



Second Quarter Earnings |

07.27.23

# Safe Harbor Statement

Statements contained herein or in prior press releases which are not historical fact, such as statements regarding our future operating and financial performance, are forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties that may cause our actual results to be materially different from the future results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those expectations include, but are not limited to, our ability to manage wireless network rationalization to lower our costs without causing disruption of service to our customers; our ability to retain key management personnel and to attract and retain talent within the organization; the productivity of our sales organization and our ability to deliver effective customer support; our ability to identify potential acquisitions, consummate and successfully integrate such acquisitions, and achieve the expected benefits of such acquisitions; risks related to global health epidemics; economic conditions such as recessionary economic cycles, higher interest rates, inflation and higher levels of unemployment; competition for our services and products from new technologies or those offered and/or developed from firms that are substantially larger and have much greater financial and human capital resources; continuing decline in the number of paging units we have in service with customers, commensurate with a continuing decline in our wireless revenue; our ability to address changing market conditions with new or revised software solutions; undetected defects, bugs, or security vulnerabilities in our products; our dependence on the U.S. healthcare industry; the sales cycle of our software solutions and services can run from six to eighteen months, making it difficult to plan for and meet our sales objectives and bookings on a steady basis quarter-to-quarter and year-to-year; our reliance on third-party vendors to supply us with wireless paging equipment; our ability to maintain successful relationships with our channel partners; our ability to protect our rights in intellectual property that we own and develop and the potential for litigation claiming intellectual property infringement by us; our use of open source software, third-party software and other intellectual property; the reliability of our networks and servers and our ability to prevent cyber-attacks and other security issues and disruptions; unauthorized breaches or failures in cybersecurity measures adopted by us and/or included in our products and services; our ability to realize the benefits associated with our deferred income tax assets; future impairments of our long-lived assets, amortizable intangible assets or goodwill; risks related to data privacy and protection-related laws and regulation; and our ability to manage changes related to regulation, including laws and regulations affecting hospitals and the healthcare industry generally, as well as other risks described from time to time in our periodic reports and other filings with the Securities and Exchange Commission. Although Spok believes the expectations reflected in the forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. Spok disclaims any intent or obligation to update any forward-looking statements.

# Agenda

- ✓ **Business Overview**
- ✓ **Second Quarter 2023 Financial Highlights**
- ✓ **2023 Financial Outlook**
- ✓ **Wrap Up**

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# Business Overview

Vince Kelly  
CEO



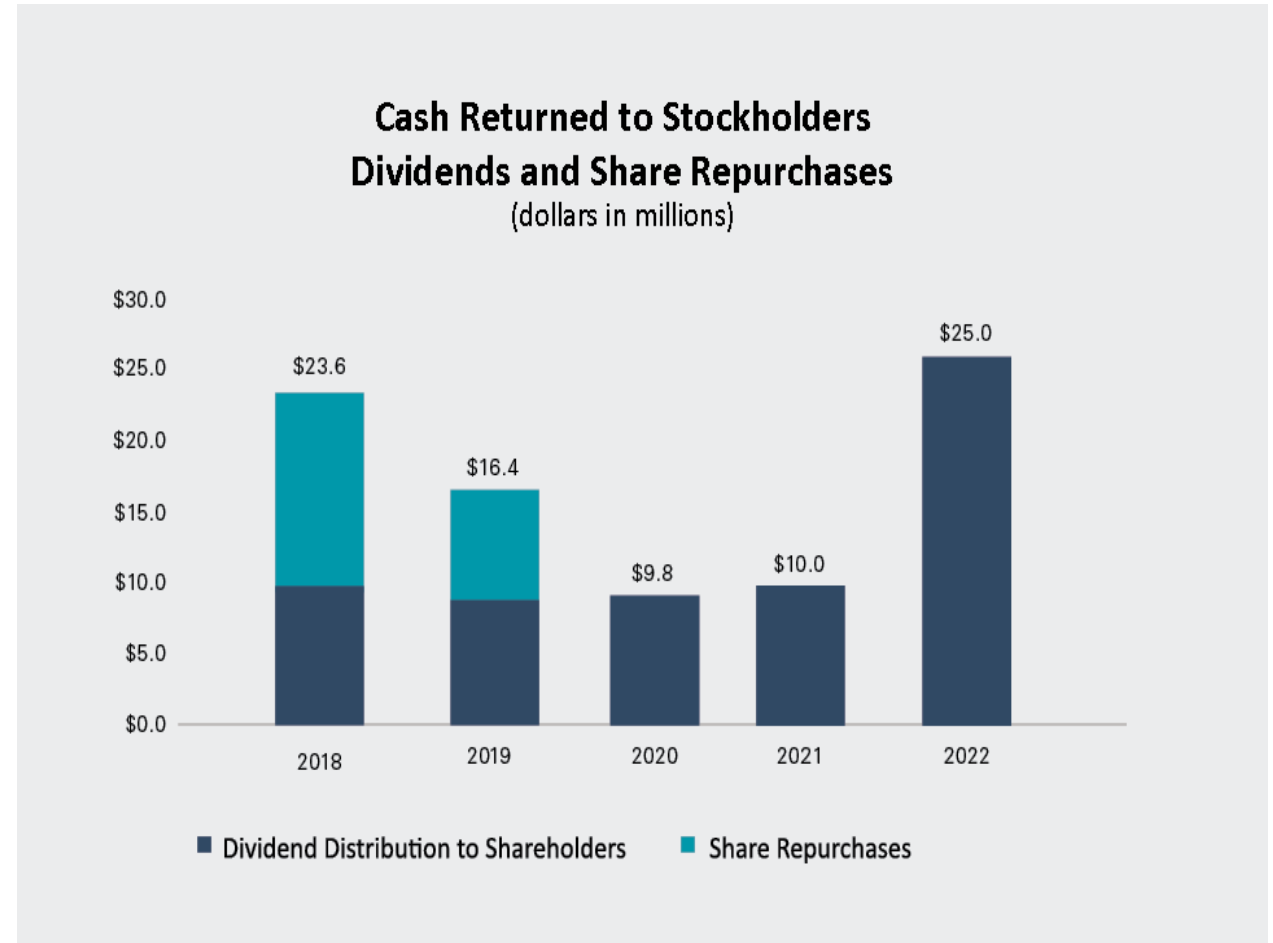
# Strategic Goal: Run the business profitably and generate cash

## Returning capital to shareholders is our goal as well as our legacy

- More than \$660 million returned to stockholders since 2004
- 2022 capital return - \$25 million
- 2023 capital return forecast - \$25 million

## Focus on maximizing cash over the long-term

- Incremental investments in wireless and software solutions
- Stabilizing and then growing revenue
- Efficient expense management
- Shareholder friendly capital allocation



# Second Quarter 2023 Highlights

- Company executing on strategic business plan generating \$4.7 million of GAAP net income, and \$8.5 million of adjusted EBITDA
- Second Quarter software operations bookings increased 90% as momentum continued in the quarter
- Software and Wireless revenue growth on a year-over-year basis
- Wireless average revenue per unit continues upward trends, up to \$7.53, or 4.1%, with units in service down less than 1% on a sequential basis and only 3.5% from the prior year period





# Second Quarter 2023



# Financial Results

Calvin Rice

Chief Financial Officer

# Second Quarter 2023 Financial Results

*(Dollars in millions)*

	<u>For the Three Months Ended</u> <u>June 30,</u>		<u>For the Six Months Ended</u> <u>June 30,</u>	
	2023	2022	2023	2022
Total Revenue	\$36.5	\$33.7	\$69.6	\$67.5
<i>Wireless</i>	\$18.9	\$18.7	\$37.9	\$37.5
<i>Software</i>	\$17.6	\$15.0	\$31.7	\$30.0
Adjusted EBITDA <sup>(1)</sup>	\$8.5	\$4.7	\$15.4	\$2.6

- Year-to-date capital returned to stockholders totaled \$13.2 million in the form of the Company's regular quarterly dividend
- Cash and equivalents balance of \$30.9 million at June 30, 2023, and no debt





# 2023 Financial Outlook



# 2023 Financial Outlook

<i>(Dollars in millions)</i>	<u>Prior Guidance</u>		<u>Current Guidance</u>	
	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>
<b><u>Total Revenue:</u></b>	<b>\$131.0</b>	<b>\$137.5</b>	<b>\$134.5</b>	<b>\$137.5</b>
Wireless Revenue	<b>\$73.0</b>	<b>\$75.5</b>	<b>\$74.5</b>	<b>\$75.5</b>
Software Revenue	<b>\$58.0</b>	<b>\$62.0</b>	<b>\$60.0</b>	<b>\$62.0</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$24.5</b>	<b>\$26.5</b>	<b>\$25.0</b>	<b>\$28.0</b>



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