



RADCOM

# Q1-25 Earnings

May 14, 2025



**Benny Eppstein**

CEO



**Hadar Rahav**

CFO



# SAFE HARBOR PROVISION

This conference call will contain forward-looking statements. Forward-looking statements in the conference call involve several risks and uncertainties, including, but not limited, to the Company's statements about its momentum, strategic direction and trajectory, future execution and delivery of value to customers, development of and enhancing strategic partnerships and expected benefits from collaborations, the success of new technologies to, among other things, enhance automation, pipeline, opportunities and customer engagements, demand for its products and solutions, including AI capabilities, trends in the market, innovation, expanding its business, the expected benefits of its AI-driven assurance solutions, its expectations with respect to gross margins, research and development and sales and marketing expenses, grants from the Israel Innovation Authority and its full-year 2025 revenue guidance and future growth and profitability. The Company does not undertake to update forward-looking statements.

The full safe harbor provisions, including risks that could cause actual results to differ from these forward-looking statements, are outlined in today's press release and the Company's SEC filings.

# NON-GAAP FINANCIAL MEASURES

In this conference call, management will refer to certain non-GAAP financial measures, which are provided to enhance the user's overall understanding of the Company's financial performance. By excluding certain non-cash stock-based compensation expenses, financial income (expenses) related to acquisitions, and amortization of intangible assets related to acquisitions, non-GAAP results provide information helpful in assessing RADCOM's core operating performance and evaluating and comparing the results of operations consistently from period to period. The presentation of this additional information is not meant to be considered a substitute for the corresponding financial measures prepared in accordance with generally accepted accounting principles. Investors are encouraged to review the reconciliations of GAAP to non-GAAP financial measures included in the quarter's earnings release, available on our website, [www.radcom.com](http://www.radcom.com).

# AGENDA

1

Business performance and company strategy

Benny Eppstein

Chief Executive Officer

2

Financial results and performance

Hadar Rahav

Chief Financial Officer

3

Q&A

# TODAY'S SPEAKERS



Benny Eppstein  
Chief Executive Officer



Hadar Rahav  
Chief Financial Officer



**Benny Eppstein**  
Chief Executive Officer

Business performance and company strategy



# Q1-25: 17.5% REVENUE INCREASE AND IMPROVED PROFITABILITY KPIS

Revenue	Profitability	Cash Generation
New Quarterly Revenue Record	Improved profitability KPIS	No debt Ended Q1-25 with record-high cash and bank deposits
<b>\$16.6M</b>	<b>19% Operating Margin</b>	<b>\$99.1M</b>
17.5% YoY increase	6.5% YoY increase	\$4.4M Positive cash flow

# WHAT IS AGENTIC AI?

The next frontier of artificial intelligence is agentic AI, which uses sophisticated reasoning and planning to solve complex, multi-step problems autonomously. Agentic AI refers to artificial intelligence systems that behave like agents—they can perceive their environment, make decisions, and act autonomously to pursue goals over time.

The term “**agentic**” emphasizes the system’s capacity for initiative, planning, and sustained goal-directed behavior, often without constant human input.





# TWO MAIN STRATEGIC AREAS

## **LEVERAGE GEN-AI AND CUSTOMER-LEVEL INSIGHTS**

Predict the customer experience, satisfaction levels, and customer intent

## **HARNESS AGENTIC AI AND CUSTOMER-LEVEL INSIGHTS**

To automate customer service, customer care and operations

# PARTNERSHIP: SERVICENOW

**servicenow**

Press Release

ServiceNow launches AI Control Tower, a centralized command center to govern, manage, secure, and realize value from any AI agent, model, and workflow.

ServiceNow partners, including..... Cisco, Google Cloud, IBM, Jit, Microsoft, Moonhub, **RADCOM**, UKG, and Zoom are among those to be offering the first AI Agent Fabric integrations for seamless, wall-to-wall enterprise workflows across third-party agents.

- Last week at Knowledge 2025, ServiceNow announced RADCOM among the first vendors to integrate with its AI Agent Fabric.
- Delivers new levels of agent-to-agent and multi-model communication for seamless wall-to-wall workflows.

# PARTNERSHIP: NVIDIA



## Press Release

### RADCOM Developing Next-Gen Networking Data Plane Analytics Solution, Powered by NVIDIA BlueField-3 DPU.

Tel Aviv, February 27, 2025 – RADCOM Ltd. (Nasdaq: RDCM) announced today that it is developing a next-generation, high-capacity user plane data capture and analytics solution powered by the NVIDIA BlueField-3 DPU.

RADCOM's solution is designed to provide real-time, customer-level quality of experience (QoE) insights by capturing and processing high-volume user plane data across the entire network at the edge. This solution aims to empower telecom operators with greater subscriber and service visibility while optimizing network computing resources and reducing operational costs, such as for network probes that can be challenging to scale and manage.

- Following our announcement with Nvidia in February, we have reached the next phase of our development roadmap.
- Received requests from leading customers to move into their labs to evaluate our cutting-edge high-capacity user analytics solution.
- In the coming quarters, we plan to deepen our partnerships with strategic industry players to accelerate growth and expand our market share.



# CONTRACT RENEWAL IN NORTH AMERICA

## **RADCOM Secures Multi-Year Eight-Figure Contract Renewal for its ACE Platform**

TEL AVIV, Israel – May 7th, 2025 – RADCOM Ltd. (Nasdaq: RDCM) announced today a multi-year, eight-figure contract renewal with a leading North American telecom operator. This contract renewal and expansion increases the scope of RADCOM's intelligent assurance services for the operator's network, enhancing performance optimization and ensuring exceptional service quality.

# GO-TO-MARKET ACTIVITIES

- 1 Mobile World Congress, Barcelona
- 2 NVIDIA GTC 2025 - AI Conference
- 3 FutureNet World, London
- 4 DTW Ignite, TM Forum

# Q1-2025: KEY HIGHLIGHTS

Integration with ServiceNow to Automate Service and Complaint Resolution for Telecom Operators

Developing Next-Gen Networking Data Analytics Solution, Powered by NVIDIA

New customer win in Europe: Norlys (Telia Denmark)



Accelerated profitability, with non-GAAP operating income for Q1-2025 increasing by more than 80% y-o-y

Record high cash and short bank deposits of \$99.1M, no debt

Raising full-year 2025 revenue growth outlook from 12%-15% to 15%-18%.

We are raising our full-year 2025 revenue growth outlook to 15% - 18%, with a midpoint of \$71.1M - representing a 16.5% increase compared to 2024.





**Hadar Rahav**  
Chief Financial Officer

Financial results and performance

# Q1 2025 Financial Highlights

- **Record** revenue, representing **17.5% growth y-o-y**, reflecting our **successful execution**
- **Achieved** the highest non-GAAP operating profitability in years, driven by **increased revenue and operational efficiency**
- Generated **\$4.4M positive** cash flow

## Q1 2025 Results

Q1 Revenue  
**\$16.6 Million**

Q1 Non-GAAP Gross Margin  
**76.3%**

Q1 Non-GAAP Operating Profit  
**\$3.1 Million**

Q1 Non-GAAP Operating Margin  
**19.0%**

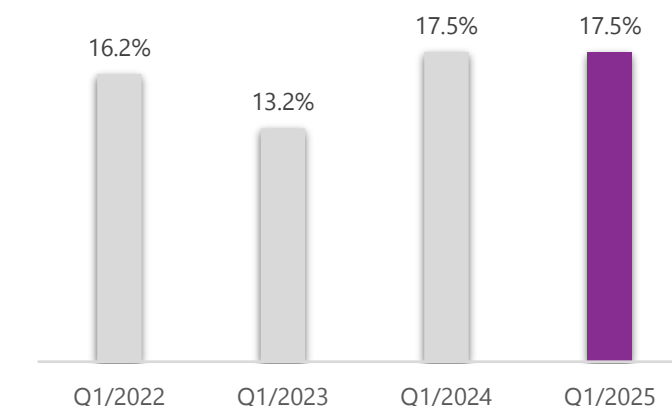
Q1 GAAP Diluted EPS  
**\$0.15**

Q1 Non-GAAP Diluted EPS  
**\$0.25**

## Q1 revenue historical trend (\$M)



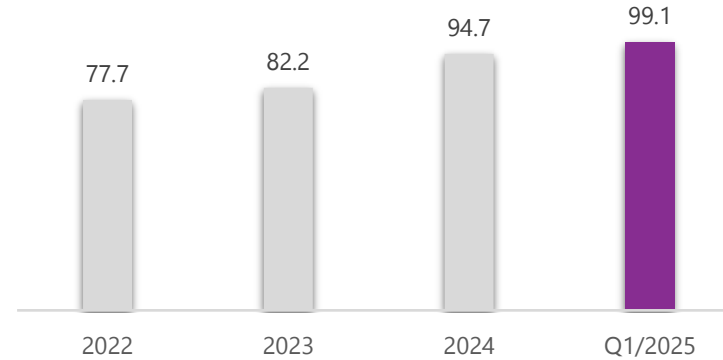
## Revenues Y/Y% growth



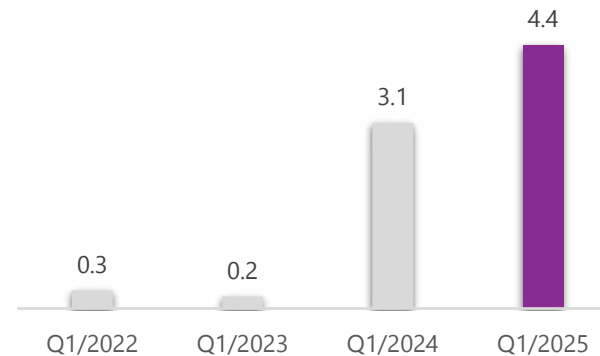
# Balance Sheet & Cash Flow

- **Positive cash flow of \$4.4M**
- **Ending Q1 2025 with the highest cash & bank deposits of \$99.1M**
- **No debt**

**Cash and bank deposits**  
**As of (\$M)**



**Cash flow historical trend**  
**As of (\$M)**

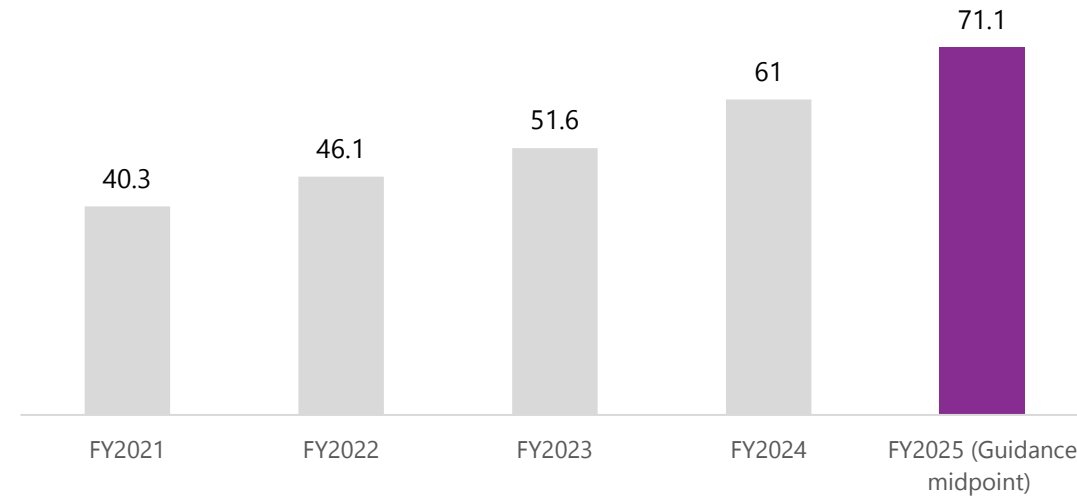




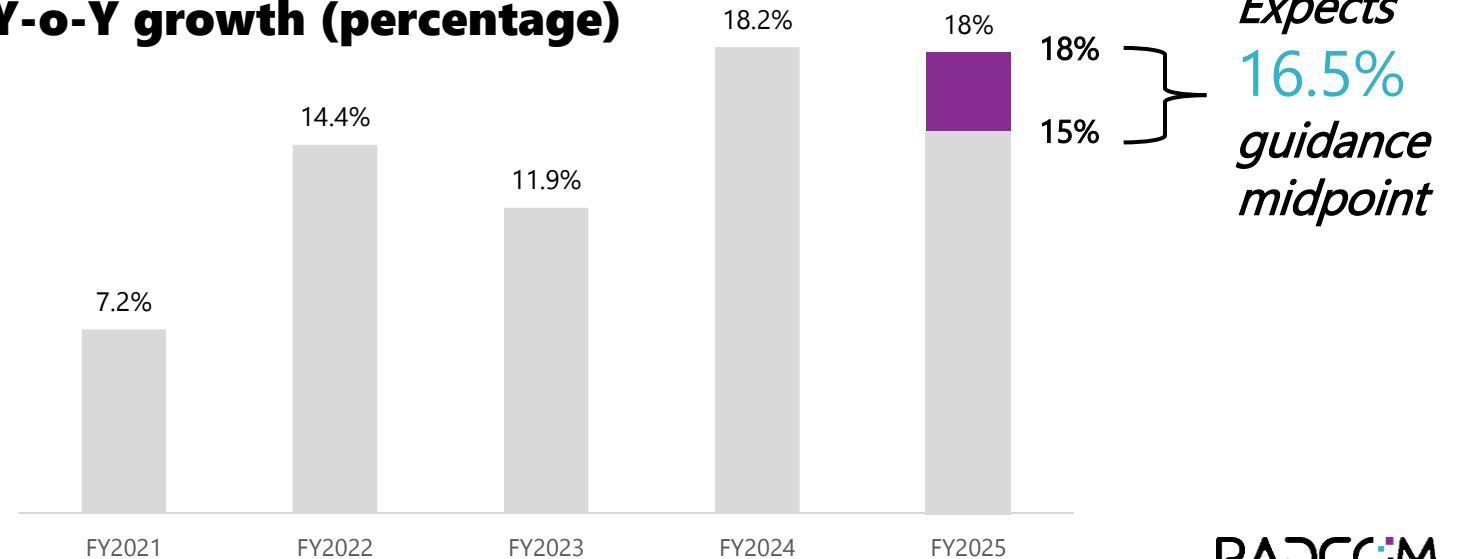
# FY2025 Revenue Outlook

- **Increasing FY 2025 revenue growth** outlook to **15% - 18% YoY** with a **midpoint** of **16.5%** (from 12%-15% YoY, with a midpoint of 13.5%)
- **On-track** for another year of **double-digit** growth in FY2025

## Five-year historical trend and FY2025 outlook (\$M)



## Revenue growth Y-o-Y growth (percentage)



# CONSOLIDATED STATEMENTS OF OPERATIONS (GAAP)

(In thousands of U.S. dollars, except per share data)

	Three months ended March 31,	
	2025	2024
Revenues	\$ 16,591	\$ 14,123
Cost of revenues	\$ 4,092	\$ 3,751
Gross profit	\$ 12,499	\$ 10,372
Gross profit %	75%	73%
Research and development, gross	\$ 4,749	\$ 4,593
Less - royalty-bearing participation	\$ 25	\$ 209
Research and development, net	\$ 4,724	\$ 4,384
Sales and marketing	\$ 4,864	\$ 4,285
General and administrative	\$ 1,449	\$ 2,013
Total operating expenses	\$ 11,037	\$ 10,682
Operating income (loss)	\$ 1,462	\$ (310)
Financial income, net	\$ 1,120	\$ 1,105
Income before taxes on income	\$ 2,582	\$ 795
Taxes on income	\$ (142)	\$ (33)
Net income	\$ 2,440	\$ 762
Basic net income per ordinary share	\$ 0.15	\$ 0.05
Diluted net income per ordinary share	\$ 0.15	\$ 0.05

# CONSOLIDATED STATEMENTS OF OPERATIONS (NON-GAAP)

(In thousands of U.S. dollars, except per share data)

	Three months ended March 31,	
	2025	2024
	<b>NON-GAAP (1)</b>	
Revenues	\$ 16,591	\$ 14,123
Cost of revenues	\$ 3,938	\$ 3,611
Gross profit	\$ 12,653	\$ 10,512
<b>Gross profit %</b>	<b>76%</b>	<b>74%</b>
Research and development, gross	\$ 4,290	\$ 4,056
Less - royalty-bearing participation	\$ 25	\$ 209
Research and development, net	\$ 4,265	\$ 3,847
Sales and marketing	\$ 4,213	\$ 3,752
General and administrative	\$ 1,029	\$ 1,174
<b>Total operating expenses</b>	<b>\$ 9,507</b>	<b>\$ 8,773</b>
Operating income	\$ 3,146	\$ 1,739
Financial income, net	\$ 1,126	\$ 1,142
Income before taxes on income	\$ 4,272	\$ 2,881
Taxes on income	\$ (142)	\$ (33)
<b>Net income</b>	<b>\$ 4,130</b>	<b>\$ 2,848</b>
<b>Basic net income per ordinary share</b>	<b>\$ 0.26</b>	<b>\$ 0.18</b>
<b>Diluted net income per ordinary share</b>	<b>\$ 0.25</b>	<b>\$ 0.18</b>

(1) Amounts exclude non-cash stock-based compensation expenses, financial income (expenses), acquisition-related expenses and amortization of intangible assets related to acquisitions.



# RECONCILIATION BETWEEN GAAP & NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands of U.S. dollars, except per share data)

	Three months ended March 31,	
	2025	2024
	(unaudited)	(unaudited)
GAAP gross profit	12,499	10,372
Stock-based compensation	99	84
Amortization of intangible assets	55	56
<b>Non-GAAP gross profit</b>	<b>12,653</b>	<b>10,512</b>
GAAP Research and development, net	4,724	4,384
Stock-based compensation	459	537
<b>Non-GAAP Research and development, net</b>	<b>4,265</b>	<b>3,847</b>
GAAP Sales and marketing	4,864	4,285
Stock-based compensation	622	504
Amortization of intangible assets	29	29
<b>Non-GAAP sales and marketing</b>	<b>4,213</b>	<b>3,752</b>
GAAP general and administrative	1,449	2,013
Stock-based compensation	420	839
<b>Non-GAAP general and administrative</b>	<b>1,029</b>	<b>1,174</b>
GAAP total operating expenses	11,037	10,682
Stock-based compensation	1,501	1,880
Amortization of intangible assets	29	29
<b>Non-GAAP total operating expenses</b>	<b>9,507</b>	<b>8,773</b>
GAAP operating Income (loss)	1,462	-310
Stock-based compensation	1,600	1,964
Amortization expenses	84	85
<b>Non-GAAP operating income</b>	<b>3,146</b>	<b>1,739</b>
GAAP income before taxes	2,582	795
Stock-based compensation	1,600	1,964
Amortization of intangible assets	84	85
Financial expenses	6	37
<b>Non-GAAP income before taxes</b>	<b>4,272</b>	<b>2,881</b>
GAAP net income	2,440	762
Stock-based compensation	1,600	1,964
Amortization of intangible assets	84	85
Financial expenses	6	37
<b>Non GAAP net income</b>	<b>4,130</b>	<b>2,848</b>
GAAP Net income per diluted share	<b>0.15</b>	<b>0.05</b>
Stock-based compensation	0.09	0.12
Amortization of intangible assets	0.01	0.01
Financial expenses	0.00	0.00
<b>Non GAAP Net income per diluted share</b>	<b>0.25</b>	<b>0.18</b>
Weighted average number of shares used to compute diluted net loss per share	<b>16,660,105</b>	<b>15,866,910</b>

# CONSOLIDATED BALANCE SHEETS

(In thousands of U.S. dollars, except per share data)

	As of March 31, 2025	As of December 31, 2024
Cash and cash equivalents	\$ 8,032	\$ 19,243
Short-term bank deposits	\$ 91,046	\$ 75,429
Trade receivables, net	\$ 18,054	\$ 19,038
Inventories	\$ 2,726	\$ 1,667
Other accounts receivable and prepaid expenses	\$ 2,160	\$ 1,819
<b>Total Current Assets</b>	<b>\$ 122,018</b>	<b>\$ 117,196</b>
Severance pay fund	\$ 2,943	\$ 2,985
Other long-term receivables	\$ 3,232	\$ 3,484
Property and equipment, net	\$ 855	\$ 879
Goodwill and intangible assets, net	\$ 2,525	\$ 2,609
Operating lease right-of-use assets	\$ 3,546	\$ 3,421
<b>Total Non-Current Assets</b>	<b>\$ 13,101</b>	<b>\$ 13,378</b>
<b>Total Assets</b>	<b>\$ 135,119</b>	<b>\$ 130,574</b>
Trade payables	\$ 3,367	\$ 2,457
Deferred revenues and advances from customers	\$ 8,495	\$ 6,848
Employee and payroll accruals	\$ 5,335	\$ 7,175
Operating lease liabilities	\$ 1,028	\$ 966
Other liabilities and accrued expenses	\$ 10,240	\$ 10,463
<b>Total Current Liabilities</b>	<b>\$ 28,465</b>	<b>\$ 27,909</b>
Accrued severance pay	\$ 3,821	\$ 3,868
Operating lease liabilities	\$ 2,468	\$ 2,438
Other liabilities and accrued expenses	\$ 665	\$ 683
<b>Total Non-Current Liabilities</b>	<b>\$ 6,954</b>	<b>\$ 6,989</b>
<b>Total Liabilities</b>	<b>\$ 35,419</b>	<b>\$ 34,898</b>
Shareholders' Equity	\$ 99,700	\$ 95,676
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 135,119</b>	<b>\$ 130,574</b>

The slide has a dark blue background with a subtle pattern of glowing blue dots and lines, resembling a network or data flow. A large, solid purple square is positioned on the left side, and a smaller, solid teal square is in the top right corner. The text "THANK YOU" is centered in a bold, purple, sans-serif font.

# THANK YOU