

# Q2 2024 RESULTS CALL

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#### *Use of Non-GAAP Financial Measures*

*This Presentation includes non-GAAP financial measures. Cellebrite believes that these non-GAAP measures are useful to investors for two principal reasons. First, Cellebrite believes these measures may assist investors in comparing performance over various reporting periods on a consistent basis by removing from operating results the impact of items that do not reflect core operating performance. Second, these measures are used by Cellebrite's management to assess its performance. Cellebrite believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends. These non-GAAP measures should not be considered in isolated from, or as an alternative to, financial measures determined in accordance with GAAP. Other companies may calculate these non-GAAP financial measures differently, and therefore such financial measures may not be directly comparable to similarly titled measures of other companies. A reconciliation of each of these non-GAAP financial measures to their most comparable GAAP measure is set forth in a table included at the end of this Presentation and is also available in our earnings release for the quarter on our website at [investors.cellebrite.com](http://investors.cellebrite.com).*

*In regard to forward looking non-GAAP guidance, we are not able to reconcile the forward-looking Adjusted EBITDA measure to the closest corresponding GAAP measure without unreasonable efforts because we are unable to predict the ultimate outcome of certain significant items including, but not limited to, fair value movements, share-based payments for future awards, tax expense, depreciation and amortization expense, and certain financing and tax items.*

#### *Forward-Looking Statements*

*This presentation includes "forward looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward looking statements may be identified by the use of words such as "forecast," "intend," "seek," "target," "anticipate," "will," "appear," "approximate," "foresee," "might," "possible," "potential," "believe," "could," "predict," "should," "could," "continue," "expect," "estimate," "may," "plan," "outlook," "future" and "project" and other similar expressions that predict, project or indicate future events or trends or that are not statements of historical matters. Such forward looking statements include estimated financial information. Such forward looking statements with respect to annual recurring revenue, revenue, profitability, earnings, performance, strategies, prospects, and other aspects of Cellebrite's business are based on current expectations that are subject to risks and uncertainties. A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward looking statements. These factors include, but are not limited to: Cellebrite's ability to keep pace with technological advances and evolving industry standards; Cellebrite's material dependence on the purchase, acceptance and use of its solutions by law enforcement and government agencies; real or perceived errors, failures, defects or bugs in Cellebrite's DI solutions; Cellebrite's failure to maintain the productivity of sales and marketing personnel, including relating to hiring, integrating and retaining personnel; intense competition in all of Cellebrite's markets; the inadvertent or deliberate misuse of Cellebrite's solutions; failure to manage its growth effectively; Cellebrite's ability to introduce new solutions and add-ons; its dependency on its customers renewing their subscriptions; the low volume of business Cellebrite conducts via e-commerce; risks associated with the use of artificial intelligence; the risk of requiring additional capital to support the growth of its business; risks associated with higher costs or unavailability of materials used to create its hardware product components; fluctuations in foreign currency exchange rates; lengthy sales cycle for some of Cellebrite's solutions; near term declines in new or renewed agreements; risks associated with inability to retain qualified personnel and senior management; the security of Cellebrite's operations and the integrity of its software solutions; risks associated with the negative publicity related to Cellebrite's business and use of its products; risks related to Cellebrite's intellectual property; the regulatory constraints to which Cellebrite is subject; risks associated with different corporate governance requirements applicable to Israeli companies and risks associated with being a foreign private issuer and an emerging growth company; market volatility in the price of Cellebrite's shares; changing tax laws and regulations; risks associated with joint, ventures, partnerships and strategic initiatives; risks associated with Cellebrite's significant international operations; risks associated with Cellebrite's failure to comply with anti-corruption, trade compliance, anti-money-laundering and economic sanctions laws and regulations; risks relating to the adequacy of Cellebrite's existing systems, processes, policies, procedures, internal controls and personnel for Cellebrite's current and future operations and reporting needs; and other factors, risks and uncertainties set forth in the section titled "Risk Factors" in Cellebrite's annual report on Form 20-F filed with the SEC on filed with the SEC on March 21, 2024 and as amended on April 12, 2024, and in other documents filed by Cellebrite with the U.S. Securities and Exchange Commission, which are available free of charge at [www.sec.gov](http://www.sec.gov). You are cautioned not to place undue reliance upon any statements, which speak only as of the date made, in this communication or elsewhere. Cellebrite undertakes no obligation to update its forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.*

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# RESULTS HIGHLIGHTS

**\$77M**

Q2 23



**\$96M +25%**

Total Revenue – Q2 24

**\$67M**

Q2 23



**\$85M +27%**

Subscription Revenue – Q2 24

**\$274M**

JUNE 23



**\$346M +26%**

ARR – JUNE 24

**\$11M 15%**

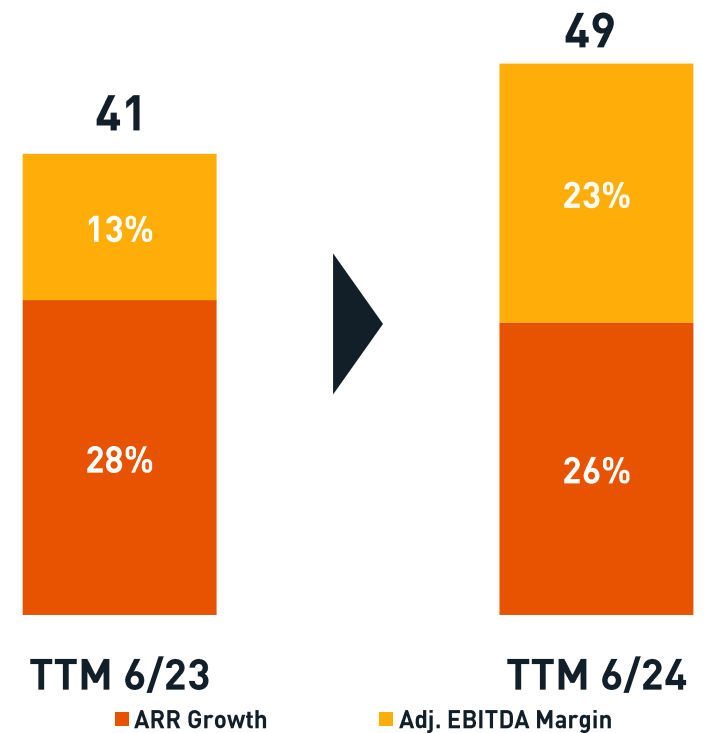
Q2 23



**\$22M 23%**

Adj. EBITDA & Adj. EBITDA %\* – Q2 24

## Rule of X



# KEY STRATEGIC ACCOMPLISHMENTS & PROGRESS



**Cellebrite**  
FEDERAL SOLUTIONS

**MARKET DEVELOPMENT:  
U.S. FEDERAL GOVERNMENT**



**TECHNOLOGY DEVELOPMENT:  
ARTIFICIAL INTELLIGENCE**



**VALUE CREATION:  
CAPITAL MARKETS ACTIVITY**

# STRATEGIC PRIORITIES & CUSTOMER SUCCESS

## LEADERSHIP IN DIGITAL FORENSICS UNITS

### EUROPE National Police Agency

- Selected Inseyets to deliver full file system extraction and accelerate the review process
- Agency striving to reduce device backlog
- ARR grew by 40%

## GROWTH WITHIN INVESTIGATIVE & INTELLIGENCE UNITS

### ASIA-PACIFIC State Policy Agency

- Significantly upgraded its ability to accelerate their investigations
- Added both Pathfinder and SmartSearch and meaningfully expanded its lawful access capability
- ARR tripled

## EXPAND STRATEGICALLY IN THE PRIVATE SECTOR

### NORTH AMERICA Service Provider

- Global provider of information management solutions and services upgraded to Inseyets and added EndPoint Inspector
- Enabling greater efficiency and productivity when supporting their clients' eDiscovery projects
- ARR quadrupled

## LEADING WITH CLOUD

### UNITED STATES County Sheriff's Office

- Added Guardian for workflow management and secure intra-agency digital evidence sharing
- Also upgraded to Inseyets to reduce dependence on a larger Federal agency
- ~10X ARR increase

# OUTLOOK & SUMMARY

- ★ **We view our C2C platform as unique in today's marketplace, enabling us to deliver an end-to-end set of integrated software solutions that supports our customers' needs throughout the digital investigation lifecycle**
- ★ **As we look ahead, our updated 2024 expectations for ARR growth and adjusted EBITDA indicate that we are well positioned to exceed our performance baseline for Rule of 45 for the second straight year**
- ★ **Overall, our team has done a great job in the first half of this year, and we thank them for their ongoing commitment and contributions to our continued success**

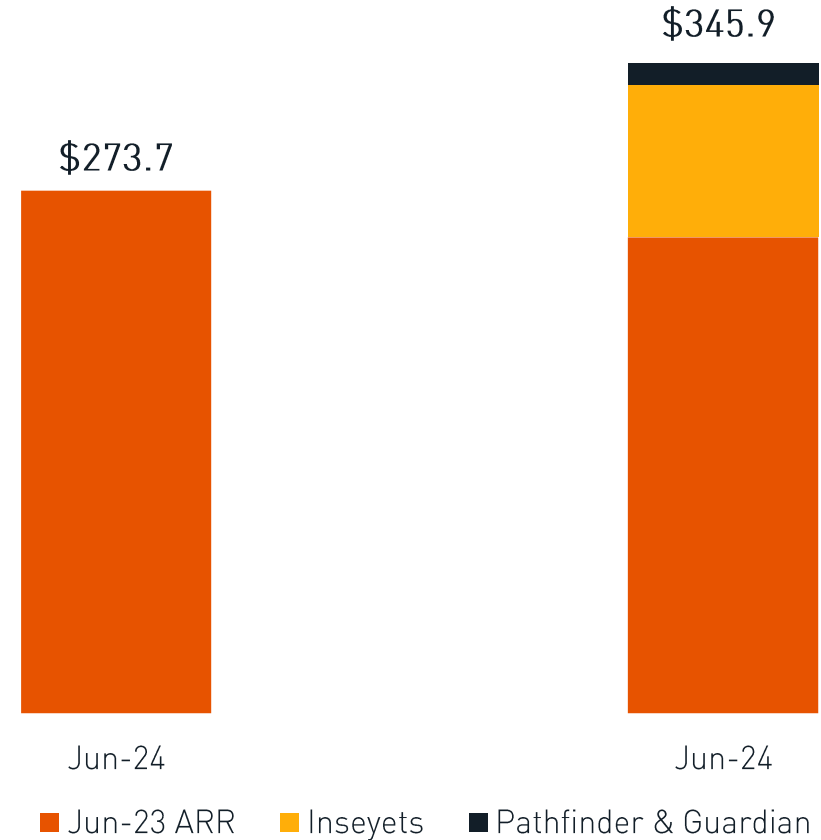
# FINANCIAL REVIEW



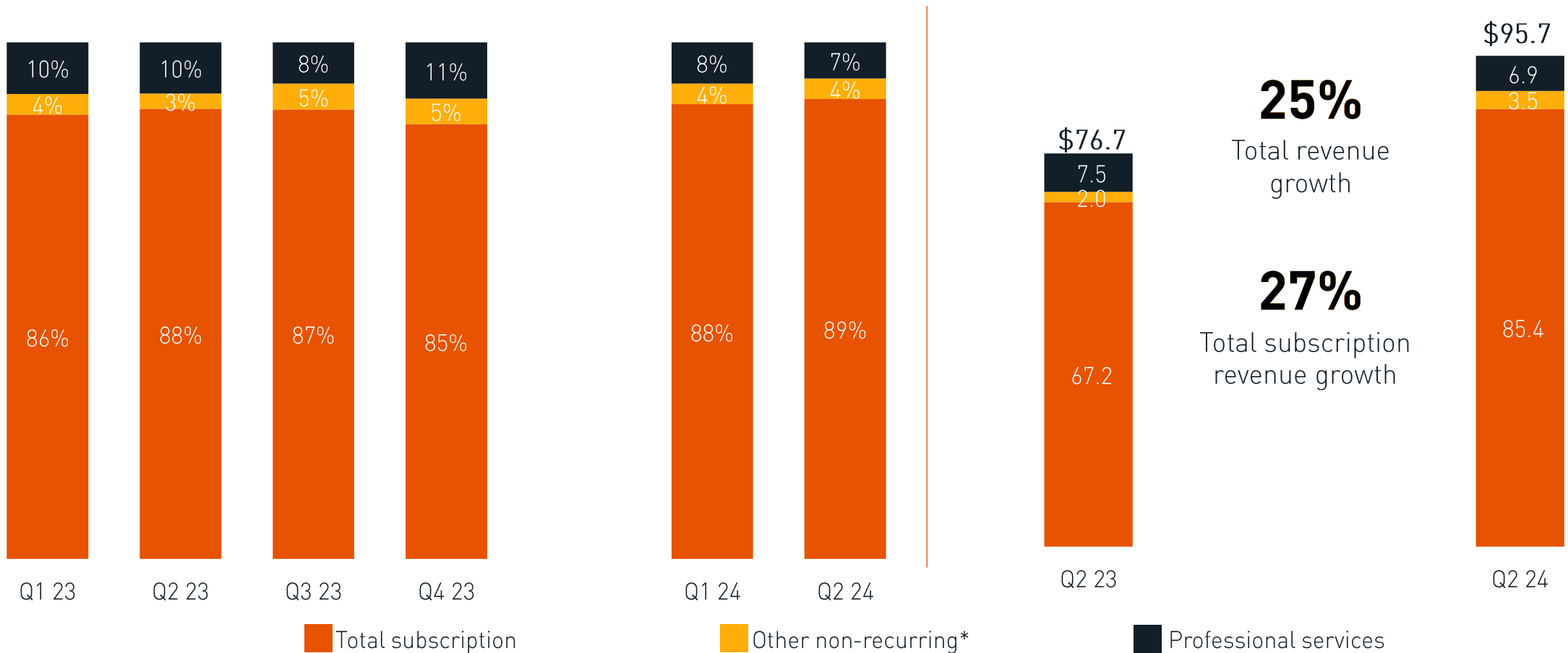


- ★ **Q224 ARR grew 26%**
- ★ **Gross retention ~91%**
- ★ **Existing customer expansion fuels most of the ARR growth**
- ★ **New logos contribute ~2% percentage points to ARR expansion**

## ARR GROWTH (\$ in millions)



# REVENUE GROWTH DRIVEN BY SUBSCRIPTION

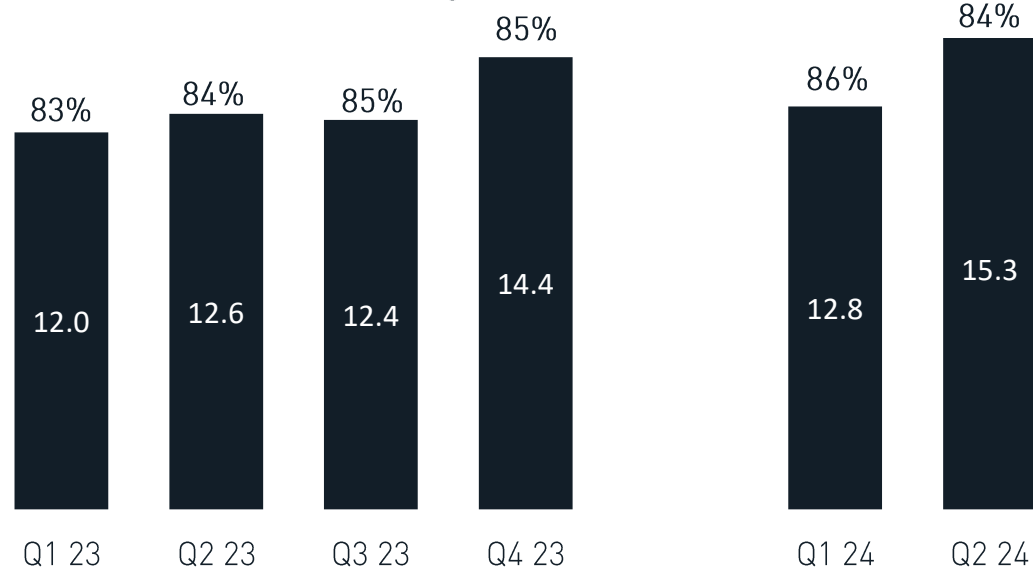


Note: Numbers may not total 100% due to rounding.

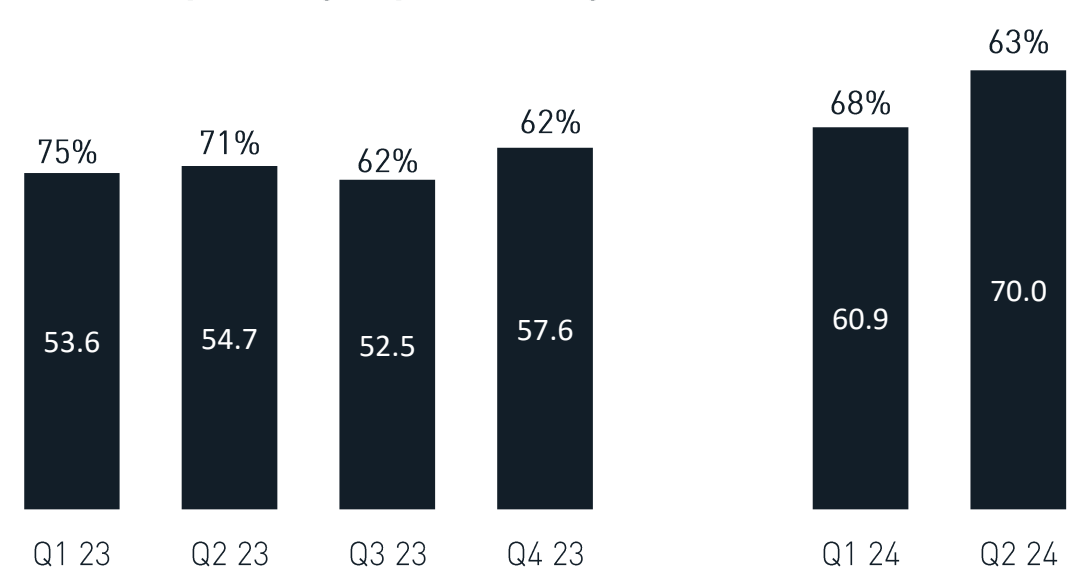
Note: Numbers may not total due to rounding.

# GROSS MARGIN AND OPERATING COSTS

Cost of Goods Sold (Non-GAAP, \$M) and Gross Margin (Non-GAAP, %)



Operating Expense (Non-GAAP, \$M) and Operating Expense Margin (Non-GAAP, %)



**1,004**

Headcount Dec-22



**1,008**

Headcount Dec-23



**1,077**

Headcount Jun-24



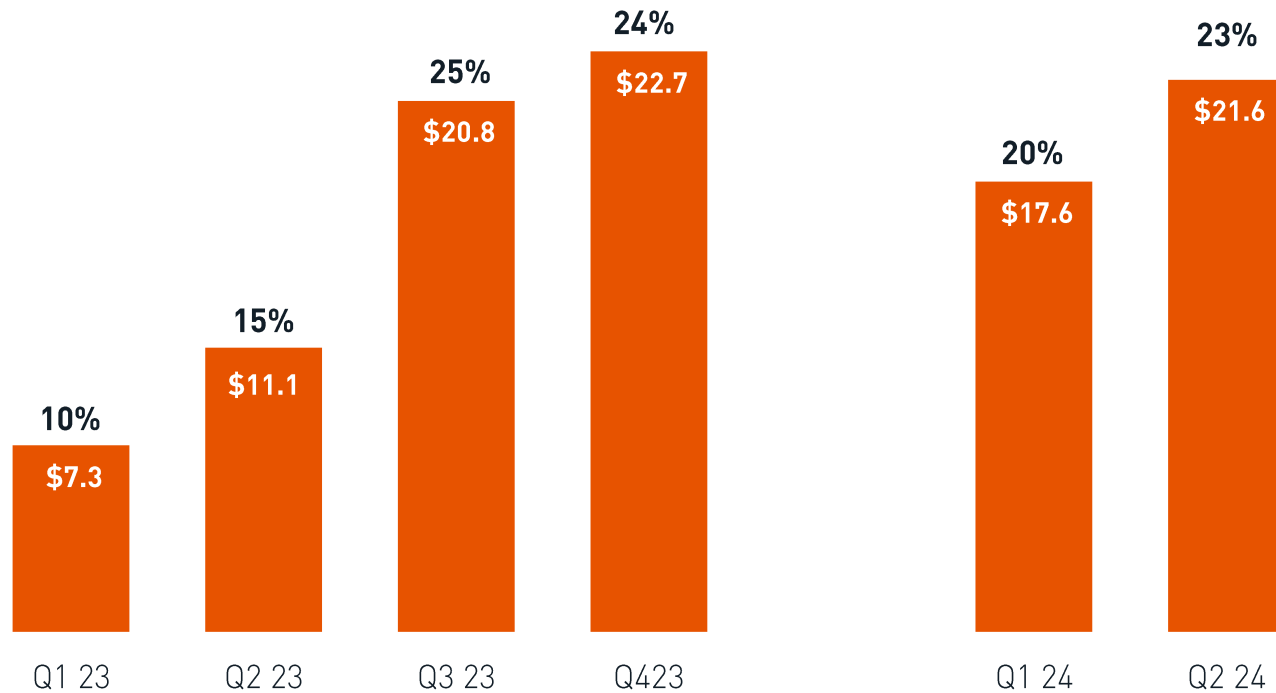
**1,150**

Target Headcount Dec-24

Note: non-GAAP metrics and key performance indicators defined in the appendix along with a reconciliation between the non-GAAP metric and its most applicable GAAP measure.

# ADJUSTED EBITDA & CASH POSITION

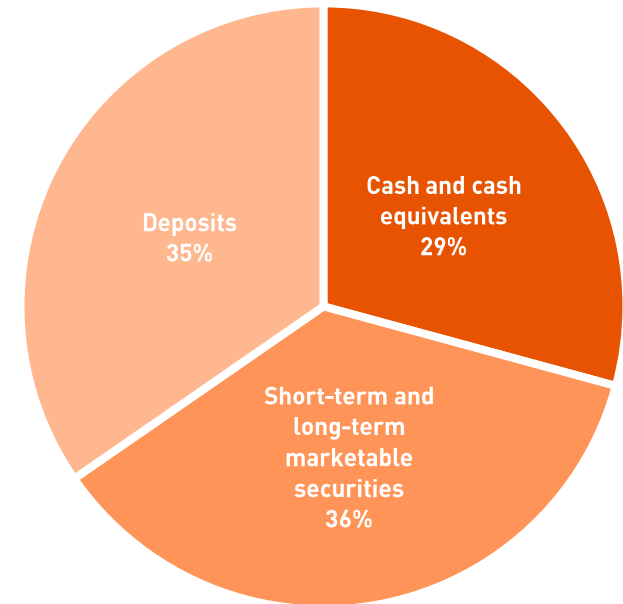
Adjusted EBITDA (Non-GAAP, \$M) and Adjusted EBITDA Margin (Non-GAAP, %)



Cash Position

**\$366.0M (6/30/24)**

+\$18.7M from Q1 24 | +\$121.4 from Q2 23



Note: non-GAAP metrics and key performance indicators defined in the appendix along with a reconciliation between the non-GAAP metric and its most applicable GAAP measure.

# FINANCIAL FORECAST

	2023A	Q3 '24 EXPECTATIONS (AS OF 8/15/24)	FY '24 EXPECTATIONS (AS OF 8/15/24)
ARR	\$316M	\$366M - \$374M	\$388M - \$400M
ARR Growth (y/y)	+27%	+24% - +27%	+23% - +27%
Revenue	\$325M	\$100M - \$104M	\$390M - \$398M
Revenue Growth (y/y)	+20%	+19% - +24%	+20% - +22%
Adjusted EBITDA*	\$61.9M	\$25M - \$29M	\$90M - \$95M
Adjusted EBITDA Margin*	19.1%	25% - 28%	23% - 24%

# Q&A



# APPENDIX



# FINANCIAL SUMMARY

**Q2 '24 & Q2 '23**  
**1H '24 & 1H '23**

(U.S Dollars in thousands)

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	95,714	76,684	185,296	147,918
Gross profit	79,453	63,653	155,771	122,481
Gross margin	83.0%	83.0%	84.1%	82.8%
Operating income	12,487	4,623	21,734	4,759
Operating margin	13.0%	6.0 %	11.7%	3.2 %
Net loss	(23,811)	(32,348)	(95,183)	(72,953)
Cash flow from operating activities	14,513	16,576	24,554	29,052
<b>Non-GAAP Financial Data:</b>				
Operating income	19,806	9,395	35,685	15,048
Operating margin	20.7%	12.3 %	19.3%	10.2%
Net income	22,925	10,715	39,791	17,614
Adjusted EBITDA	21,618	11,124	39,250	18,428
Adjusted EBITDA margin	22.6%	14.5%	21.2%	12.5%



# COST OF REVENUE AND GROSS PROFIT

## RECONCILIATION Q2 '24 AND Q2 '23 1H '24 AND 1H '23

(U.S Dollars in thousands)

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of revenues	\$ 16,261	\$ 13,031	\$ 29,525	\$ 25,437
Less:				
Share based compensation	663	414	1,093	800
Acquisition related costs	—	14	2	27
Non-GAAP cost of revenues	\$ 15,598	\$ 12,603	\$ 28,430	\$ 24,610

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross profit	\$ 79,453	\$ 63,653	\$ 155,771	\$ 122,481
Share based compensation	663	414	1,093	800
Acquisition related costs	—	14	2	27
Non-GAAP gross profit	\$ 80,116	\$ 64,081	\$ 156,866	\$ 123,308

# OPERATING EXPENSE & OPERATING INCOME

## RECONCILIATION Q2 '24 AND Q2 '23 1H '24 AND 1H '23

(U.S Dollars in thousands)

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating expenses	\$ 66,966	\$ 59,030	\$ 134,037	\$ 117,722
Less:				
Issuance expenses	—	(345)	—	(345)
Share based compensation	5,892	4,186	11,158	8,257
Amortization of intangible assets	764	840	1,691	1,636
Acquisition related costs	—	(337)	7	(86)
Non-GAAP operating expenses	\$ 60,310	\$ 54,686	\$ 121,181	\$ 108,260

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating income	\$ 12,487	\$ 4,623	\$ 21,734	\$ 4,759
Issuance expenses	—	(345)	—	(345)
Share based compensation	6,555	4,600	12,251	9,057
Amortization of intangible assets	764	840	1,691	1,636
Acquisition related costs	—	(323)	9	(59)
Non-GAAP operating income	\$ 19,806	\$ 9,395	\$ 35,685	\$ 15,048

# NET INCOME & EPS

## RECONCILIATION Q2 '24 AND Q2 '23 1H '24 AND 1H '23

(U.S Dollars in thousands)

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net loss	\$ (23,811)	\$ (32,348)	\$ (95,183)	\$ (72,953)
Issuance expenses	—	(345)	—	(345)
Share based compensation	6,555	4,600	12,251	9,057
Amortization of intangible assets	764	840	1,691	1,636
Acquisition related costs	—	(323)	9	(59)
Tax expense	837	131	604	1,325
Finance expense from financial derivatives	38,580	38,160	120,419	78,953
Non-GAAP net income	\$ 22,925	\$ 10,715	\$ 39,791	\$ 17,614
Non-GAAP Earnings per share:				
Basic	\$ 0.11	\$ 0.05	\$ 0.19	\$ 0.09
Diluted	\$ 0.10	\$ 0.05	\$ 0.18	\$ 0.08
Weighted average shares outstanding:				
Basic	198,949,594	188,130,294	197,840,662	187,239,136
Diluted	211,343,253	199,704,722	210,616,686	199,820,166

# ADJUSTED EBITDA

## RECONCILIATION Q2 '24 AND Q2 '23 1H '24 AND 1H '23

(U.S Dollars in thousands)

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net loss	\$ (23,811)	\$ (32,348)	\$ (95,183)	\$ (72,953)
Financial expense, net	34,502	36,051	113,078	74,826
Tax expense	1,796	920	3,839	2,886
Issuance expenses	—	(345)	—	(345)
Share based compensation	6,555	4,600	12,251	9,057
Amortization of intangible assets	764	840	1,691	1,636
Acquisition related costs	—	(323)	9	(59)
Depreciation expenses	1,812	1,729	3,565	3,380
Adjusted EBITDA	\$ 21,618	\$ 11,124	\$ 39,250	\$ 18,428

# DEFINITIONS

- 1. Annual Recurring Revenue:** Annual recurring revenue (ARR) is defined as the annualized value of active term-based subscription license contracts and maintenance contracts related to perpetual licenses in effect at the end of that period. Subscription license contracts and maintenance contracts for perpetual licenses are annualized by multiplying the revenue of the last month of the period by 12.
- 2. Subscription Revenue:** Is defined as revenue from recurring, term-based license contracts and ongoing services related to core offerings. Subscription revenue is recognized ratably over the subscription term with a portion of revenue, related to the term-based license, recognized upfront.

**THANK YOU**