Owlet, Inc.

(NYSE: OWLT)

Q4 2024

Financial Results

March 4, 2025



Conference Call

Speakers

- Kurt Workman, CEO and Co-Founder
- Jonathan Harris, President and CRO
- Amanda Twede Crawford, CFO
- Jay Gentzkow, VP Investor Relations

Webcast

- Domestic Callers: (833) 470-1428
- International Callers: (404) 975-4839; Access Code: 492081
- Webcast Archive Available: investors.owletcare.com

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Disclaimer

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding the Company's expected financial performance, including the Company's financial outlook, growth prospects and future operational efficiencies or results and expected market acceptance. In some cases, you can identify forward-looking statements by terms such as "estimate," "may," "believes," "plans," "expects," "anticipates," "intends," "goal," "potential," "upcoming," "outlook," "guidance," the negation thereof, or similar expressions, although not all forward-looking statements contain these identifying words. Forward-looking statements are based on the Company's expectations at the time such statements are made, speak only as of the dates they are made and are susceptible to a number of risks, uncertainties and other factors. For all such forward-looking statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Reform Act. The Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by our forward-looking statements. Many important factors could affect the Company's future results and cause those results to differ materially from those expressed in or implied by the Company's forward-looking statements. Such factors include, but are not limited to, (i) the Company's limited operating history and ability to continue as a going concern; (ii) the Company's ability to manage its growth and competition; (iii) the regulatory pathway for Owlet's products, including submissions to, actions taken by and decisions and responses from regulators, such as the FDA and similar regulators outside of the United States, as well as Owlet's ability to obtain and maintain regulatory approval or certification for our products and other regulatory requirements and legal proceedings; (iv) the Company's reliance on mobile applications; (v) reliance on a limited number of retailers and reliance on a single manufacturer;(v) the Company's ability to source key materials; (vi) the Company's ability to enhance future operating and financial results or obtain additional financing to continue as a going concern; (vii) Owlet's ability to obtain additional financing in the future, as well risks associated with the Company's current loan and debt agreements, including compliance with debt covenants, restrictions on the Company's access to capital, the impact of the Company's overall debt levels and the Company's ability to generate sufficient future cash flows to meet Owlet's debt service obligations and operate Owlet's business; (viii) the ability of Owlet to implement strategic initiatives, reduce costs, grow revenues, develop and launch new products, innovate and enhance existing products, meet customer demands and adapt to changes in consumer preferences and retail trends; (ix) Owlet's ability to acquire, defend and protect its intellectual property and satisfy regulatory requirements, including but not limited to requirements concerning privacy and data protection, breaches and loss, as well as other risks associated with Owlet's digital platforms and technologies; (x) changes in applicable laws or regulations; (xi) impact of and disruption to Owlet's business, financial condition, operations, supply chain and logistics due to economic and other conditions beyond the Company's control, such as health epidemics or pandemics, macro-economic uncertainties, tariffs or trade restrictions, social unrest, hostilities, natural disasters or other catastrophic events; (xii) adverse impacts from other changes in discretionary consumer spending and consumer preferences; and (xiii) other risks and uncertainties set forth in the Company's other releases, public statements and filings with the U.S. Securities and Exchange Commission ("SEC"), including those identified in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as updated in the Company's Quarterly Reports on Form 10-Q for the quarterly periods ended June 30, 2024 and September 30, 2024 and as any such factors may be updated from time to time in the Company's other filings with the SEC, including, but not limited to, its Annual Report on Form 10-K for the fiscal year ended December 31, 2024. All such forward-looking statements attributable to the Company or any person acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. Moreover, the Company operates in an evolving environment. Except as required by law, the Company assumes no obligation to update any forward-looking statements after the date of this press release, whether because of new information, future events or otherwise, although Owlet may do so from time to time. The Company does not endorse any projections regarding future performance that may be made by third parties.

Market and Industry Data

Unless otherwise indicated, information contained in this presentation concerning our industry and the markets in which Owlet, Inc. operates, including its general expectations, market position and market opportunity, is based on its management's estimates and research, as well as industry and general publications and research, surveys and studies conducted by third parties. While Owlet believes the information from these third-party publications, research, surveys and studies is reliable, it does not guarantee the accuracy or completeness of such information, and Owlet has not independently verified this information. Management's estimates are derived from publicly available information, their knowledge of the company's industry and their assumptions based on such information and knowledge, which they believe to be reasonable. This data involves a number of assumptions and limitations which are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in Owlet's periodic reports filed with the SEC under the captions "Forward Looking Statements," "Risk Factor Summary" and "Risk Factors." These and other factors could cause Owlet's future performance and market expectations to differ materially from its assumptions and estimates.

Non-GAAP Financial Measures

In addition to the financial measures presented in this release in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company has included certain non-GAAP financial measures in this release, including EBITDA, adjusted EBITDA, adjusted net loss and adjusted net loss per share. The Company uses such non-GAAP financial measures as internal measures of business operating performance and as performance measures for benchmarking against the Company's peers and competitors. The Company believes its presentation of EBITDA, adjusted EBITDA, adjusted net loss and adjusted net loss per share provide a meaningful perspective of the underlying operating performance of the Company's current business and enables investors to better understand and evaluate its historical and prospective operating performance. The Company believes that these non-GAAP financial measures are important supplemental measures of operating performance because they exclude items that vary from period to period without correlation to the Company's core operating performance and highlight trends in its business that may not otherwise be apparent when relying solely on GAAP financial measures. Due to the nature of the items being excluded, such items do not reflect future gains, losses, expenses or benefits and are not indicative of the Company's future operating performance. The Company believes investors, analysts and other interested parties use EBITDA, adjusted EBITDA, adjusted net loss and adjusted net loss per share in evaluating issuers, and the presentation of these measures facilitates a comparative assessment of the Company's operating performance in addition to the Company's performance based on GAAP results. The Company's non-GAAP financial measures should not be considered as an alternative to net loss or net loss per share as a measure of financial performance or any other performance measure derived in accordance with GAAP, and should not be construed as an inference that the Company's future results will be unaffected by unusual or non-recurring items. EBITDA, adjusted EBITDA, adjusted net loss and adjusted net loss per share are not recognized terms under GAAP, and the Company's presentation of these non-GAAP measures does not replace the presentation of the Company's financial results in accordance with GAAP. Because all companies do not use EBITDA, adjusted EBITDA, adjusted net loss and adjusted net loss per share (and similarly titled financial measures) in the same way, those measures as used by other companies may not be consistent with the way the Company calculates such measures. The non-GAAP financial measures included in this release should not be construed as substitutes for or better indicators of the Company's performance than the most directly comparable GAAP financial measures.A reconciliation of the Company's guidance with respect to non-GAAP financial measures to the most directly comparable GAAP financial measure cannot be provided without unreasonable efforts and is not provided herein because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, the amounts of which could be material.

Owlet Business Update

2024 Recap | A Pivotal Year for Owlet

Business Highlights

- Launched two FDA-cleared devices – Dream Sock and BabySat
- Received medically certified CE-Mark for Dream Sock in E.U.
- Received medical device certification for Dream Sock in U.K.
- Expanded global footprint of Dream Sock to 26 countries
- Established foundation for BabySat's long-term opportunity
    - Ended year with 6 DMEs and 12 Medicaid States
- Developed and deployed Owlet360 subscription service, a significant milestone to unlock opportunity for our massive pediatric health & sleep data set

FY 2024 Financial Highlights

- Strongest year in Owlet history
    - Record revenue – $78 million | *45% growth y/y*
    - Record gross margin – 50%
    - Improved adj. EBITDA by over $14 million vs. 2023
    - Final three quarters of 2024 adj. EBITDA positive





Owlet Business Update | Fourth Quarter 2024

Revenue	Gross Margin	Adj. EBITDA
$20.5M	53.5%	$0.5M
Growth of 37% y/y*	Expanded 650 bps y/y	Improved $1.2M y/y

*Excl. $6M in revenue shifted from Q3'23 to Q4'23 as a result of new Amazon distribution agreement

Business Highlights

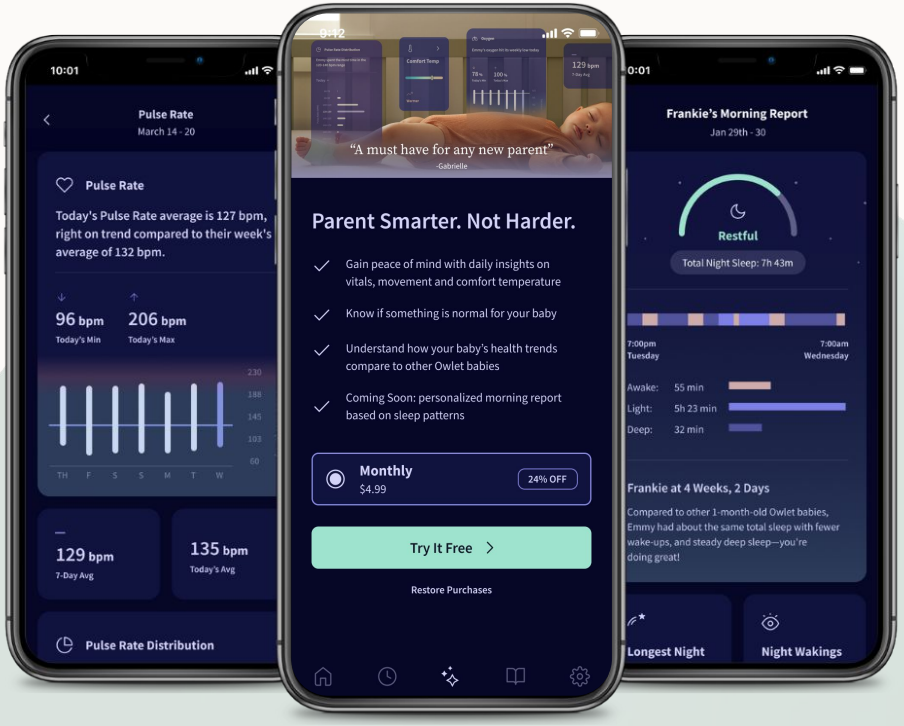
- Delivering on our financial commitments
  - Strong revenue growth y/y
  - Continued gross margin expansion y/y *(seventh consecutive quarter)*
  - Third consecutive quarter of positive adj. EBITDA
- Amazon Prime Big Deal Days in October set records for revenue and sell-through
- Deployment of Owlet360 subscription service to thousands of initial parents, setting foundation for full launch January 28th

NEW ARRIVAL

Launched

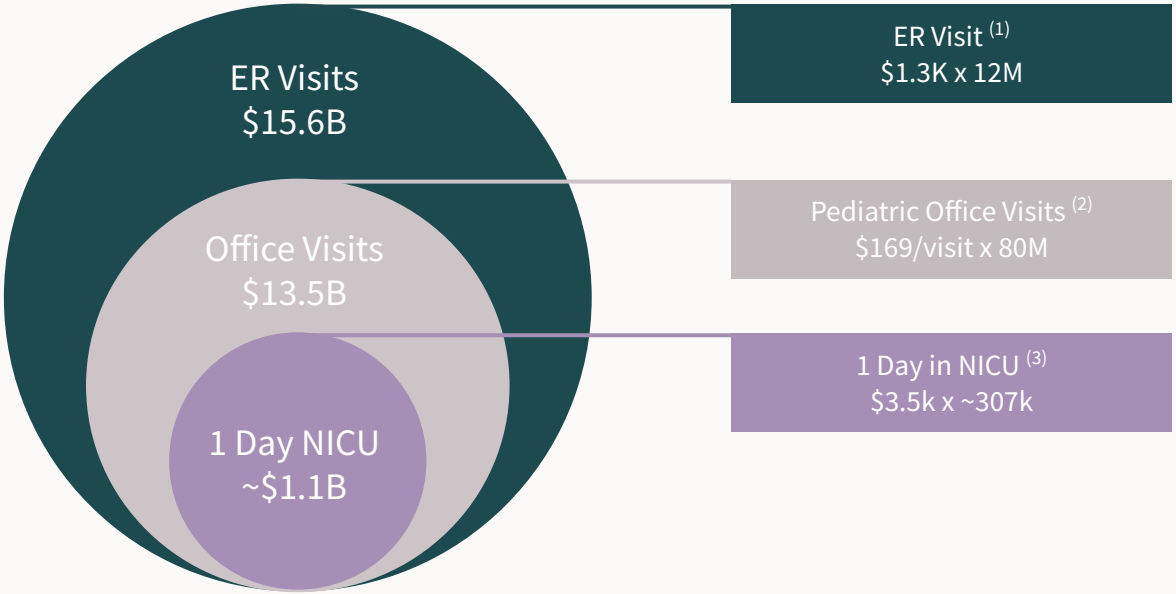
Owlet360

Personalized, everyday insights + smart alerts helping parents navigate every age and stage with confidence.



Owlet360 Targets Massive Pediatric Healthcare Burden

Pediatric Healthcare Costs: ~$30 Billion, U.S. Annually



(1) https://hcup-us.ahrq.gov/reports/statbriefs/sb242-Pediatric-ED-Visits-2015.pdf, https://www.debt.org/medical/emergency-room-urgent-care-costs/, https://www.usatoday.com/story/news/health/2019/06/04/hospital-billing-code-changes-help-explain-176-surge-er-costs/1336321001/
(2) https://www.aap.org/en-us/Documents/practicet_Profile_Pediatric_Visits.pdf (page 7; 2004-2007), https://consumerhealthratings.com/healthcare_category/doctors-charges-physician-prices-average-cost-anesthesia/ (2016)
(3) https://journalofethics.ama-assn.org/article/cost-saving-tiniest-lives-nicus-versus-prevention/2008-10, https://jamanetwork.com/journals/jamapediatrics/fullarticle/2381545, https://pubmed.ncbi.nlm.nih.gov/25671704/, 2012

Drive Global Adoption of Dream Sock

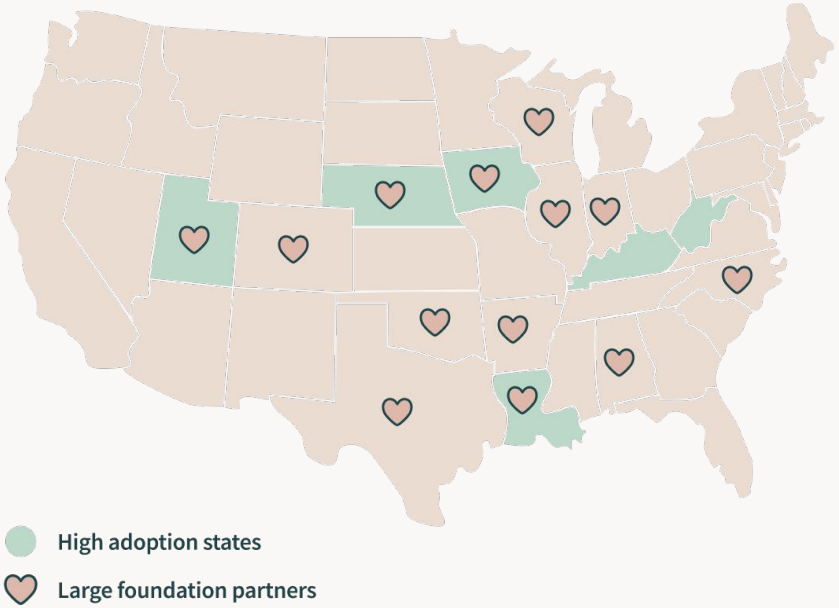


Domestic

- **#1 Baby Monitor** in the US in Revenue[(1)]
- **First and only** FDA-cleared monitor for pediatric health at home
- **Leading Baby Registry Brand**: Top brand across Amazon, BabyList, and Target registries

Dream Sock Adoption

- **~10%** in the US and growing
- Opportunity to **increase adoption** to ~10% national average in states with higher annual birth rates (California, Florida, New Jersey, and Texas)



(1) Circana, U.S. Store Level Enabled Tracking Service, Baby Monitors, July '25 - December '25 combined

Drive Global Adoption of Dream Sock



International

- **First and only** CE/UK medically cleared monitor for pediatric health at home
- **2024 Dream Sock international growth = 98% y/y**
- **New Geographies:** Exploring expansion into Asia & South America





Expansion

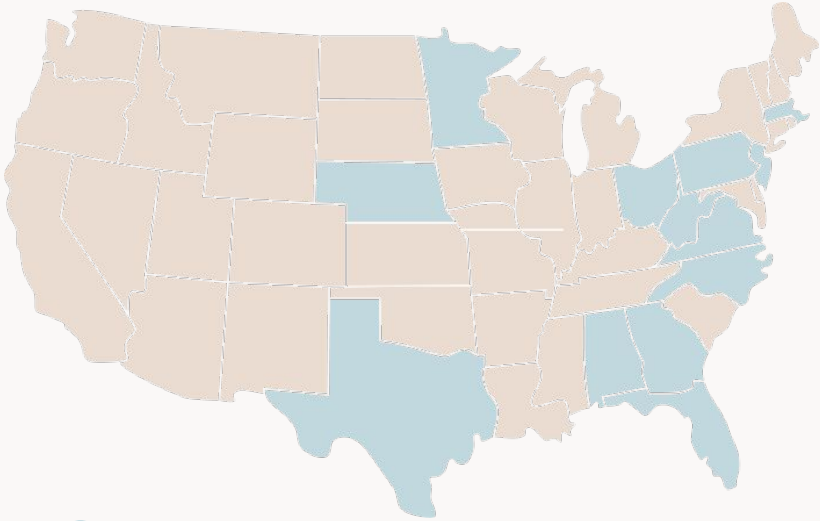
- Expanded globally to **26 countries**, with more to come
- Today, Dream Sock available to **only ~4M out of the 130M+ babies** born outside of the US

Expand Medical + Healthcare Channels



Expanding Access to BabySat

- **6 DMEs** accepted for BabySat to end 2024
- **570,000+ U.S. babies born annually**(1) with medical conditions that have potential to benefit from medical-grade, at-home monitoring
- We believe in the future **every baby** will have access to health monitoring, reimbursed by insurance



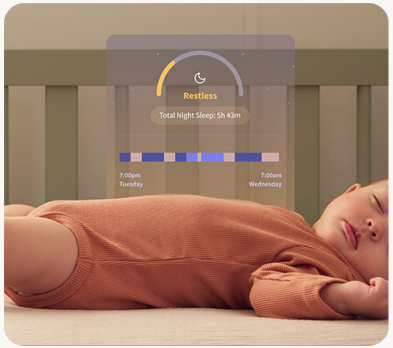
12 Medicaid states reimbursing for Owlet
~40% of US population

(1) See Appendix

Owlet360 Pediatric Health Subscription

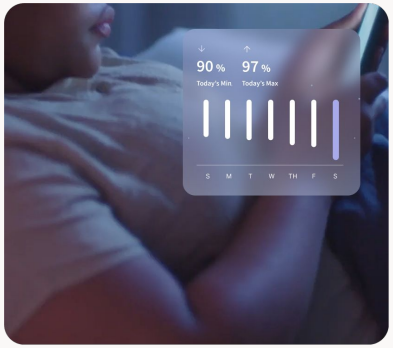
Your Baby's Health + Sleep Shouldn't Be a Mystery

Owlet360 gives parents answers and insights, no other platform can provide.



Your Baby's Morning Report

Wake up to a personalized summary of your baby's sleep, complete with age-based insights and tailored tips to help you navigate the day ahead.



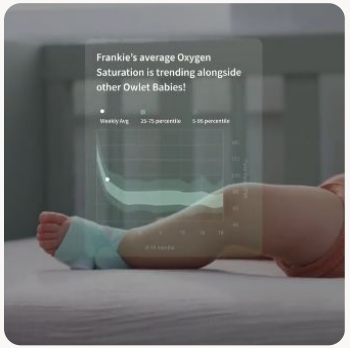
Stay Ahead of Health Changes

Get deeper insights into what's normal for your baby, helping you spot changes and make informed decisions.



In-Depth Historical Trends

Track weekly averages and historical data to see patterns in your baby's health and sleep over time.



Data-Powered Parenting Support

Access exclusive insights based on Owlet's unmatched data from millions of babies, tailored to your baby's needs.

Owlet360 Initial Customer Feedback

Love it!
“I love it!! Definitely helps and gives a peace of mind. ❤️”

Helpful tips
“super helpful tips to improve my sons sleep.”

Sleep
“I love to see how my baby slept or is sleeping throughout the night.”

First time mom
“I love everything about dream insights! It has been a huge relief as an over worried first time mom.”

Sleep position
“I love that they show me exactly the type of rest that my baby is getting throughout the night and showing me where I need to help with improvement. I am excited to see the new sleep position feature.”



Financial Highlights

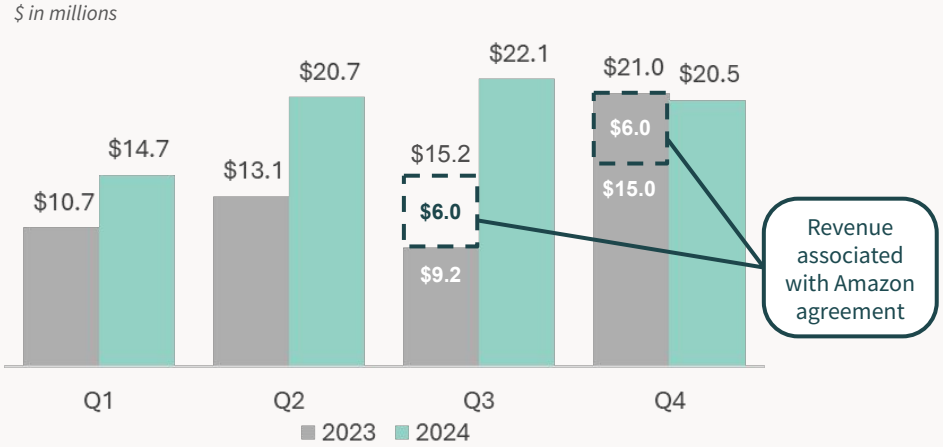
Financial Review | Revenue

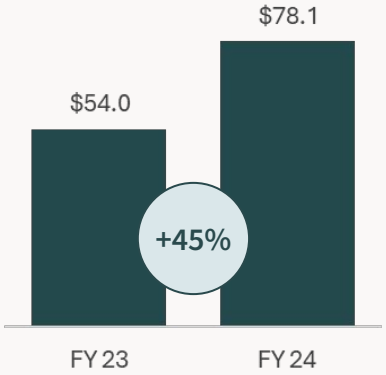
Quarterly Revenue

- **$20.5M** Q4'24 revenue
- **37% growth** y/y excl. revenue shifted from Q3'23 to Q4'23 as a result of new Amazon distribution agreement

Annual Revenue

- **$78.1M** FY2024 revenue
- **45% growth** y/y
- Highest revenue in Owlet history

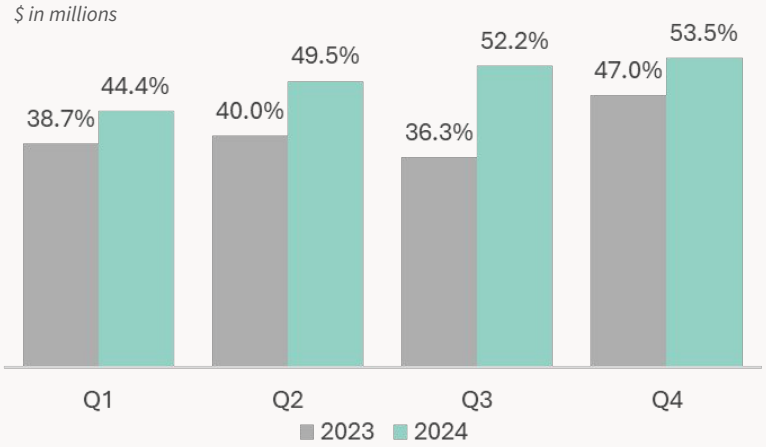




Financial Review | Gross Margin

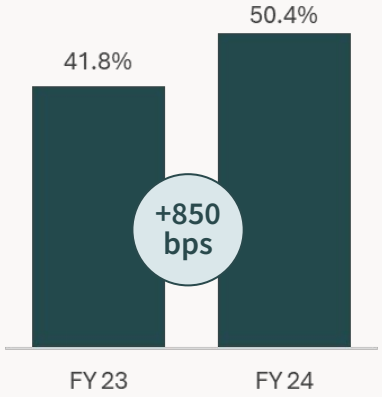
Quarterly Gross Margin

- **53.5%** Q4'24 gross margin
- **650 bps** expansion y/y



Annual Gross Margin

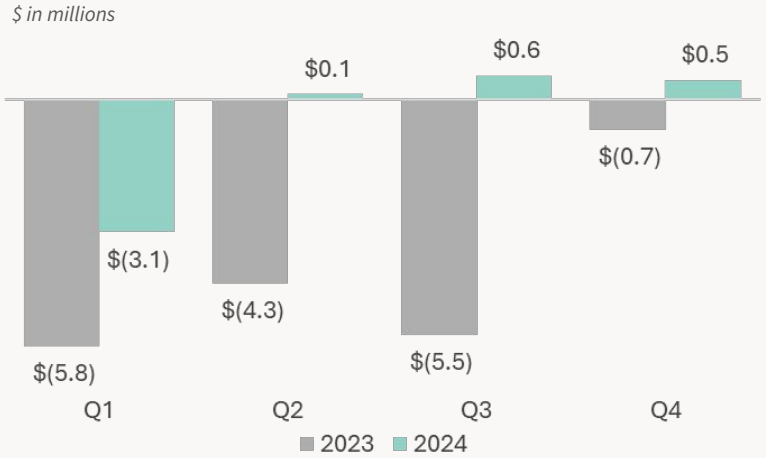
- **50.4%** FY2024 gross margin
- **850 bps** expansion y/y
- Highest gross margin in Owlet history



Financial Review | Adj. EBITDA

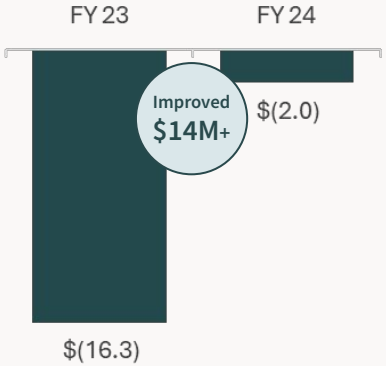
Quarterly Adj. EBITDA

- **$0.5M** Q4'24 adj. EBITDA
- **$1.2M** improvement vs. Q4'23



Annual Adj. EBITDA

- **$(2.0)M** FY2024 adj. EBITDA
- **$14.3M** improvement vs. FY2023
- Exceeded adj. EBITDA forecast



(1) Adjusted EBITDA is defined as net loss adjusted for income tax provision, interest expense, net, depreciation and amortization, impairment of intangible assets related to internally developed software, common stock warrant liability adjustments, stock-based compensation, transaction costs, charges related to certain legal matters, and restructuring costs.

2024 Guidance Walk

	FY24 Guidance Q2'24 Call - 8/12/24		FY24 Guidance Q3'24 Call - 11/13/24		FY24 Actuals
Revenue	$72.5M – $77.5M	Raised low-end of range $1.5M	$74M – $77.5M	Beat high-end of range	$78.1M *(+45% y/y)*
Gross Profit	$33.9M – $37.9M	Raised low-end of range $1.6M	$35.5M – $37.9M	Beat high-end of range	$39.3M *(+74% y/y)*
Gross Margin %	47% – 49%	Raised low-end of range	48% – 49%	Beat high-end range	50.4% *(+850 bps y/y)*
Adj. EBITDA[(1)]	$(6)M – $(3)M	Raised low-end of range $1M	$(5)M – $(3)M	Beat high-end range	$(2.0)M *(+88% y/y)*

(1) Adjusted EBITDA is defined as net loss adjusted for income tax provision, interest expense, net, depreciation and amortization, impairment of intangible assets related to internally developed software, common stock warrant liability adjustments, stock-based compensation, transaction costs, charges related to certain legal matters, and restructuring costs.

Establishing 2025 Guidance

	FY 2025 E
Revenue	$88M – $92M
Gross Margin	50% – 52%
Adj. EBITDA positive	

Q&A

Appendix

Acute & Chronic Medical Conditions

Respiratory issues – #1 reason for pediatric ER visits[9]



3.6 million babies a year are born in the US [6]

400K+ per year
Babies are born premature and or discharged from the NICU [8]



50-80k per year
2.1M RSV outpatient visits with 50-80K hospitalizations [1], [2], [3], [5]



80-100K per year
Infants born annually with significant Arrhythmias [7]



40K per year
Babies would benefit from monitoring because of Congenital Heart Disease (CHD) [4]



1 - The burden of respiratory syncytial virus infection in young children. , 2 - Respiratory Syncytial Virus–Associated Hospitalizations Among Young Children: 2015–2016. , 3 - Respiratory Syncytial Virus–Associated Hospitalization Rates among US Infants: A Systematic Review and Meta-Analysis. , - https://www.childrensheartfoundation.org/about-chds/chd-facts.html#:~:text=Each%20year%20approximately%2040%2C000%20babies,1%20child%20every%2015%20minutes , https://www.cdc.gov/rsv/php/surveillance/index.html#:~:text=Each%20year%20in%20the%20United,younger%20than%205%20years%20old. , 6 - https://pubmed.ncbi.nlm.nih.gov/38625869/ , https://pubmed.ncbi.nlm.nih.gov/33421423/#:~:text=The%20cumulative%20incidence%20of%20tachyarrhythmia,%25%20vs%202.4%25%3B%20P%20%3D%20. 8 - https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5524203/ 9 - https://www.ncbi.nlm.nih.gov/books/NBK526418/