Time Warner Cable	69	100	●	●	●	●
21	fiber	Frontier	69	100	●	●	●	●
22	land	CenturyLink	69	100	●	●	●	●
23	VoIP	Comcast/Xfinity	69	100	●	●	●	●
24	land	Frontier	68	100	●	●	●	●
25	land	AT&T	67	100	●	●	●	●

Ooma Ecosystem



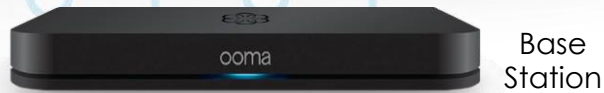
SMB Phone: Ooma Office



Business Services

- Virtual Receptionist
- Music-on-Hold
- Voicemail
- Call Transfers
- eFax
- Conferencing
- Call Forwarding
- Ring Groups
- Mobile Apps

And More!



Base Station



IP Phones



Analog Fax



Analog Phones

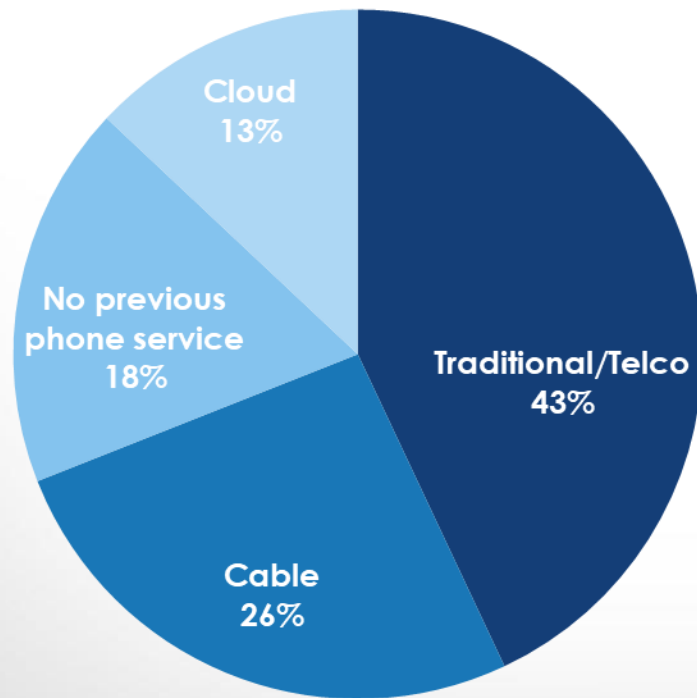
- Suite of user configurable cloud PBX features
- Broadest Solution Available
- Eliminates expensive specialist IT support
- Makes small businesses sound like big businesses

Small Businesses Are Switching From Traditional/Cable Phone Service



Previous Phone Service

%



Reasons For Purchasing Ooma Office

1. Cost Savings/Unlimited Nationwide calling
2. Easy to Install/Simple to Configure
3. Uses regular (existing) phones
4. Powerful Features
5. Great Voice Quality

Source: Ooma Survey for Feb. 2017 – Jan. 2018

Enterprise UCaaS: Ooma Enterprise



Enterprise Services

- Integrations
- Rich Telephony
- Contact Center
- Global Service
- Mobile Apps
- Collaboration
- High Availability
- Tailored Desk phone Experience
- Reporting

And More!

- Enterprise Targeted Solution
- Enhanced Quality Of Service
- Bespoke Solutions
- White Label with Partners



IP Phones

Home Phone: Ooma Telo



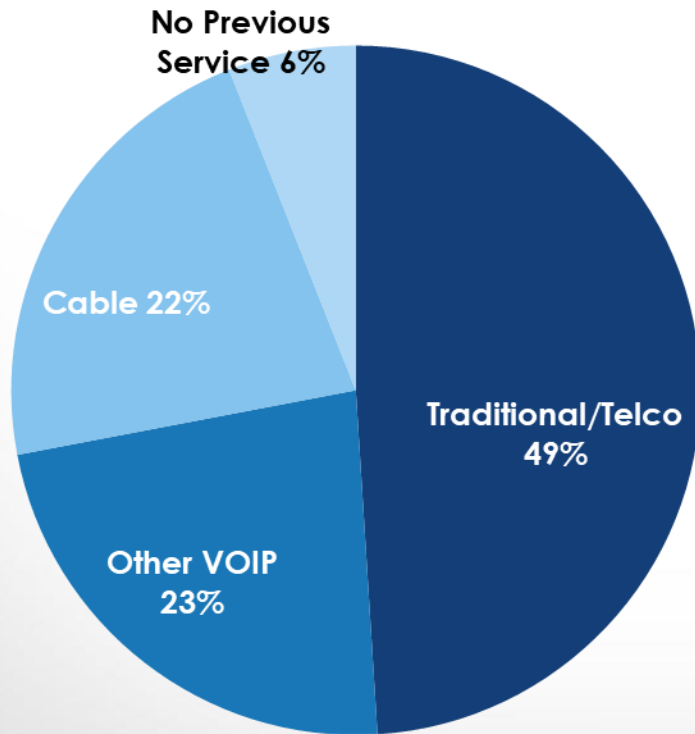
- Free home phone service, just pay taxes and fees
- Innovative Premier features
- Ideal for families with children, multi-generational households, homes with in-home businesses, second homes, and anyone who cares about safety

Homes Are Switching From Traditional/Cable Phone Service



Previous Phone Service

%



Reasons For Purchasing Ooma Telo

1. Free Calling/No More Phone Bills
2. Uses Existing Home Phones
3. Easy Installation
4. Great Voice Quality
5. Bundled Calling Features/Premier Features

Home Security: Ooma Home



Security Services

Remote 911
Automatic Arm/Disarm
Phone call Alerts
Text & Push Notifications

Facial Recognition
Video Battery Backup
Video On-board Memory
DIY Installation

And More!

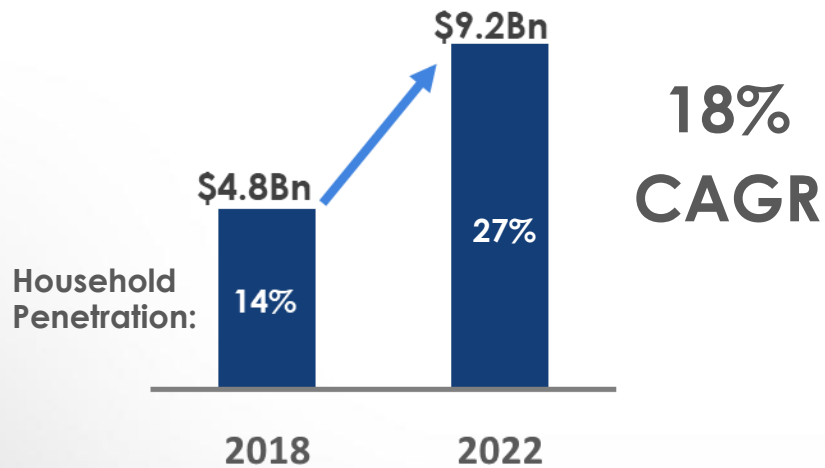


- Do-it-yourself home security that leverages the Ooma Telo
- Rich notifications
- Remote 911 for emergency response from anywhere
- Video with A.I. Facial Recognition
- Unique wireless technology

Smart Home Growth Opportunity



Smart Home Security Market Growth* North America



Ooma Opportunity

- Large, growing market
- Unique integrated solution
- Leverage existing platform/customers
- Disrupt expensive traditional security

*Source: <https://www.statista.com/outlook/281/104/security/north-america#market-revenue>

Integrated Growth Strategy



Efficient Marketing

TV / Traditional Media

- Broad Reach
- Low Cost
- Builds Brand Image



Online

Targeted Campaigns

- Directly
- Through Retailers



Social / Word of Mouth

72% Net Promoter Score¹

Cost-Effective Sales

Leading Retailers

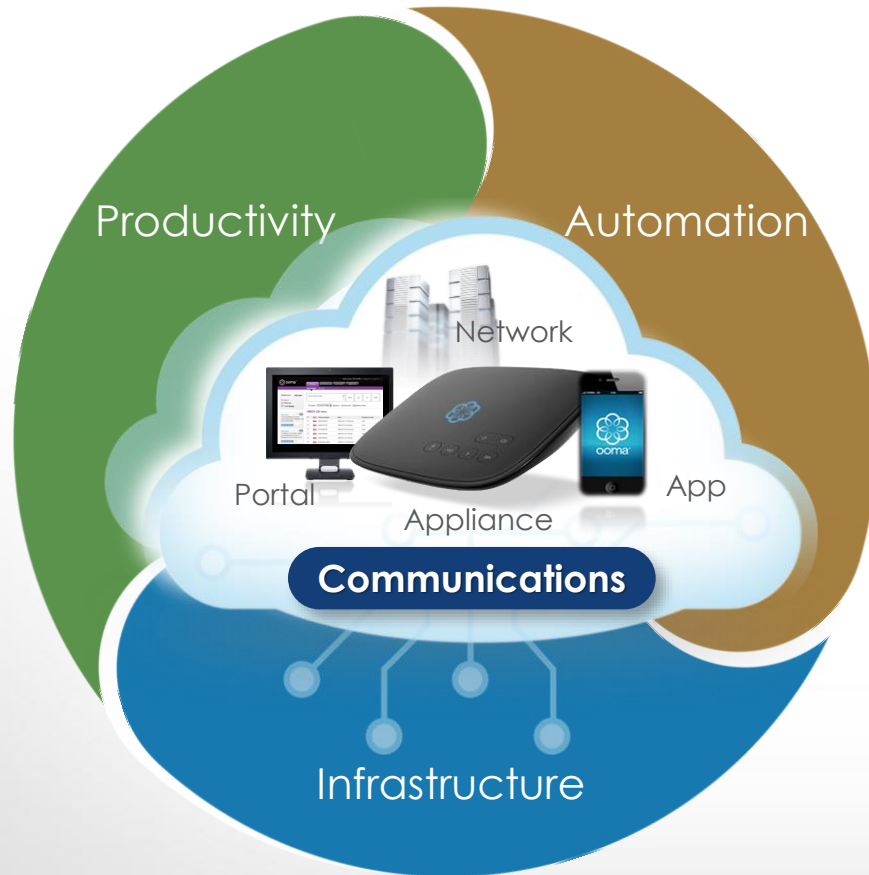


Direct Sales



Resellers And Partners

Growth Drivers



- **SMB/Home Cloud Communications**
- **Enterprise UCaaS**
- **Security and Other Connected Services**
- **International Markets**

Investment Highlights



Massive Connected Services Opportunity

Unique Hybrid SaaS Platform Solution

**Disruptive Cloud Communications and
Other Connected Services**

Efficient Integrated Go to Market Strategy

Predictable SaaS Subscription Business/Financial Model

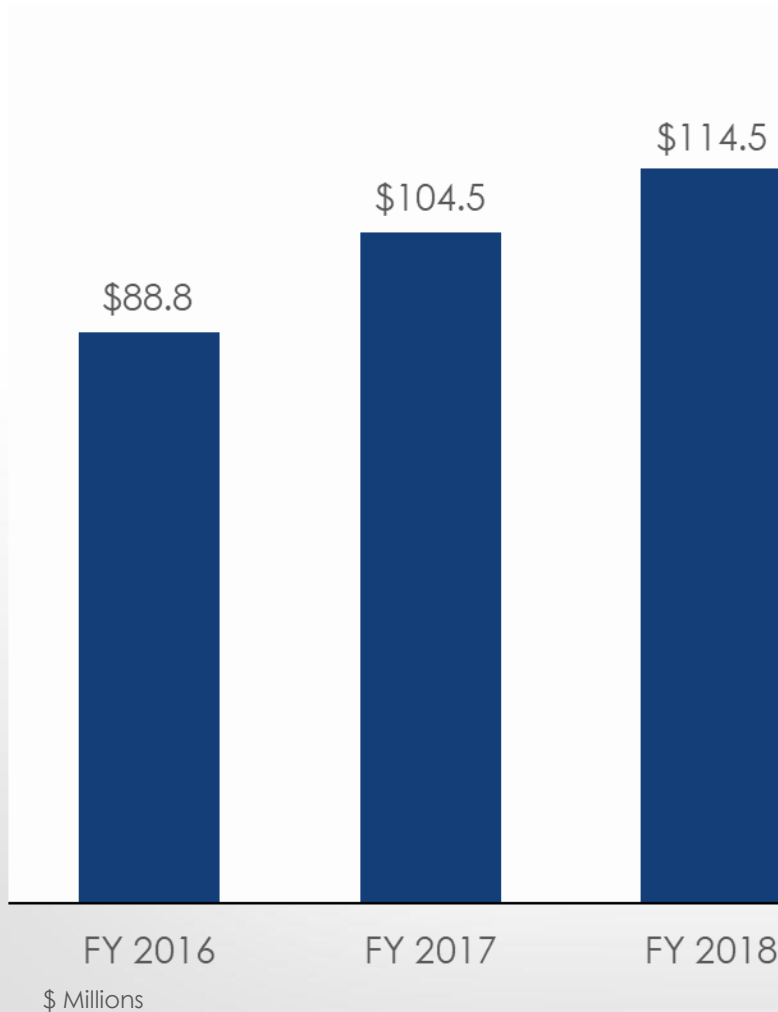


Financial Overview

Consistent Revenue Growth

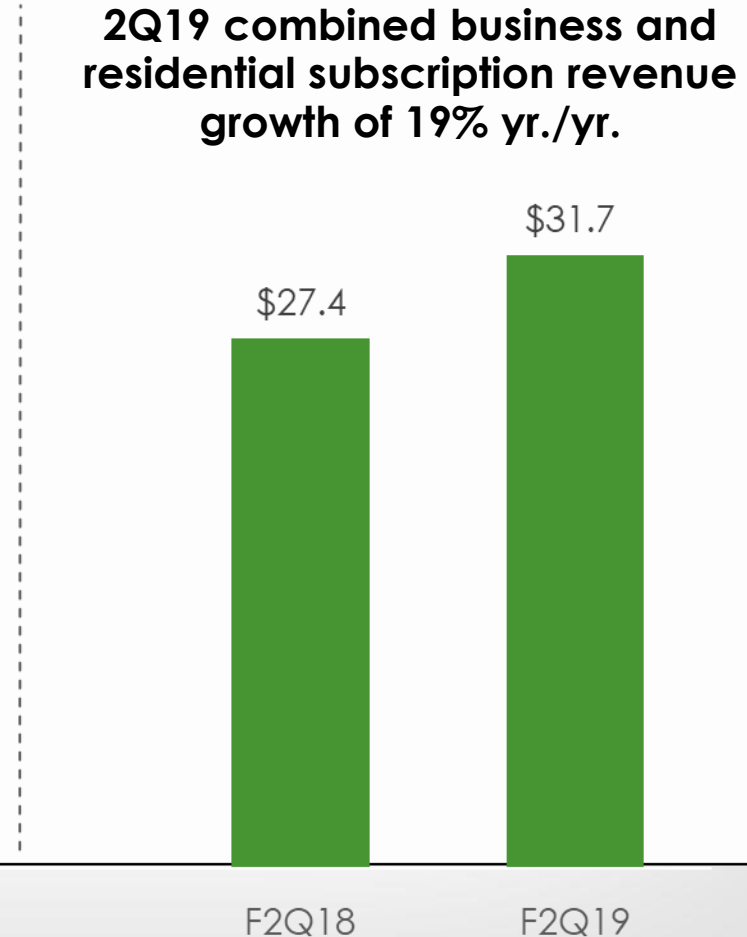


Annual Revenue



Quarterly Revenue

2Q19 combined business and residential subscription revenue growth of 19% yr./yr.

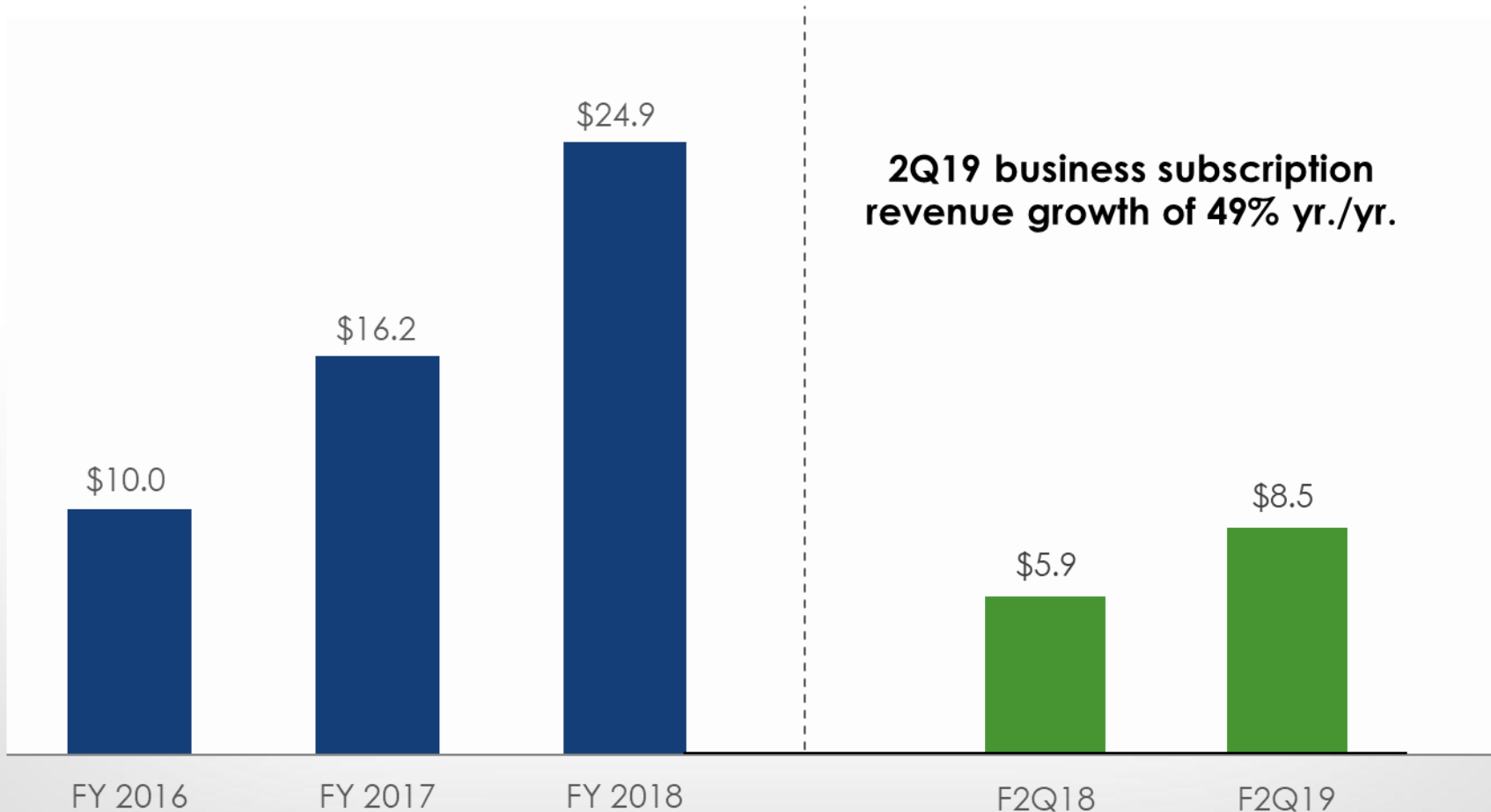


Strong Business Revenue Growth



Annual Revenue

Quarterly Revenue



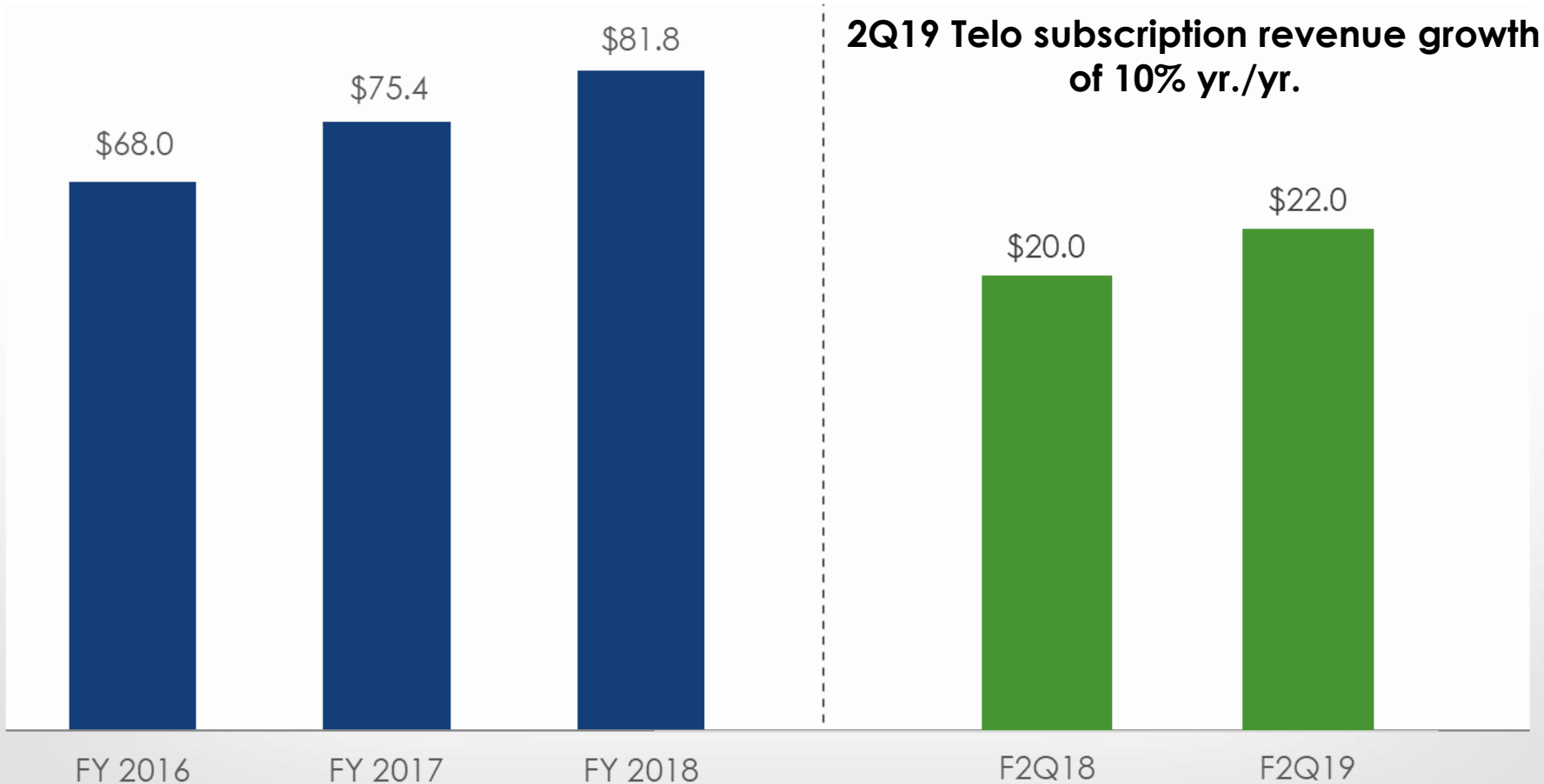
\$ Millions, including subscription and product revenue for Ooma Business

Residential Growth Continues



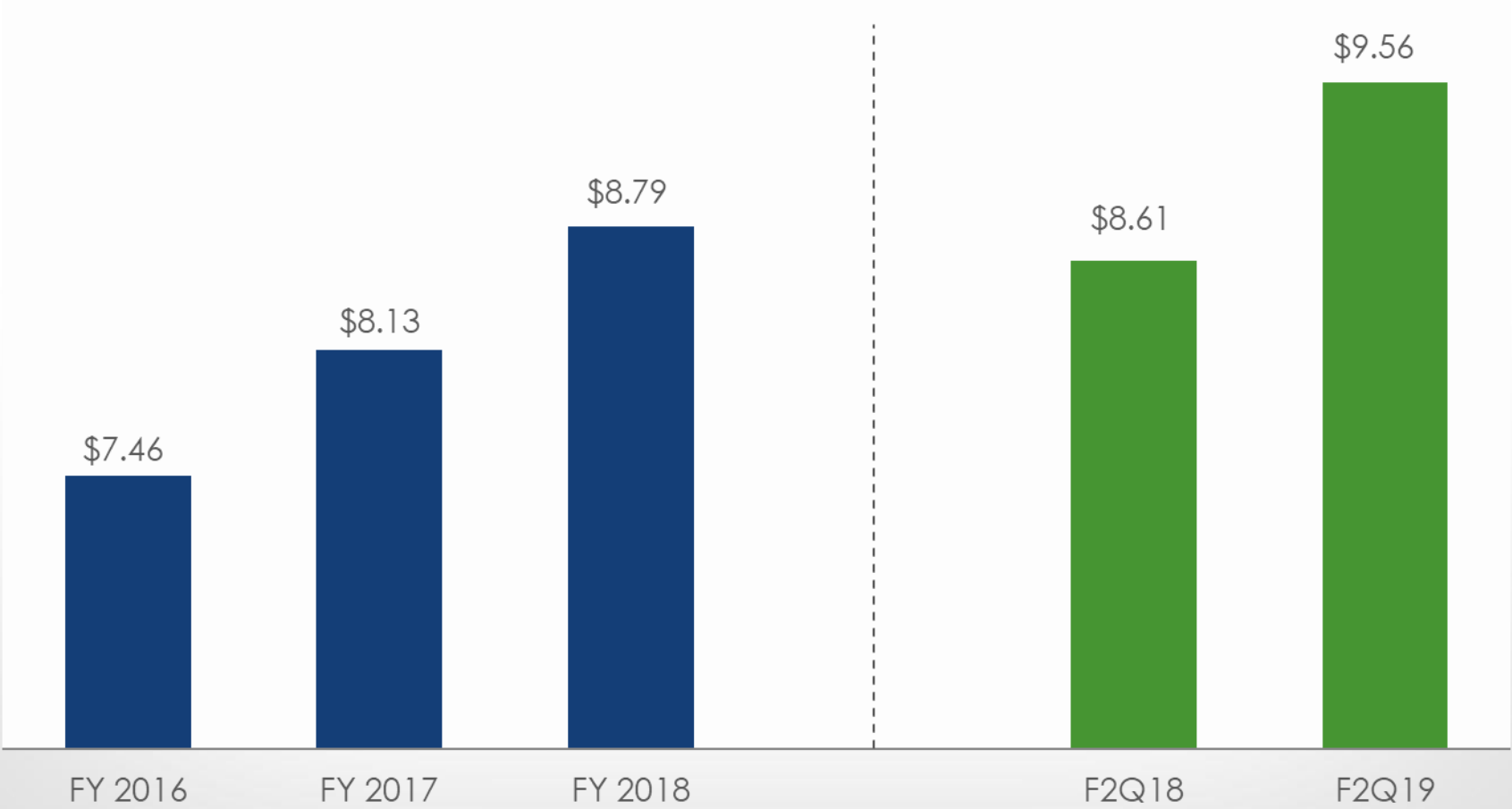
Annual Revenue

Quarterly Revenue



\$ Millions, including subscription and product revenue for Ooma Residential

Blended Average Revenue Per User

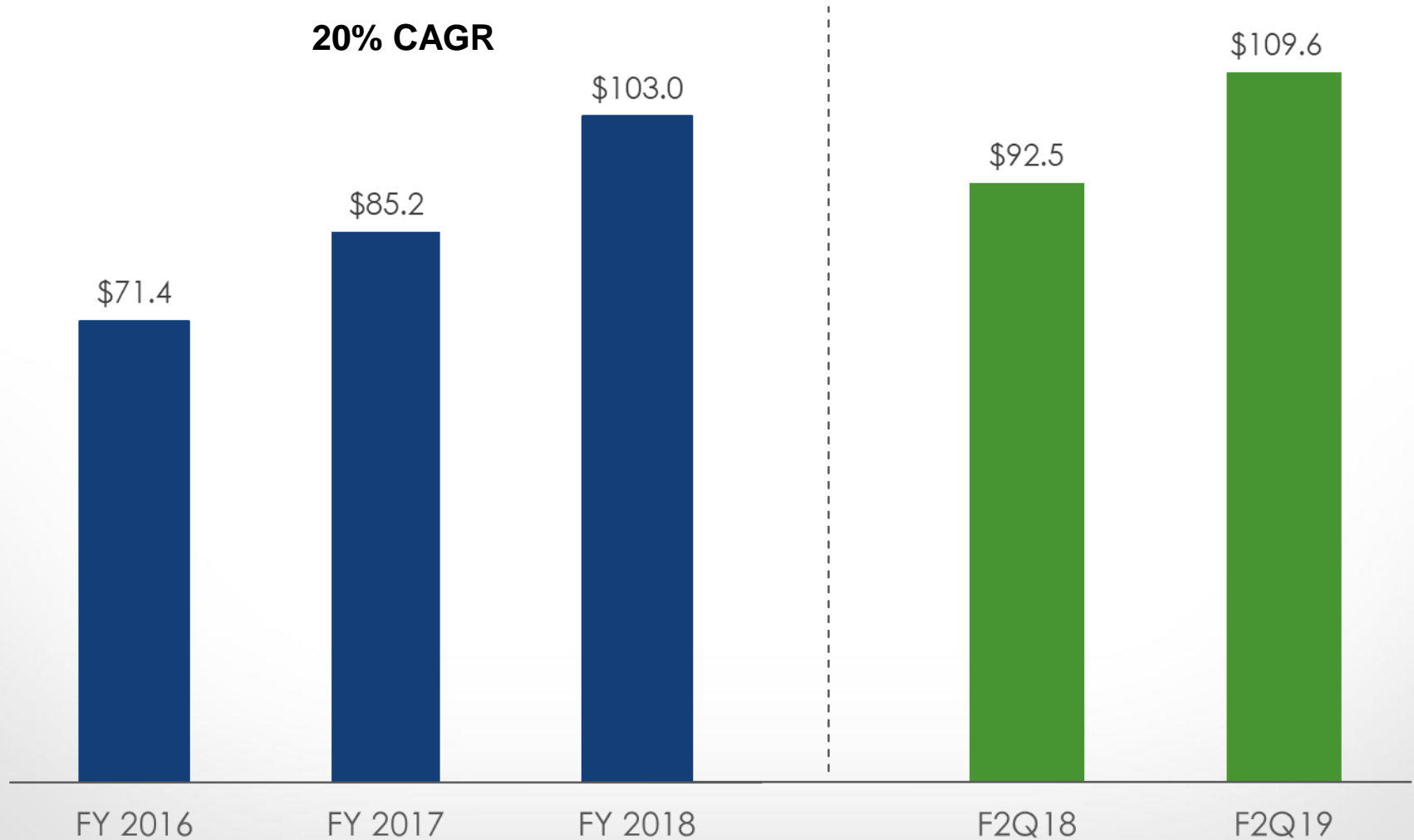


ARPU is blended monthly average subscription & services revenue per core user. Excludes Business Promoter and Talkatone.

Annualized Exit Recurring Revenue



20% CAGR

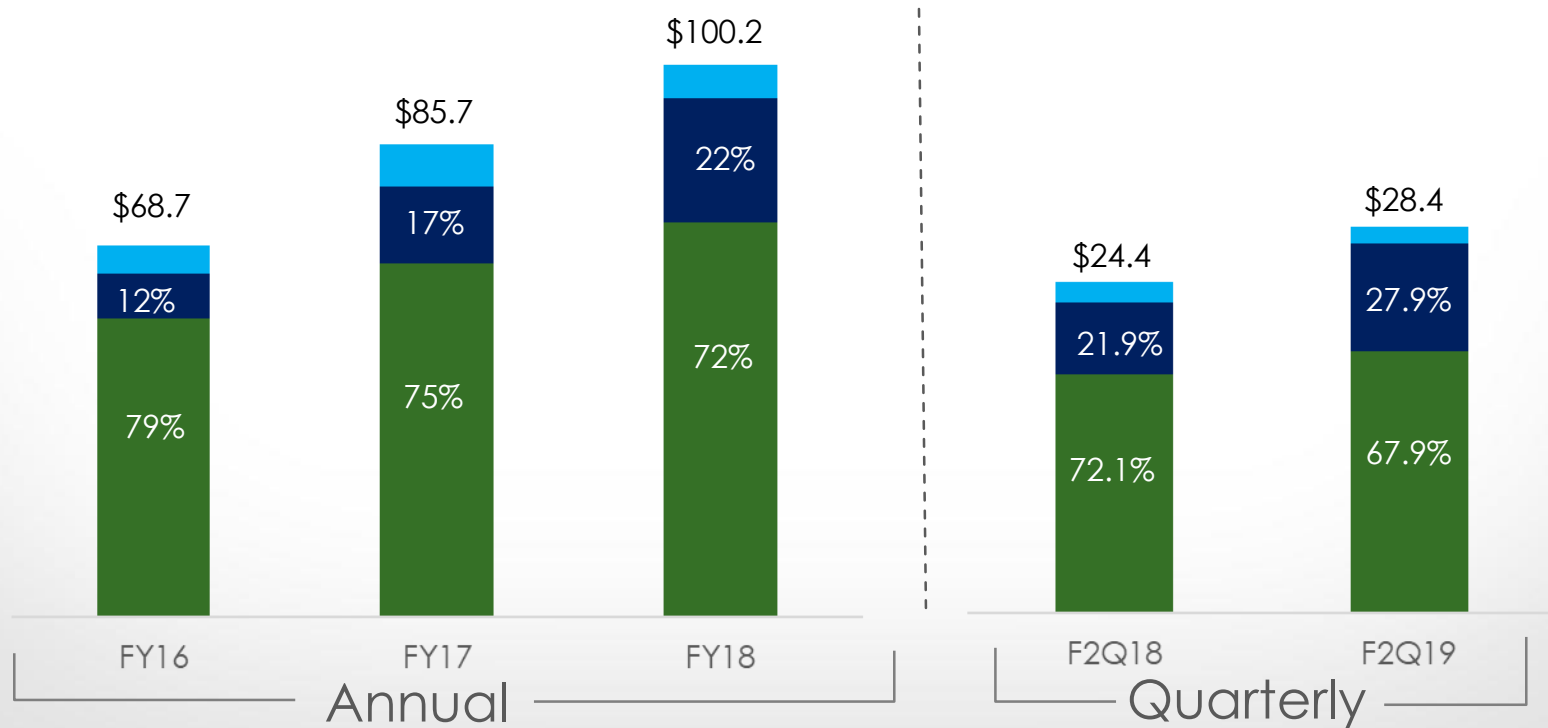


\$ Millions, Residential and Business Subscription Revenue

Expanding Subscription & Services Revenue



- Business
- Residential
- Other

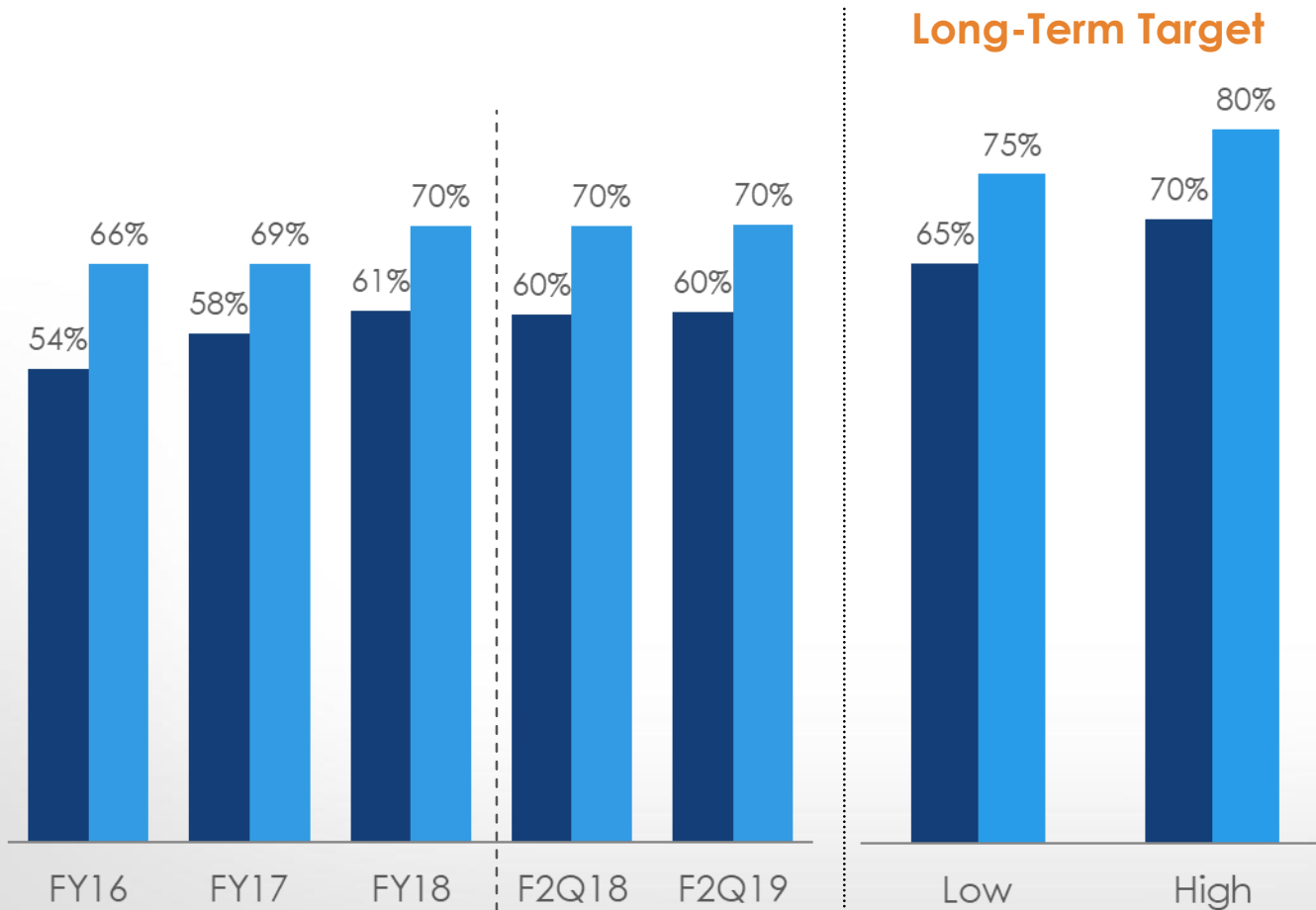


\$ Millions, % of Total Subscription & Service Revenue, excluding Business Promoter

Increasing Gross Margin



■ Subscription/Services
■ Total



Growth Drivers

- Mix of Business Increases
- Upselling Premium Services
- Introduction of New Services
- Scale Efficiencies

Strong Financial Position



(\$ millions)	FY17	FY18	F2Q19
Cash and Investments (no debt)	\$53.2	\$51.8	\$48.6
Cash from Operations	\$0.4	\$3.2	(\$0.8)
Capital Spending	\$1.6	\$2.5	\$0.5
Adjusted EBITDA	(\$1.4)	(\$0.2)	(\$0.6)

Long-Term Target Model (Non-GAAP)



% REVENUE	FY17	FY18	F2Q18	F2Q19	TARGET RANGE
Subscription & Services Gross Margin	69%	70%	70%	70%	75% - 80%
Total Gross Margin	58%	61%	60%	60%	65% - 70%
Sales & marketing	31%	31%	31%	32%	20% - 25%
Research & development	20%	22%	22%	24%	12% - 15%
General & administrative	10%	9%	10%	9%	6% - 8%
Adjusted EBITDA	(1%)	(0%)	(0%)	(2%)	20% - 25%

Note: Non-GAAP Excludes amortization of Intangibles and stock based compensation expenses



Thank you

GAAP to Non-GAAP Reconciliation



\$ Thousands	FY2015	FY 2016	FY 2017	FY 2018	F2Q18	F2Q19
GAAP Gross Profit	\$35,477	\$46,910	\$59,329	\$68,092	\$16,581	\$18,773
Add: Stock-based compensation expense and related taxes	36	437	1,038	1,129	348	249
Amortization of Intangibles	122	163	162	183	40	139
Non-GAAP Gross Profit	\$35,635	\$47,510	\$60,529	\$69,404	\$16,969	\$19,161
GAAP Sales and Marketing	\$22,276	\$28,534	\$33,768	\$37,302	\$9,245	\$10,499
Add: Stock-based compensation expense and related taxes	(41)	(611)	(1,455)	(\$1,857)	(500)	(397)
Amortization of Intangibles	-	-	-	-	-	(45)
Non-GAAP Sales and Marketing	\$22,235	\$27,923	\$32,313	\$35,445	\$8,745	\$10,057
GAAP Research and Development	\$12,290	\$18,502	\$24,239	\$29,328	\$7,263	\$8,443
Add: Stock-based compensation expense and related taxes	(169)	(1,683)	(3,619)	(4,046)	(1,158)	(994)
Amortization of Intangibles	(5)	(6)	(7)	(6)	(2)	(1)
Non-GAAP Research and Development	\$12,116	\$16,813	\$20,613	\$25,276	\$6,103	\$7,448
GAAP General and Administrative	\$6,650	\$12,561	\$14,598	\$15,186	\$3,865	\$3,995
Add: Stock-based compensation expense and related taxes	(180)	(1,922)	(3,754)	(4,086)	(1,140)	(1,179)
Amortization of Intangibles	(179)	(224)	(179)	(124)	(39)	(12)
Acquisition related costs	-	-	-	(118)	-	(73)
Change in fair value of acquisition-related contingent consideration	(656)	281	-	-	-	128
Non-GAAP General and Administrative	\$5,635	\$10,696	\$10,665	\$10,858	\$2,686	\$2,859
GAAP Operating Loss	(\$5,739)	(\$12,687)	(\$13,276)	(\$13,724)	(\$3,792)	(\$4,164)
Add: Stock-based compensation expense and related taxes	426	4,653	9,866	11,118	3,146	2,819
Amortization of Intangibles	306	393	348	313	81	197
Acquisition related costs	-	-	-	118	-	73
Change in fair value of acquisition-related contingent consideration	656	(281)	-	-	-	(128)
Non-GAAP Operating Loss	(\$4,351)	(\$7,922)	(\$3,062)	(\$2,175)	(\$565)	(\$1,203)