Owlet, Inc.

(NYSE: OWLT)

Q1 2025

Financial Results

May 8, 2025



Conference Call

Speakers

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

Webcast

- Domestic Callers: (833) 470-1428
- International Callers: (404) 975-4839; Access Code: 952382
- 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, outlook based upon regulatory authorizations or product enhancements, growth prospects, and future operational efficiencies or results and expected market opportunity and 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 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; (ii) Owlet's competition and the Company's ability to profitably grow and manage growth; (iii) the Company's ability to enhance future operating and financial results or obtain additional financing to continue as a going concern; (iv) 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; (v) 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; (vi) 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; (vii) Owlet's ability to maintain relationships with customers, manufacturers and suppliers and retain Owlet's management and key employees; (viii) Owlet's ability to upgrade and maintain its information technology systems; (ix) changes in applicable laws or regulations in the United States and other jurisdictions; (x) the 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; (xi) the possibility that Owlet may be adversely affected by other economic, business, regulatory, competitive or other factors, such as changes in discretionary consumer spending and consumer preferences; and (xii) 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, 2024, as updated in the Company's quarterly reports on Form 10-Q, as any such factors may be updated from time to time in the Company's other filings with the SEC. 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

Owlet Cares Impact:
Life Saving Case

"My husband and I originally purchased our Dream Sock for peace of mind. What we didn't know is how much this device would actually help us.

One night at 1:00am, we received a notification that my son's heart rate was 250-280 bpm, but he did not seem to be in distress. We took him to the ER which resulted in an inconclusive cardiac work up.

We continued to monitor independently with our Dream Sock at home, which allowed us to pick up on 2 additional episodes of high heart rate. After another ER visit and hospital admission, we received a diagnosis of SVT.

We never would have picked up on this without our Dream Sock as my son never seemed to be in distress. With home monitoring, we were able to seek medical care quickly and are now managing with daily medication. We are so grateful to have had this technology!"

– Sarah



Owlet Business Update | First Quarter 2025

Revenue	Gross Margin	Adj. EBITDA
$21.1M	53.7%	$0.0M
Growth of 43.1% y/y	Expanded 930 bps y/y	Improved $3.1M y/y

Business Highlights

- Financial performance exceeded expectations across all key metrics
  - Strong 43% y/y revenue growth
  - Eighth consecutive quarter of y/y gross margin expansion
  - Fourth consecutive quarter of breakeven or better adj. EBITDA
- Established distribution partnership with Children's Hospital of King's Daughters – for first time ever, babies now able to leave hospital with BabySat or Dream Sock
- Owlet360 subscription results and feedback continue to trend very positive
  - 48,000+ paying subscribers and steady attach rate growth

Drive continued adoption of Dream Sock



Core domestic growth
+
International expansion

Owlet^{360} Pediatric Health Subscription



Supporting parents from infancy into the toddler years & increasing LTV

Expand medical + healthcare channels



Insurance reimbursed health monitors for high-risk babies

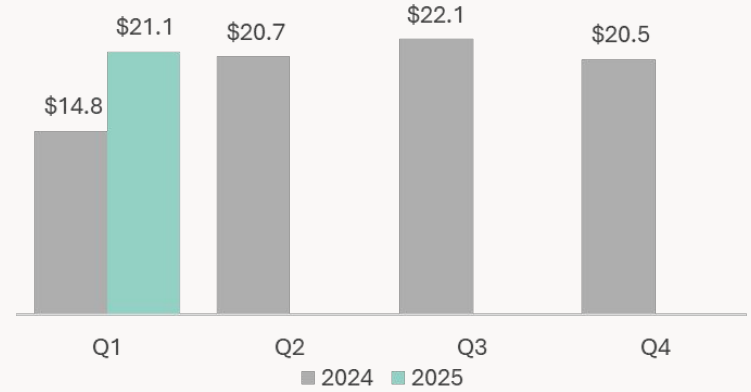
Financial Highlights

Financial Review | Q1 2025

Revenue

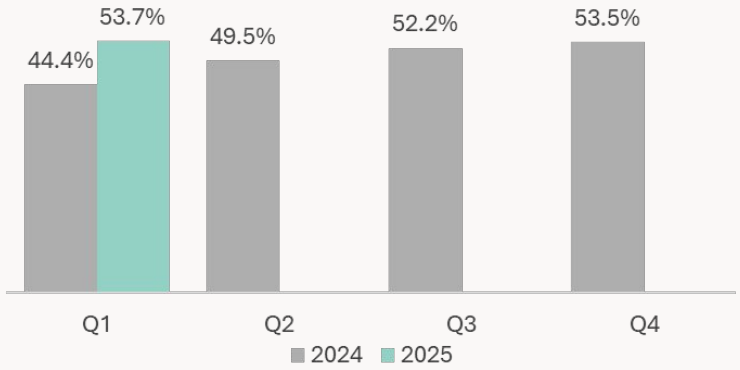
- **$21.1M** Q1’25 revenue
- **43.1% growth** y/y

$ in millions



Gross Margin

- **53.7%** Q1’25 gross margin
- **930 bps** expansion y/y

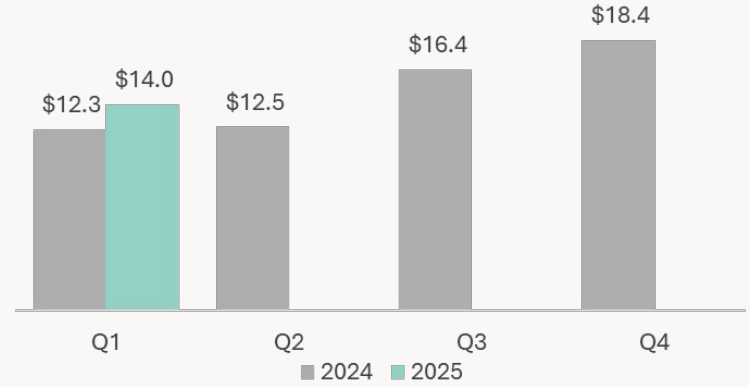


Financial Review | Q1 2025

Operating Expenses

- **$14.0M** Q1’25 total operating expenses
- **$1.7M** increase vs. Q1’24

$ in millions



Adj. EBITDA

- **$0.0M** Q1’25 adj. EBITDA
- **$3.1M** improvement vs. Q1’24

$ in millions



Note: Adjusted EBITDA is defined as net income (loss) adjusted for income tax provision, interest expense, net, depreciation and amortization, common stock warrant liability adjustments, stock-based compensation, transaction costs, and charges related to certain legal matters.

Updating FY 2025 Guidance

	Previous Guidance		**New 2025E Guidance**	
Revenue	$88M – $92M	▶	**$91M – $95M**	***17-22% growth y/y***
Gross Margin	50% – 52%	▶	**46% – 50%**	***Updated for new tariff cost impacts***
Adj. EBITDA	Positive	▶	**Positive**	***Including tariff impacts***

Note: Adjusted EBITDA is defined as net income (loss) adjusted for income tax provision, interest expense, net, depreciation and amortization, common stock warrant liability adjustments, stock-based compensation, transaction costs, and charges related to certain legal matters.

Q&A