



Fourth Quarter Earnings |

02/21/2024

# 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; economic conditions such as recessionary economic cycles, higher interest rates, inflation and higher levels of unemployment; risks related to our overall business strategy, including maximizing revenue and cash generation from our established businesses and returning capital to stockholders through dividends and repurchases of shares of our common stock; 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; our reliance on data centers and other systems and technologies provided by third parties, and technology systems and electronic networks supplied and managed by third parties; cyberattacks, data breaches or other compromises to our or our critical third parties' systems data, products or services; our ability to realize the benefits associated with our deferred income tax assets; future impairments of our long-lived 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**
- ✓ **Fourth Quarter and Full Year 2023  
Financial Highlights**
- ✓ **2024 Financial Outlook**
- ✓ **Wrap Up**



# Business Overview

Vince Kelly, CEO

Mike Wallace, President and COO



# Strategic Goal: Run the business profitably and generate cash

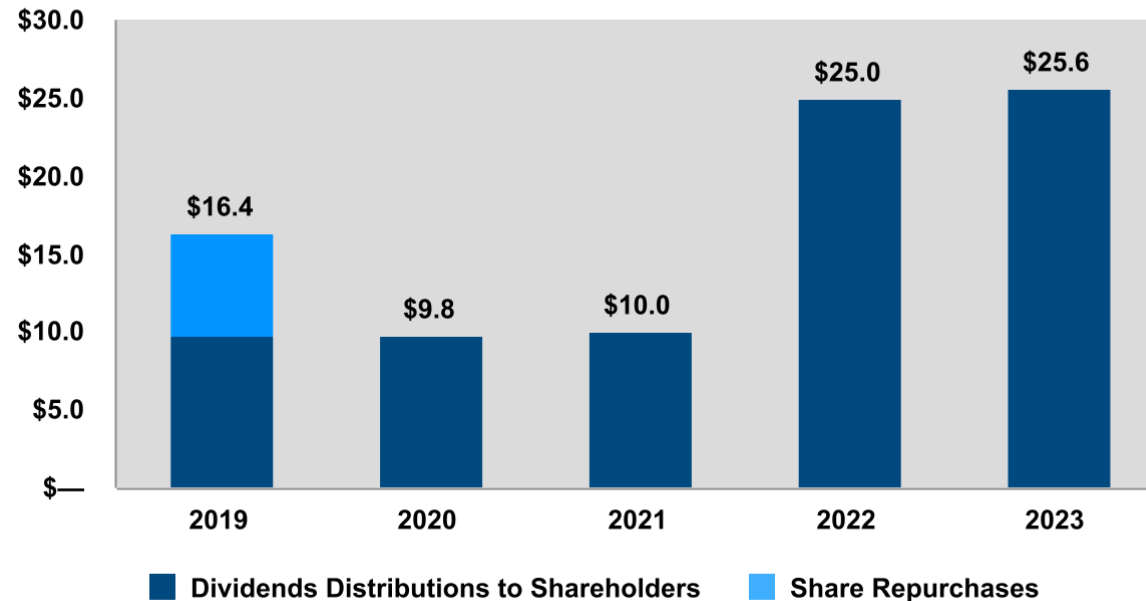
## Returning capital to stockholders is our goal as well as our legacy

- Nearly \$675 million returned to stockholders since 2004
- 2022 capital return - \$25.0 million
- 2023 capital return - \$25.6 million

## Focus on maximizing cash over the long term

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

Cash Returned to Stockholders - Dividends and Share Repurchases  
(Dollars in Millions)



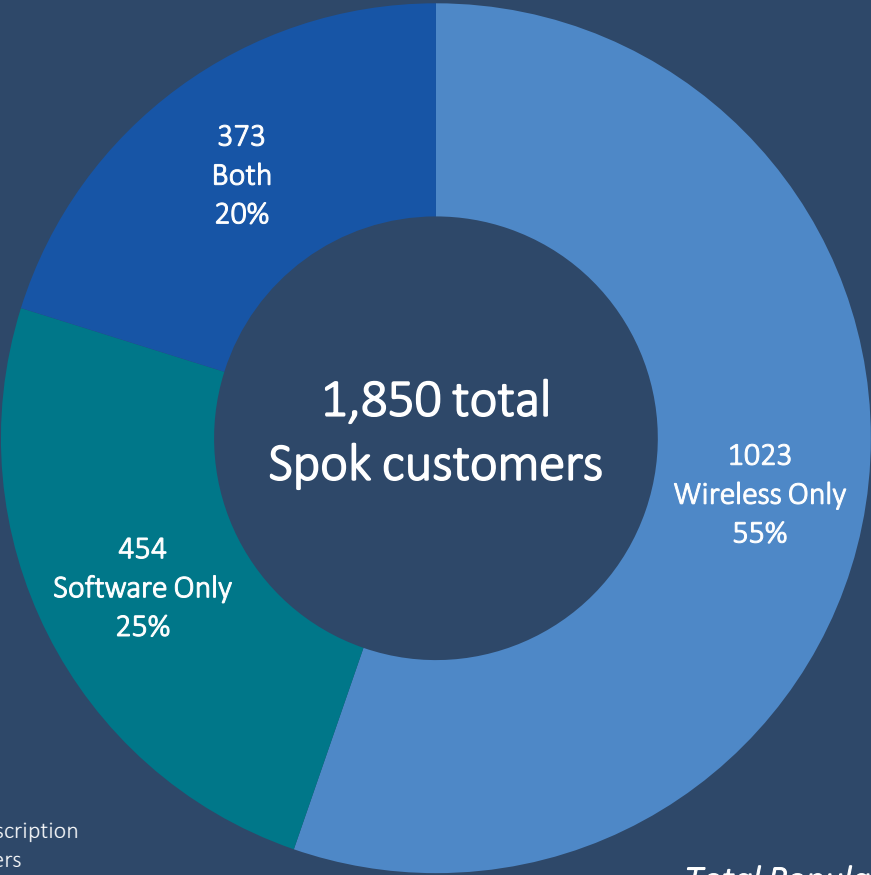


# 2023 Highlights

- Company executing on strategic business plan generating \$15.7 million of GAAP net income, and \$30.3 million of adjusted EBITDA
- Full year software operations bookings increased 22% from 2022 and included 67 six-figure customer agreements and 30 multi-year engagements, as momentum continues
- Wireless average revenue per unit continues upward trends, up to \$7.73, or a 3.1% increase, with year end units in service down by 2.5% from the prior quarter and 6.4% from the prior year period



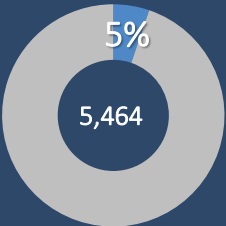
# Q1 2024 US health systems/ hospitals by lines of business\*



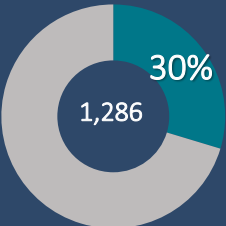
- Sources
- Active Maintenance/Subscription
  - Active Wireless Subscribers
  - Mapped to Definitive Healthcare ID
  - Country = US
  - Quarter End
  - Salesforce, BOSS, Definitive Healthcare Conditions

Total Population 7,129  
26% Market Penetration

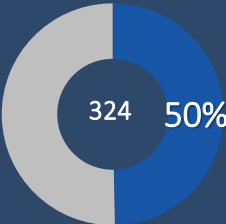
## Software-only market share by bed size\*



1-199 Beds  
265 customers



200-599 Beds  
381 customers



600+ Beds  
162 customers



# Fourth Quarter 2023 Financial Results

Calvin Rice  
Chief Financial Officer



# Fourth Quarter and Full Year 2023 Financial Results

(Dollars in millions)

	<u>For the Three Months Ended</u> <u>December 31,</u>		<u>For the Twelve Months</u> <u>Ended December 31,</u>	
	2023	2022	2023	2022
Total Revenue	\$34.0	\$33.3	\$139.0	\$134.5
Wireless	\$19.1	\$19.0	\$76.0	\$75.6
Software	\$14.9	\$14.2	\$63.1	\$58.9
Adjusted EBITDA <sup>(1)</sup>	\$6.5	\$5.6	\$30.3	\$15.0

- Year-to-date capital returned to stockholders totaled \$25.6 million in the form of the Company's regular quarterly dividend
- Cash and equivalents balance of \$32.0 million at December 31, 2023, and no debt



# 2024 Financial Outlook



# 2024 Financial Outlook

	<u>Current Guidance</u>	
<i>(Dollars in millions)</i>	<u>From</u>	<u>To</u>
<b><u>Total Revenue:</u></b>	<b>\$136.0</b>	<b>\$144.0</b>
Wireless Revenue	\$72.0	\$75.0
Software Revenue	\$64.0	\$69.0
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$27.5</b>	<b>\$32.5</b>



# Contact Investor Relations

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